

The Depository Trust Company
IMPORTANT

B#: 3382
DATE: May 09, 2002
TO: All Participants
CATEGORY: Dividends
FROM: Nilesh Desai, Supervisor, Dividend Department
ATTENTION: Dividend Managers, Cashiers and Reorganization Managers
SUBJECT: Optional Dividend: InterDigital Communications Corp.\$ 2.50
Cum. Cv. Pfd CUSIP#: 45866A204 R/D: 04/23/02 P/D: 06/03/02
Rate: \$1.25 per Pfd. share in Cash or Common Stock & CIL
(Common Stock CUSIP#: 45866A105) DTC Cut-off: 05/23/2002

***** WARNING TIME CRITICAL *****

Participants who have positions in the above captioned Preferred Security can elect to receive the dividend distribution of \$1.25 per Preferred Share in cash or Common Stock as follows:

OPTION #1: You may elect to receive shares of Common Stock of InterDigital Communications Corporation (CUSIP#: 45866A105) for the total dividend of \$1.25 per Preferred Share. The number of shares of Common Stock to be issued to a Record Holder will be calculated by dividing the aggregate dividend on the shares held by such Record Holder by the Common Stock's average closing sale price for the 10 consecutive trading days ending on May 24, 2002, subject to potential adjustment on the basis of the Common Stock's market price and trading volume for the 20 consecutive trading days ending May 24, 2002 and the number of shares of Common Stock to be issued in payment of the dividend. Any fractional shares of Common Stock resulting from such calculations will be paid in cash.

OPTION #2: You may elect to receive \$1.25 in cash per Preferred Share owned.

PARTICIPANTS SHOULD SUBMIT ELECTION INSTRUCTIONS OVER THE PARTICIPANT TERMINAL SYSTEM (PTS) THROUGH THE ELECTIVE DIVIDEND SYSTEM (EDS) FUNCTION.

-Over-

B#:

3382

Participants not responding to the above option by 05/23/2002, will receive the mandatory option in accordance with Option #1 (Common Stock with cash in lieu of fractional shares).

To confirm record date positions, participants should access the Dividend and Allocation History (DPAL) option, via the PTS Dividend Announcements Inquiry (DIVA) Function.

If there are any questions regarding this Important Notice or the processing of related instructions via EDS, participants should contact Mr. John Pastorino or Mr. Ray Lew of DTC's Stock Dividend Department at (212) 855-4517/4523.