



	Annual Estimates (fiscal year ends Dec. 31)						
	FY07	FY08	% Chg	FY08E	% Chg	FY10E	% Chg
Revenues	234.23	228.47	-2.5%	285.29	29.2%	311.31	5.4%
Sales and marketing expense	7.83	9.16		10.70		11.21	
General and administrative expense	24.21	26.58		23.25		24.28	
Patents administration and licensing expense	67.59	58.89		56.16		53.54	
Development expense	87.14	101.25		66.34		68.49	
Repositioning expense	-	-		-		-	
One-time items	24.41	(3.24)		45.00		-	
Total operating expenses	211.18	192.64		201.45		157.52	
Operating income	23.05	35.83		93.84		153.79	
Net interest & other investment income	8.95	4.13		3.84		5.90	
Pre-tax income	32.00	39.96		97.68		159.29	
Income tax provision (benefit)	12.00	13.76		34.19		55.75	
Insurance reimbursement (net of tax)	-	4.00		-		-	
Non-GAAP Net income	35.87	20.11		92.74		103.54	
Net income	20.00	26.21		63.49		103.54	
Shares outstanding	49.49	45.98		43.20		43.20	
GAAP EPS	\$ 0.40	\$ 0.57	41.0%	\$ 1.47		\$ 2.40	
Non-GAAP EPS	\$ 0.72	\$ 0.44		\$ 2.15		\$ 2.40	
Adjusted EPS				\$ 0.72			
Operating Data							
Sales and marketing expense as a % of revenue	3.3%	4.0%		3.6%		3.6%	
G&A expense as a % of revenue	10.3%	11.6%		7.9%		7.8%	
Patent admin & licensing expenses as a % of revenue	28.9%	25.8%		19.0%		17.2%	
Development expense as % of revenue	37.2%	44.3%		22.5%		22.0%	
Operating margin	9.8%	15.7%		31.8%		49.4%	
Net margin	8.5%	11.5%		21.5%		33.3%	
Tax rate	37.5%	34.4%		35.0%		35.0%	
Stock-based compensation expense	\$ 9.8	\$ 12.1		\$ 12.15		\$ 12.1	
Balance Sheet Data							
Cash and short-term investments	177.47	141.66		310.74		590.84	
Accounts receivable	130.88	33.89		42.78		45.10	
Current deferred tax assets	43.73	49.00		49.00		49.00	
Other current assets	19.33	16.47		20.79		21.91	
Total current assets	371.41	241.02		423.32		706.86	
Property & equipment and Patents	111.69	123.78		100.45		79.10	
Long term deferred tax assets and other assets	51.79	40.97		40.97		40.97	
Total assets	534.89	405.77		564.73		826.92	
Current portion of long-term debt	1.31	1.61		1.61		1.61	
Accounts payable & accrued liabilities	76.97	46.28		47.10		49.66	
Current deferred revenue	78.90	78.65		99.28		104.86	
Total current liabilities	157.18	126.54		147.99		155.93	
Long-term deferred revenue	224.55	181.06		279.06		429.06	
Long-term debt & long-term liabilities	16.09	10.52		13.27		13.99	
Total liabilities	397.82	318.11		440.32		598.98	
Stockholders' equity	137.07	87.66	-36.0%	124.41	41.9%	227.94	83.2%
Other Data							
Retained earnings (accumulated deficit)	133.26	159.47		222.97		326.50	
Depreciation and amortization	31.81	33.95		33.95		33.95	
Capital expenditures and technology licenses	38.27	12.61		12.61		12.61	
Patent additions	23.95	28.22		20.00		20.00	
Book value per share	2.77	1.91		2.88		5.28	
Cash per share	3.59	3.08		7.19		13.68	
Current ratio	2.36	1.90		2.86		4.53	
Return on equity (ROE)	9.7%	23.3%		59.9%		58.8%	
Cash flow from operating activities	\$ 152.73	\$ 85.81		\$ 199.35		\$ 285.14	
Free cash flow	\$ 91.27	\$ 44.99		\$ 166.75		\$ 262.54	

