

ParkerVision, Inc.

Not Simply Pushing, but Breaking the RF Rules!

BUY Target - \$11.00	NASDAQ PRKR - \$7.64 (11/07/05 closing)	Wireless Components, Infrastructure, & IP
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Market Profile

52-Week Range	\$13.27-\$3.70	Insider Holdings	33.3%
Avg. Daily Volume (3-month)	44.4 K	Institutional Owner	22.2%
Shares Outstanding	20.9 MM	Total Assets	\$27.9 MM
Market Capitalization	\$159.7 MM	Book Value Per Share	\$1.22
Floating Market Cap.	NA	Revenue (LTM)	\$744 K
Enterprise Value	\$141.8 MM	OIBDA (LTM)	(\$22.2 MM)

Earnings/Share

	1Q/Mar	2Q/Jun	3Q/Sep	4Q/Dec	Fiscal Year	Fiscal P/E
2004	(\$0.22)A	(\$0.22)A	(\$0.28)A	(\$0.38)A	(\$1.10)A	NM
2005	(\$0.26)A	(\$0.40)A	(\$0.19)A	(\$0.19)E	(\$1.04)E	NM
2006	NA	NA	NA	NA	(\$0.20)E	NM
2007	NA	NA	NA	NA	\$1.25E	6.1x

Highlights

- We reiterate our BUY rating and \$11 price target on shares of ParkerVision. We believe the company offers investors an early opportunity to purchase a unique yet nascent RFIC franchise that is considerably undervalued relative to our forward assumptions.
- PRKR's RFIC solutions help minimize the power drain, form-factor, and cost of RF wireless architectures. This is increasingly important as the rise in premium wireless services require progressively complex, power hungry wireless devices.
- We estimate the addressable market for PRKR's products will grow at a 29% CAGR over the next five years, to \$5.76B in 2009 from \$2.08B in 2005. Under a moderate market penetration scenario, whereby we estimate PRKR could garner a 2% market share in 2006 and expand that to roughly 5% in 2007, we project 2006 revenue of \$65 million, growing to \$227 million in 2007.
- While product shipments are unlikely in 2005, anticipated design wins in late 2005 should prove to be a catalyst for the shares. In our opinion, Korean or Japanese vendors will likely be the first movers regarding the company's technology solutions.
- We are valuing PRKR at roughly 1.5x our 2007 revenue estimate of \$227 million. However, as the company shows some design win activity and products begin to ship, our valuation multiple has the potential for marked expansion.
- **For a copy of our recent 49 page initiation report on PRKR, please contact your Halpern Capital salesperson**



Company Description

ParkerVision, Inc. specializes in the design and development of wireless semiconductor solutions based on the company's patent portfolio of enabling digital radio frequency (RF) integrated circuit (IC) technologies. These Energy Signal Processing™ (ESP™) solutions harness the underlying energy in an RF signal, eliminating costly and inefficient circuit processes inherent in traditional RF designs. Initially, ESP technologies will address key needs for extended battery life, reduced cost, and higher performance in wireless terminal and WiFi enabled equipment as the wireless industry migrates to next-generation networks. On an extended basis, ParkerVision will target opportunities in the communications and networking markets where it can leverage its ESP technology for products and services in an increasingly wireless world.

Investment Thesis

We reiterate our BUY rating and \$11 price objective on shares of ParkerVision, Inc. We believe the company offers investors an early opportunity to purchase a unique yet nascent RFIC franchise that is considerably undervalued relative to our forward assumptions. Indeed with market research projecting the sale of more than 4.6 billion wireless terminals and 1.3 billion WiFi enabled devices over the next five years (2005-2009), we estimate the addressable market opportunity for ParkerVision's semiconductor solutions, which encompasses both the RF power amplifier (PA) and transceiver IC functions, will grow at a compound annual rate of 29% over the next five years, to \$5.76 billion in 2009 from \$2.08 billion in 2005.

