

Interdigital Inc Pa

Information Technology/Communications Equip

NASDAQ **IDCC**

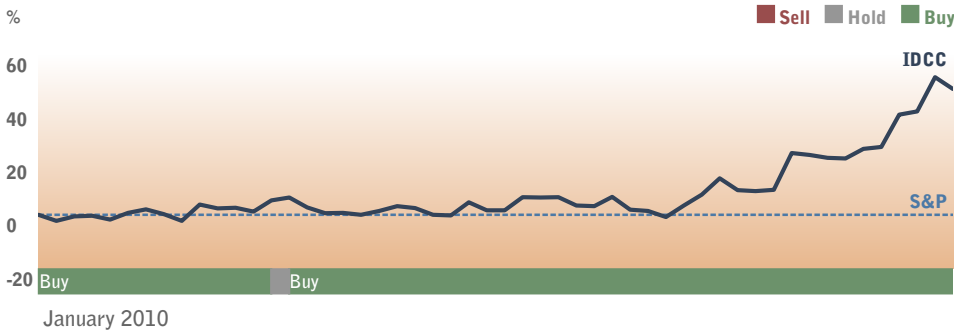
\$41.64

Current Columbine Rating
As of 04/10/10
Previous Rating
04/03/10

BUY

HOLD

IDCC has Outperformed the S&P by 47.11 percentage points



Columbine's Investment Approach

Columbine Capital projects that IDCC will outperform the market over the next 12 months and recommends that investors buy it and hold until we recommend a sell. Columbine evaluated IDCC by comparing the company to its peers on the individual investment factors listed below. The Factor Impact rating beside each measure indicates the significance of that particular factor's ranking to our recommendation. You'll find more about the Columbine Capital analytical process on page 3.

Columbine Recommendation Methodology

Factor Impact	Factor Attractiveness	Description
Highest	Industry Momentum is Neutral	Being in a strong-performing industry can have a carry-over effect that influences the investment prospects of the individual stocks. We measure the performance of a company's industry group over the past year in comparison to the market as a whole.
	Return On Equity is Very High	A measure of the rate of return on the ownership interest of the common stockholders. Return on equity reveals how much profit a company generates with the money shareholders have invested. In most sectors higher return on equity is better for future stock performance.
High	Cash Flow is Attractive	Positive cash flow gives a company funds for internal expansion, acquisitions, dividend payments, etc. Our evaluation looks at a company's cash flow over the past four quarters. Stocks favored by this measure have the highest cash flow available for their price.
	Long-Term Earnings Growth is Very Positive	Companies with long-term growth in earnings tend to be financially secure and have proven themselves over time. For investors, the critical question is, "How much do I have to pay to get that growth?" We compare a company's EPS growth to its current stock price.
Modest	Price Action is Positive	The Columbine methodology likes to see confirmation from relative strength when buying. If the firm's financial fundamentals are in accord, these companies should continue to perform well. Our measure compares a stock's risk-adjusted performance with that of the market over the past year.
	Recent Earnings were Not Meaningful	Exceeding Wall Street's earnings expectations ("surprise") suggests that prospects for the company may be even better than expected. Falling short of the expectation (a "disappointment") is often punished by investors. We compare a company's EPS announcement for the latest quarter to the consensus earnings expectation.
	Estimate Trends are Very Positive	Companies that are the subject of increasingly improving earnings forecasts tend to find favor with investors. We evaluate the changes over the past sixty days in Wall Street analysts' estimates of a company's future earnings using measures of diffusion, magnitude, and extremes.
Low	Book Value is Very Unfavorable	Companies with high book values and low stock prices can be considered as cushioned against severe declines by their intrinsic liquidation value. We compare the accounting value of a company to its current stock price in the form of a book value-to-price ratio.
	Recent EPS Change is Unattractive	Many investors react strongly to short-term changes in company earnings. We analyze recent changes in a company's quarterly EPS compared to its current stock price. This measure favors companies that have produced recent advances in earnings at reasonable stock prices.
Lowest	Reported Earnings are Very Undervalued	Undervalued companies, with relatively high earnings for their market price, represent profit opportunities in most sectors. We compute an earnings yield measure by dividing the company's most recent four quarters of reported earnings by its current stock price.
	Forecast Earnings are Very Undervalued	The expected return (in earnings) for the purchase price of a company's stock is one of the most basic measures of a firm's intrinsic value. We evaluate potential earning power by dividing the consensus earnings estimates from Wall Street's analysts by the current stock price.

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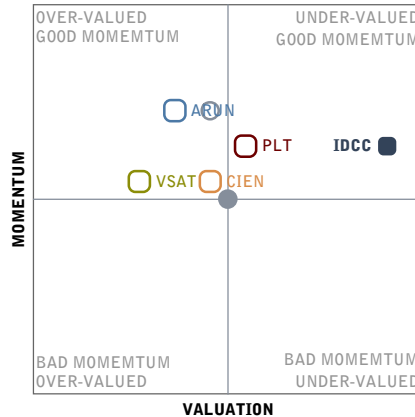
\$41.64

Current Columbine Rating
As of 04/10/10

BUY

Comparing IDCC to its Industry Peers

Presenting individual firms on their overall measures of valuation (current worth) and momentum (rates of change) provides a quick visual comparison of companies on these two key investment characteristics. Generally, under-valued stocks that exhibit strong positive momentum in earnings and prices (upper-right quadrant of the graph) are the most attractive issues. Investors with different objectives, however, may care more about good valuation ratings, or just strong momentum.