	Interdigital Communications (3/30/09)					
	(US\$ in millions, except per share data)					
Revenues	74.07	74.07	74.37	74.07	74.07	74.07
Sales and marketing expense	2.59	2.60	2.60	2.59	2.59	2.59
General and administrative expense	5.78	5.80	5.80	5.78	5.78	5.78
Patents administration and licensing expense	12.22	15.25	12.22	12.22	12.22	12.22
Development expense	14.81	14.87	14.87	14.81	14.81	14.81
Repositioning expense	-	-	-	-	-	-
One-time items	-	-	-	-	-	-
Total operating expenses	35.41	38.52	35.41	35.41	35.41	35.41
Operating income	38.66	35.84	38.66	38.66	38.66	38.66
Net interest & other investment income	1.20	1.00	1.20	1.20	1.20	1.20
Pre-tax income	39.86	36.84	39.86	39.86	39.86	39.86
Income tax provision (benefit)	13.95	12.90	13.95	13.95	13.95	13.95
Insurance reimbursement (net of tax)	25.91	23.95	25.91	25.91	25.91	25.91
Non-GAAP Net income	25.91	23.95	25.91	25.91	25.91	25.91
Net income	25.91	23.95	25.91	25.91	25.91	25.91
Shares outstanding	43.20	43.20	43.20	43.20	43.20	43.20
GAAP EPS	\$ 0.60	\$ 0.55	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60
Non-GAAP EPS	\$ 0.60	\$ 0.55	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60
Adjusted EPS	\$ 0.41	\$ 0.37	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41
Operating Data						
Sales and marketing expense as a % of revenue	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
G&A expense as a % of revenue	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
Patent admin & licensing expenses as a % of revenue	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%
Development expense as % of revenue	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Operating margin	48.2%	44.7%	48.2%	48.2%	48.2%	48.2%
Net margin	32.2%	32.2%	32.2%	32.2%	32.2%	32.2%
Tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Stock-based compensation expense	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37
Balance Sheet Data						
Cash and short-term investments	310.74	315.43	310.74	310.74	310.74	310.74
Accounts receivable	42.78	42.95	42.78	42.78	42.78	42.78
Current deferred tax assets	49.00	49.00	49.00	49.00	49.00	49.00
Other current assets	20.79	20.87	20.79	20.79	20.79	20.79
Total current assets	423.32	428.25	423.32	423.32	423.32	423.32
Property & equipment and Patents	100.45	106.24	100.45	100.45	100.45	100.45
Long term deferred tax assets and other assets	40.97	40.97	40.97	40.97	40.97	40.97
Total assets	564.73	575.46	564.73	564.73	564.73	564.73
Current portion of long-term debt	1.61	1.61	1.61	1.61	1.61	1.61
Accounts payable & accrued liabilities	47.10	47.29	47.10	47.10	47.10	47.10
Current deferred revenue	99.28	99.68	99.28	99.28	99.28	99.28
Total current liabilities	147.99	148.58	147.99	147.99	147.99	147.99
Long-term deferred revenue	279.06	309.06	279.06	279.06	279.06	279.06
Long-term debt & long-term liabilities	13.27	13.33	13.27	13.27	13.27	13.27
Total liabilities	440.32	470.96	440.32	440.32	440.32	440.32
Stockholders' equity	124.41	104.50	124.41	124.41	124.41	124.41
Other Data						
Retained earnings (accumulated deficit)	222.97	197.05	222.97	222.97	222.97	222.97
Depreciation and amortization	8.79	8.79	8.79	8.79	8.79	8.79
Capital expenditures and technology licenses	3.00	3.55	3.00	3.00	3.00	3.00
Patent additions	6.00	5.14	6.00	6.00	6.00	6.00
Book value per share	2.88	2.42	2.88	2.88	2.88	2.88
Cash per share	7.19	7.30	7.19	7.19	7.19	7.19
Current ratio	2.86	2.88	2.86	2.86	2.86	2.86
Return on equity (ROE)	90.6%	100.7%	90.6%	90.6%	90.6%	90.6%
Cash flow from operating activities	\$ 117.71	\$ (11.71)	\$ 8.07	\$ (0.93)	\$ (0.93)	\$ (0.93)
Free cash flow	\$ (20.39)	\$ (20.39)	\$ (0.93)	\$ (0.93)	\$ (0.93)	\$ (0.93)