Estimated Addressable Wireless Terminal/WiFi PA/Transceiver Market (MM)

Technology Platform	2004	2005E	2006E	2007E	2008E	2009E	CAGR
2.5G/3G Wireless Terminals (PAs & TCVRs)	\$577	\$1,424	\$2,388	\$3,344	\$3,452	\$3,708	45.1%
WiFi Enabled Equipment (PAs & TCVR)	\$456	\$652	\$878	\$1,196	\$1,544	\$2,054	35.1%
PRKR PA/TCVR Market Opportunity	\$1,034	\$2,076	\$3,266	\$4,540	\$4,995	\$5,762	41.0%
<i>Annual growth (%)</i>	<i>104.5%</i>	<i>100.8%</i>	<i>57.3%</i>	<i>39.0%</i>	<i>10.0%</i>	<i>15.3%</i>	

Source: Halpern Capital estimates

Under a moderate market penetration scenario, whereby we estimate ParkerVision could garner a 2% market share in 2006 and expand that to roughly 5% in 2007, we project 2006 revenue of \$65 million, growing to \$227 million in 2007.

Clearly, as the rise in premium wireless services continues to spur the development of progressively complex, power hungry wireless terminal and WiFi equipment, minimizing the power drain, form-factor, and cost associated in RF wireless architectures is increasingly important. With its truly compelling, disruptive portfolio of high-performance, low-cost, unified RFIC architectures that address these increasingly critical issues, we believe ParkerVision is uniquely positioned to rapidly establish itself and appreciably participate in the burgeoning market for next-generation RFIC component solutions.

Currently ParkerVision is in dialog with vendors to incorporate the company's first generation D2P ICs or licensed D2P intellectual property into a bevy of wireless terminal and WiFi enabled devices. Recall, the D2P solution addresses both the power amplifier and transmitter portion of the RF-transmit chain, while we believe successive generations of the D2P will offer a full transceiver/power amplifier solution. While we believe production

shipments of ParkerVision's technology is unlikely in 2005, we believe the company will be able to announce several design wins in the latter part of the year, which should help bolster confidence in ParkerVision's multi-year growth potential. In our opinion, a Korean or Japanese vendor will likely be the first mover for the company's technology.

Although we believe ParkerVision has the potential to considerably outgrow its peers on a relative revenue basis (30% multiple premium), given that the company is still a pre-revenue enterprise and has yet to secure a design win for its technology (30% multiple discount), we believe the shares should be valued roughly equivalent to our estimated CY 2007 peer price-to-sales multiple of 1.50x. However, as the company shows some design win activity and products begin to ship, our valuation multiple has the potential for marked expansion.

ParkerVision Remains a "Show-me" Story

Although the ParkerVision story is essentially a "show-me" story predicated on securing initial adoption of the company's RF semiconductor solutions and then broadening that adoption into an increasingly diverse wireless customer base, we nonetheless offer a brief financial summary of the company's recently reported quarterly earnings, followed by a business development update.

3Q05 Financial Review

Marked decrease in quarter-over-quarter EPS loss. ParkerVision announced a 3Q05 earnings loss of \$0.19 per share, in-line with our projection, on revenue of \$430 thousand. This compares to an earnings loss of \$0.40, on revenue of \$122 thousand in the prior quarter and a loss of \$0.28 per share, on revenue of \$63 thousand, in the comparable period last year.

Operating expense considerably streamlines after exit of retail business. After increasing 15.3%, or roughly \$833 thousand in 2Q05, ParkerVision's 3Q05 operating expense decreased roughly 34.2%, or \$2.15 million, to approximately \$4.13 million as expense related to the company's retail initiatives was eliminated via the planned exit from this operating business segment. Recall, ParkerVision exited its retail activities in favor of continuing its pursuit of an OEM business strategy as a pure-play fabless semiconductor company.

Cash balance sufficient, in our opinion, to reach initial customer traction point of the company's semiconductor solutions. ParkerVision closed 3Q05 with roughly \$14.57 million in cash and equivalents, a decrease of roughly \$4.34 million versus the prior quarter. From a free cash flow (FCF) perspective, ParkerVision generated \$4.28 million in negative FCF, or a negative \$0.20 per share, in 3Q05. Although still negative, this was a much improved position versus the negative \$8.02 million of FCF in the prior quarter. As we stated in our October 24th initiation report, we anticipate the company should operate at roughly a \$4 million per quarter cash burn over the next year making its current cash balance adequate to reach what we believe will be the initial traction point for OEM/ODM sales of the company's semiconductor solutions. Beyond this initial traction point, if the company performs at the level we have projected in our forward revenue assumptions, it remains our opinion that ParkerVision will likely need to raise additional capital via an equity offering in the range of \$100-\$125 million in the back half of 2006. Accordingly, we have modeled roughly 31 million common shares outstanding in 2006, an increase of roughly 9.9 million shares versus 21.1 million modeled shares for 2005.

