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## **InterDigital Builds on Strategy, Announces Enhanced Technology Sourcing, Establishes Technology Solutions Unit**

***New Structure Emphasizes Focus on Partnerships and Industry Collaboration, Broadens Technology Areas, Lowers R&D Cost Going Forward***

WILMINGTON, Del.--(BUSINESS WIRE)-- InterDigital, Inc. (NASDAQ: IDCC) today announced a further expansion of the corporate strategy announced in January 2012, enhancing its technology sourcing, and establishing a unit dedicated to monetizing the company's market-ready technologies and research capabilities.

The expanded sourcing focus broadens the scope of technology areas addressed to better align the company's research and development efforts with the evolution of the mobile industry and recognizes the importance of external research partnerships as a supplement to internally funded research. In addition, this technology sourcing approach will contribute to lowering InterDigital's research and development expenditures going forward.

Scott McQuilkin, under the new title of Senior Executive Vice President, Innovation, will lead the technology sourcing efforts. His new role builds on his success in strengthening the company's finance and patent monetization efforts — most recently the company's \$375 million sale of a patent portfolio to Intel Corporation. The augmented sourcing function will be subdivided into two main areas:

- Innovation Partners, a new sourcing model based around partnerships with leading inventors and research organizations, as well as the acquisition of technology and patent portfolios that align with InterDigital's roadmap. Initially led by Mr. McQuilkin, InterDigital plans to augment its executive team with an experienced and recognized leader to head this new area.
- Innovation Labs, which will continue to pursue internally funded technology with the goal of further building the company's already strong portfolio of intellectual property. Led by James Nolan, Executive Vice President of Research and Development, Innovation Labs will focus on an ever-broadening field of mobile technologies in alignment with the evolution of the mobile industry, including machine-to-machine (M2M) communications, the emerging mobile Internet, video streaming, WiFi<sup>®</sup>, security and other areas.

In addition, the company announced the formation of InterDigital Solutions. The Solutions unit will focus on commercializing market-ready technologies that emerge from Innovation Labs — such as the company's Smart Access Manager, M2M technology, and SlimChip modem IP. InterDigital Solutions' mission adds a component to leverage InterDigital's technology and team to engage in strategic external research engagements that supplement the company's core research while acting as new sources of revenue. InterDigital Solutions will be led by Allen Proithis, Vice President, Business Development and Strategic Solutions.

"The mobile industry has seen overwhelming changes in technology, devices, usage and industry leadership and InterDigital's enhanced technology sourcing focus is designed to align the company with those changes," said William J. Merritt, President and Chief Executive Officer. "This approach to technology sourcing is a logical extension of our previously announced strategy of broadening our revenue sources, and provides the opportunity to build multiple pathways to market success."

"Our core licensing focus, and the technology portfolio and pipeline that sustain it, remain very strong. Our improved sourcing approach is expected to contribute additional technology areas to that effort, leading to new sources of monetization. The formation of InterDigital Solutions, while supplementing those efforts, should achieve greater leverage of our technology resources and research team to drive new sources of revenue," added Mr. Merritt.

Under the new innovation sourcing structure, the company plans to reduce core funded development spending in 2013 by \$15-20 million from its year-to-date annualized run rate of approximately \$68 million. Additional development spending will be associated with customer agreements secured by InterDigital Solutions. InterDigital expects the overall level of intellectual property generated or obtained by the company to continue to remain very strong based on the added contributions from the refocused innovation structure.

Moreover, as part of its ongoing expense management, InterDigital initiated a voluntary early retirement program in September 2012. This program rewards longtime contributors to the company's success while enabling the company to refocus resources on targeted new research areas. The company anticipates that the program will result in more than \$10 million of reduced

annual expenses beginning in 2013, including savings of approximately \$6 million in development-related expenditures. The company expects to recognize a related charge of approximately \$10-12 million, the majority of which will be recognized in fourth quarter 2012.

## **About InterDigital®**

InterDigital develops fundamental wireless technologies that are at the core of mobile devices, networks, and services worldwide. We solve many of the industry's most critical and complex technical challenges, inventing solutions for more efficient broadband networks and a richer multimedia experience years ahead of market deployment. InterDigital has licenses and strategic relationships with many of the world's leading wireless companies. For more information, visit: [www.interdigital.com](http://www.interdigital.com).

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## **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include information regarding the company's current beliefs, plans and expectations, including, without limitation: (i) the company's plan that its expanded technology sourcing approach will contribute to lowering InterDigital's research and development expenditures going forward; (ii) the company's plans to augment its executive team with an experienced and recognized leader to head the Innovation Partners area; (iii) the company's goal to further build the company's already strong portfolio of intellectual property through pursuing internally funded technology; (iv) the company's plan to leverage InterDigital's technology and team to engage in strategic external research engagements that supplement the company's core research while acting as new sources of revenue; (v) the company's belief that its approach to technology sourcing provides the opportunity to build multiple pathways to market success; (vi) the company's expectation that its improved sourcing approach will contribute additional technology areas that lead to new sources of monetization; (vii) the company's belief that the formation of InterDigital Solutions should achieve greater leverage of its technology resources and research team to drive new sources of revenue; (viii) the company's plan to reduce core funded development spending in 2013 by \$15-20 million from its year-to-date annualized run rate of approximately \$68 million, and to have additional development spending associated with customer agreements secured by InterDigital Solutions; (ix) the company's expectation that the overall level of intellectual property generated or obtained by the company will continue to remain very strong based on the added contributions from the refocused innovation structure; (x) the company's expectation that the voluntary early retirement program will result in more than \$10 million of reduced annual expenses beginning in 2013, including savings of approximately \$6 million in development-related expenditures; and (xi) the company's expectation that it will recognize a charge related to the program of approximately \$10-12 million, the majority of which will be recognized in fourth quarter 2012. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "forecast," "will," "continue to," "should," variations of any such words or similar expressions 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, those identified in this press release, as well as the following: (i) the company's ability to enter into partnerships with leading inventors and research organizations and identify and acquire technology and patent portfolios that align with InterDigital's roadmap; (ii) the company's inability to identify and hire a suitable leader to head the Innovation Partners area; (iii) the ability of InterDigital Solutions to commercialize the company's technologies and enter into customer agreements; (iv) the failure of the markets for the company's current or new technologies to materialize to the extent or at the rate that it expects; (v) unexpected delays or difficulties related to the development of the company's technologies; (vi) changes in expected research and development costs; (vii) unanticipated costs related to the early retirement program; and (viii) changes in the company's business strategy.

The company undertakes 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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