	Quarterly Estimates					
	1Q08	2Q08	3Q08E	4Q08E	1Q09E	2Q09E
Revenues	56.68	55.06	56.68	56.68	56.68	56.68
Sales and marketing expense	2.87	1.86	2.87	2.87	2.87	2.87
General and administrative expense	9.70	5.71	9.70	9.70	9.70	9.70
Patents administration and licensing expense	10.09	13.31	10.09	10.09	10.09	10.09
Development expense	31.29	24.09	31.29	31.29	31.29	31.29
Repositioning expense	-	-	-	-	-	-
One-time items	-	(2.74)	-	-	-	-
Total operating expenses	53.94	42.01	53.94	53.94	53.94	53.94
Operating income	4.74	13.05	4.74	4.74	4.74	4.74
Net interest & other investment income	0.64	1.12	0.64	0.64	0.64	0.64
Pre-tax income	5.38	14.17	5.38	5.38	5.38	5.38
Income tax provision (benefit)	1.55	4.96	1.55	1.55	1.55	1.55
Insurance reimbursement (net of tax)	3.83	7.43	3.83	3.83	3.83	3.83
Non-GAAP Net income	3.83	9.21	3.83	3.83	3.83	3.83
Net income	3.83	9.21	3.83	3.83	3.83	3.83
Shares outstanding	44.34	45.81	44.34	44.34	44.34	44.34
GAAP EPS	\$ 0.09	\$ 0.20	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09
Non-GAAP EPS	\$ 0.09	\$ 0.16	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09
Adjusted EPS	\$ 0.09	\$ 0.16	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09
Operating Data						
Sales and marketing expense as a % of revenue	4.3%	3.5%	3.4%	4.9%	3.4%	3.4%
G&A expense as a % of revenue	10.1%	9.7%	10.0%	16.5%	9.7%	9.7%
Patent admin & licensing expenses as a % of revenue	26.9%	34.8%	24.2%	17.2%	24.2%	24.2%
Development expense as % of revenue	41.4%	38.6%	43.7%	53.3%	43.7%	43.7%
Operating margin	18.2%	13.4%	23.7%	8.1%	18.2%	18.2%
Net margin	13.1%	10.0%	16.7%	6.5%	13.1%	13.1%
Tax rate	35.5%	35.5%	35.0%	28.8%	35.0%	35.0%
Stock-based compensation expense	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0
Balance Sheet Data						
Cash and short-term investments	141.66	187.67	141.66	141.66	141.66	141.66
Accounts receivable	33.89	30.96	33.89	33.89	33.89	33.89
Current deferred tax assets	49.00	43.73	49.00	49.00	49.00	49.00
Other current assets	16.47	11.18	16.47	16.47	16.47	16.47
Total current assets	241.02	280.60	241.02	241.02	241.02	241.02
Property & equipment and Patents	100.45	114.37	100.45	100.45	100.45	100.45
Long term deferred tax assets and other assets	40.97	44.52	40.97	40.97	40.97	40.97
Total assets	405.77	446.46	405.77	405.77	405.77	405.77
Current portion of long-term debt	1.61	1.60	1.61	1.61	1.61	1.61
Accounts payable & accrued liabilities	46.28	49.24	46.28	46.28	46.28	46.28
Current deferred revenue	78.65	82.89	78.65	78.65	78.65	78.65
Total current liabilities	126.54	133.73	126.54	126.54	126.54	126.54
Long-term deferred revenue	181.06					

## InterDigital, Inc.

IDCC

1) 11/06/07	2) 11/27/07	3) 05/08/08
Strong Buy \$34	Neutral \$19	Neutral NA

**Disclosure Section**

As of 01/05/09, Davenport's ratings of covered companies were distributed as follows: 50.7% Buy, 43.5% Neutral, 5.8% Sell  
 As of 01/05/09, Davenport's percentages of covered companies that were investment banking clients within the past 12 months by rating were: 6.4% Buy, 3.0% Neutral, 0.0% Sell

**Companies Mentioned in this Report and Associated Disclosures**

InterDigital, Inc. (IDCC - NASDAQ):None; Samsung (SSNNF.PK): NA; Nokia (NOK - NYSE): None

**Description of Rating System**

- Strong Buy** These shares are viewed as compelling short and long-term investment opportunities. We expect these shares to materially outperform the market over the next 12 months. Aggressive purchase is recommended at current prices.
- Buy** These shares offer attractive long-term appreciation potential from current prices. We would expect these shares to outperform the market over a longer-term horizon and long-term investors can buy at current prices.
- Neutral** These shares should perform roughly in-line with the current market. We neither encourage the purchase nor the sale of these securities at current prices.
- Reduce/Sell** These shares have more downside risk than upside potential at current prices. We expect these shares to underperform the market at current prices.

**Risk Profile Considerations**

This risk classification has been determined primarily from considering the level and predictability of earnings, the volatility of the stock relative to the market, applicable debt ratings, the composition and level of the company's capital structure, the dependence on key customers, and other relevant risk considerations.

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- A3** The Research Analyst or a member of the Analyst's household has options on the common stock of the subject company.
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- S/C** The subject company was a non-investment banking – securities related services client of Davenport or its affiliates for which compensation was received during the past 12-months.

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- SCC** The Research Analyst received non-investment banking related compensation from the subject company in the past 12 months.
- U** Davenport or its affiliates managed or co-managed a public offering of securities for the subject company in the past 12 months.
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Bennett Notman, CFA, Jonathon Skeels