3Q05 Business Development Update

During the 3Q05 earnings call, Jeff Parker, ParkerVision's CEO and President, discussed the company's business development environment. In his commentary, Jeff indicated that in 3Q ParkerVision conducted a number of initial meetings with OEM partners, as well as numerous follow on meetings with other prospective OEM customers. He added that with several of the OEMs, the discussion has progressed beyond the technology and capabilities and moved to how to frame a business relationship. While quickly securing a design win is certainly a central goal for ParkerVision, Jeff once again stated that he would not do this at the expense of ParkerVision's future growth (*i.e.*, giving the first mover too much or too lengthy exclusivity). Later in the call we highlighted some feedback regarding some investors belief that ParkerVision might be holding out for a big "trophy" tier-one OEM, at the expense of securing design wins with smaller tier-two OEMs. Jeff flat-out indicated that this was absolutely not the case and further highlighted that the company was currently in dialog with more than half of the top-ten wireless terminal OEMs. In our opinion, this top-ten list consists of Nokia, Motorola, Samsung, BenQ, Sony-Ericsson, LG Electronics, Panasonic, NEC, Sharp, and Sanyo. While no design win was announced in the 3Q05 call, and we do not believe one will be announced during the company's participation at the AeA Classic in San Diego this week, Jeff remains optimistic that ParkerVision will achieve a design win before the close of 2005.

Estimates

No change to 2006 and 2007 estimates. Our 2006 EPS estimate remains at a loss of \$0.20, on revenue of \$65 million. For 2007, we are projecting EPS of \$1.25, on revenue of \$227 million. Importantly, given uncertainty regarding the timing of OEM/ODM design win activity in 2006, we are only providing annual estimates at this time. In fact, we altogether caution investor use of near-term quarterly results in evaluating the attractiveness of investing in ParkerVision. As we have stated, the ParkerVision story is a show-me story predicated on securing initial adoption of the company's RF semiconductor solutions and then broadening that adoption into an increasingly diverse wireless customer base. While we certainly will keep an eye on the near-term quarterly financial performance, we do not believe any reason to own the shares is based on the company's performance related to selling the remaining inventory of a discontinued business segment. In contrast, an announceable OEM/ODM design win would certainly serve as a considerably positive near-term catalyst for the company's valuation. Given our belief that ParkerVision will secure a design win prior to the close of 2005, we believe clients should establish positions now before an initial design win surfaces.

Valuation and Price Methodology

Given the infancy of ParkerVision's strategic shift to pursue an OEM/ODM business strategy as a pure-play fabless semiconductor company, whereby operating expenses are anticipated to be disproportionately high relative to the initial earnings power of the business model, we are valuing the company on a 2007 revenue basis.

Currently shares of PRKR are trading at approximately 0.70x our CY 2007 revenue estimate of \$227 million. Recall, we are presently the only firm on the Street to issue estimates on ParkerVision. To put our assumptions into perspective, ParkerVision's closest merchant

peers (factoring out the high/low multiples) are trading at roughly 1.94x CY 2006 consensus revenue projections, an 11% discount to the current relative CY 2005 revenue multiple of 2.18x (see Comparables Universe Table). Although there are no consensus CY 2007 revenue estimates for this same peer group, increasing the relative year-to-year discount rate to 20% and multiplying that by the CY 2006 multiple, we estimate an appropriate peer group price-to-sales multiple for CY 2007 to be roughly in the range of 1.50x.

Although we believe ParkerVision has the potential to considerably outgrow its market peers on a relative revenue basis (worth a 30% multiple premium), given the reality that the company is still in fact a pre-revenue enterprise and has yet to secure an OEM design win for its technology (worth a 30% multiple discount), we believe that shares should be valued roughly equivalent to our estimated CY 2007 peer price-to-sales multiple of 1.50x. We note that as the company starts to show some design win activity and the distance to the CY 2007 timeframe begins to shorten, our revenue multiple does have the potential to show marked expansion in excess of the peer group multiple. Accordingly, at the current valuation we believe ParkerVision offers investors an early opportunity to purchase a unique yet nascent RFIC franchise that is undervalued relative to our \$11 price objective.