- IDCC Interdigital Inc Pa
- PLT Plantronics, Inc.
- VSAT Viasat, Inc.
- CIEN Ciena Corporation
- ARUN Aruba Networks Inc
- Median Stock
- Industry Group

Company Financials

Valuation Measures

Book Value per Share	\$7.35
Book Value-to-Price Rating	14
Cash Flow per Share	\$11.33
Cash Flow-to-Price Rating	66
Dividend Yield - close	1.00%
Return on Equity Rating	96
Trailing Earnings Yield	7.83%
Trailing Earnings Yield Rating	81

Momentum Measures

12-Month Price Change	56.78%
Price Action Rating	87
Industry Momentum Rating	64
Recent EPS Change Rating	37
Long-term EPS Growth Rating	87

Forecast Earnings

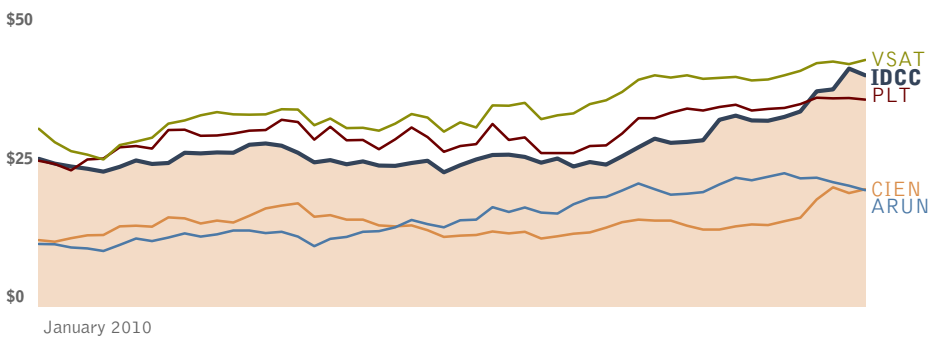
Estimated Earnings Yield Rating	81
Estimate Revision Rating	89
Earnings Surprise Rating	40

Columbine Capital's ratings of company financials are expressed as percentiles relative to all US stocks (100 = Best, 1 = Worst). For example, a rating of 80 indicates that only 20% of US companies are more attractive on a given analytical measure

Earnings Per Share

Year Ended Dec.31	QUARTERLY				ANNUAL
	Q4 2009	Q1 2010	Q2 2010	Q3 2010	2010
Earnings Per Share (\$)	0.61	1.09	0.78	0.79	3.27

Comparing IDCC to its Industry Peers



	Market Cap. (\$ Billions)	Latest Price (\$)	Ticker	Company
●	1.90B	41.64	IDCC	Interdigital Inc Pa
●	1.79B	37.22	PLT	Plantronics, Inc.
●	1.79B	44.41	VSAT	Viasat, Inc.
●	1.92B	21.05	CIEN	Ciena Corporation
●	2.14B	20.88	ARUN	Aruba Networks Inc

About Columbine Capital

Columbine Capital Services, Inc. is an independent equity research firm with offices in Colorado Springs, Colorado. Founded in 1976 by the firm's president, John S. Brush, PhD, Columbine provides quantitative research and consulting services to professional money managers and large institutions worldwide. Following the firm's philosophy that winning investment strategies are based on facts, not theories, Columbine has been conducting original studies into the historical sources of stock return for decades. This knowledge provides the foundation for a disciplined, step-by-step analytical process that allows direct comparisons between companies.

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NASDAQ IDCC | \$41.64

Current Columbine Rating **BUY**
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Columbine Capital's Recommendation Methodology

Columbine's recommendations are the product of a disciplined, consistent company evaluation methodology developed through the firm's own intensive studies of the fundamental sources of stock performance in all kinds of markets. This hard-earned knowledge provides the foundation for a step-bystep analytical process that allows direct comparisons between one company and another.

1. Identify the fundamentals that explain a company's past market performance. Knowledge is the foundation of Columbine's research process. The firm has been conducting original studies into the historical sources of stock return since the 1970s. As a result, we are able to identify the particular characteristics that have the greatest impact on companies' future market performance, and to assess how that impact differs from company to company and in different market environments.
2. Evaluate each company's current status on those fundamentals. Each firm is analyzed on multiple fundamental criteria. These are proven measures of a company's business value, its long-term growth characteristics, and the behavior profile of its investors.

3. Apply the appropriate analytical framework. This framework – the product of an in-depth historical analysis by Columbine's research team – specifies how much importance to attach to a particular company's current status on each of the individual fundamental criteria. When all of these measures are positive, a company clearly will receive a high rating. However, because Columbine's approach combines these measures in complex ways, a stock's attractiveness in some areas may outweigh neutral or negative ratings in others.

4. Evaluate the company's return potential against its peers. Following the principles of the analytical framework, Columbine synthesizes each company's individual measures of valuation into an overall forecast of the company's market return potential over the next twelve months. Each stock is ranked relative to its peers on this forecast and the result forms the basis for Columbine's Recommendation.

5. Ongoing research to adjust the process. Markets evolve over time, gradually changing their pattern of rewarding some company characteristics and punishing others. Columbine continuously updates its historical studies and adjusts the firm's evaluation process appropriately to maintain the firm's research edge.

Disclosures

This report offers equity recommendations and related return estimates from Columbine Capital Services, Inc. to investors and their advisors. It uses a three-class Buy-Hold-Sell rating system that is an adaptation from the firm's quantitative ratings. Columbine Capital uses the terms below to rate a stock's relative 12-month performance

- Buy:**Expected to outperform the market, producing above-average returns
- Hold:**Expected to perform in line with the market with average returns
- Sell:**Expected to underperform the market, producing below-average returns

All investment conclusions and the discussions explaining these decisions are from Columbine Capital Services, Inc. They accurately reflect the results of Columbine Capital's proprietary research analysis and systematic selection approach. No part of analyst compensation was, is or will be directly or indirectly, related to the specific views or recommendations expressed in this research report

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