Risks to Investment Thesis and Price Target

Major risks to ParkerVision include:

- The wireless terminal component market is highly competitive.
- ParkerVision's business model is highly dependent on the economic health of the overall wireless industry.
- The communications industry is heavily regulated.
- ParkerVision's wireless semiconductor business is highly dependent on a number of unique components in which the company maintains sole source supplier relationships.
- Because ParkerVision has generated net losses and negative cash flow from operations to date, the company has funded its operating losses from time to time via the sale of equity securities
- The wireless semiconductor industry is subject to rapid technological change.
- Commercial acceptance of technology solutions.
- Start-up manufacturing costs.
- Ability to protect intellectual property.
- A return to the dismal market conditions of 2001-2003 for telecommunications equipment and services could materially affect the company's fundamentals.

Additional Companies Mentioned: ANAD, QCOM, MOT, NIPNY, NOK, RFMD, SSNLF, SANYY, SHCAY, SLAB, SMDI, SWKS, and TQNT (11/07/05 closing)

Anadigics, Inc. (NASDAQ: ANAD-\$3.50, N/R)
Qualcomm, Inc. (NASDAQ: QCOM-\$44.64, N/R)
Motorola, Inc. (NYSE: MOT-\$23.03, N/R)
NEC Corp. (NASDAQ: NIPNY-\$5.18, N/R)
Nokia Corp. (NYSE: NOK-\$17.04, N/R)
RF Micro Devices, Inc. (NASDAQ: RFMD-\$5.26, N/R)
Samsung Electronics Co. (PNK: SSNLF-\$494.36, N/R)
Sanyo Electric Co. (NASDAQ: SANYY-\$12.14, N/R)
Sharp Corp. (PNK: SHCAY-\$14.10, NOT RATED)
Silicon Laboratories, Inc. (NASDAQ: SLAB-\$34.60, N/R)
Sirenza Microdevices, Inc. (NASDAQ: SMDI-\$3.05, N/R)
Skyworks Solutions, Inc. (NASDAQ: SWKS-\$4.97, N/R)
Triquint Semiconductor, Inc. (NASDAQ: TQNT-\$4.64, N/R)



PRKR Annual and Quarterly Earnings Model

December Fiscal Year (\$ in 000s, except EPS and Ratios)	Annual Earnings				Fiscal 2004				Fiscal 2005E			
	2004	2005E	2006E	2007E	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
									Act.	Act.	Act.	
Total Product/ IP Revenue	\$475	\$905	\$65,000	\$227,000	\$296	\$64	\$63	\$19	\$172	\$122	\$430	\$180
Cost of Goods Sold	526	884	46,345	147,550	48	81	83	314	262	134	339	150
Write Down of Inventory to Net Realizable Value	0	0	0	0	0	0	0	2,769	0	2,251	0	0
Gross Profit	(52)	20	18,655	79,450	248	(17)	(20)	(3,064)	(90)	(2,262)	91	30
Research and Development Expense	11,423	10,532	13,691	21,632	2,977	2,399	2,785	3,262	2,922	3,192	2,188	2,230
Marketing and Selling Expense	2,484	3,434	6,000	9,900	262	416	589	1,217	990	1,283	562	600
General and Administrative Expense	6,045	6,080	5,500	7,535	1,035	1,135	1,669	2,206	1,536	1,806	1,387	1,350
Loss on Disposal of Property and Equipment	0	1,866	0	0	0	0	0	0	0	1,871	(6)	0
Operating Expenses	19,952	21,912	25,191	39,067	4,274	3,950	5,043	6,685	5,448	8,152	4,132	4,180
Adjusted Operating Expenses	0	20,040	0	0	0	0	0	0	0	6,281	0	0
Operating Income	(22,805)	(24,142)	(6,536)	40,383	(4,026)	(3,968)	(5,063)	(9,749)	(5,538)	(10,414)	(4,040)	(4,150)
Adjusted Operating Income	0	(22,271)	0	0	0	0	0	(6,980)	0	(8,543)	0	0
Interest/Other Income (Expense)	218	545	400	400	53	47	56	62	34	223	139	150
Loss/Gain via Discontinued Operations	7,773	0	0	0	(1,390)	9,179	(81)	65	0	0	0	0
Pretax	(9,726)	(23,597)	(6,136)	40,783	(5,362)	5,258	(5,088)	(9,622)	(5,504)	(10,191)	(3,901)	(4,000)
Adjusted Pretax	(12,045)	(21,725)	0	0	0	0	0	(6,853)	0	(8,320)	0	0
Tax Expense (Income)	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Loss on Securities	(28)	(3)	0	0	(1)	(25)	(2)	0	(4)	1	0	0
Net Income	(14,842)	(23,599)	(6,136)	40,783	(5,363)	5,233	(5,090)	(9,622)	(5,508)	(10,190)	(3,901)	(4,000)
Cash Net Income	(19,819)	(21,724)	(6,136)	40,783	(3,973)	(3,921)	(5,007)	(6,918)	(5,504)	(8,319)	(3,901)	(4,000)
Earnings Per Share (Diluted)	(\$0.82)	(\$1.13)	(\$0.20)	\$1.25	(\$0.30)	\$0.29	(\$0.28)	(\$0.53)	(\$0.26)	(\$0.49)	(\$0.19)	(\$0.19)
Cash EPS ^(a) (Diluted)	(\$1.10)	(\$1.04)	(\$0.20)	\$1.25	(\$0.22)	(\$0.22)	(\$0.28)	(\$0.38)	(\$0.26)	(\$0.40)	(\$0.19)	(\$0.19)
Shares (Diluted)	18,006	20,915	31,000	32,500	17,960	18,006	18,006	18,006	20,900	20,900	20,901	20,956
Ratios												
Gross Profit Margin	-10.9%	2.2%	28.7%	35.0%	83.7%	-27.3%	-32.0%	-16126.3%	-52.2%	-1848.1%	21.3%	16.7%
Research and Development Expense	2405.9%	1164.4%	21.1%	9.5%	1006.4%	3759.7%	4420.5%	17168.4%	1698.8%	2608.1%	508.7%	1238.9%
Marketing and Selling Expense	523.3%	379.7%	9.2%	4.4%	88.7%	651.9%	934.9%	6405.3%	575.6%	1048.0%	130.6%	333.3%
General and Administrative Expense	1273.2%	672.2%	8.5%	3.3%	349.8%	1778.9%	2649.0%	11610.5%	893.4%	1475.4%	322.6%	750.0%
Operating Expenses	4202.4%	2422.5%	38.8%	17.2%	1444.9%	6190.5%	8004.4%	35184.2%	3167.8%	6660.5%	960.5%	2322.2%
Operating Income	-4803.5%	-2669.1%	-10.1%	17.8%	-1361.1%	-6217.8%	-8036.4%	-51310.5%	-3220.0%	-8508.5%	-939.2%	-2305.6%
Interest/Other Income (Expense)	45.9%	60.3%	0.6%	0.2%	18.0%	73.0%	88.9%	326.3%	19.5%	182.2%	32.3%	83.3%
Pretax	-2048.6%	-2608.8%	-9.4%	18.0%	-1813.0%	8240.4%	-8076.6%	-50642.1%	-3200.5%	-8326.3%	-907.0%	-2222.2%
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income	-4174.4%	-2401.8%	-9.4%	18.0%	-1813.3%	-6144.8%	-7947.5%	-36410.5%	-3202.6%	-8325.7%	-906.9%	-2222.2%
Growth												
Revenue		90.5%	7086.2%	249.2%					-41.9%	91.8%	582.8%	847.4%
Gross Profit		NM	NM	325.9%					NM	NM	NM	NM
Operating Expense		9.8%	15.0%	55.1%					27.5%	106.4%	-18.1%	-37.5%
Operating Income		NM	NM	NM					NM	NM	NM	NM
Net Income		NM	NM	NM					NM	NM	NM	NM
Earnings Per Share (Diluted)		NM	NM	NM					NM	NM	NM	NM

Source: Halpern Capital estimates and corporate reports.

PRKR Balance Sheet

December Fiscal Year (\$ in 000s, except EPS and Ratios)	Annual			Fiscal 2004				Fiscal 2005		
	2002	2003	2004	Mar-04	Jun-04	Sep-04	Dec-04	Mar-04	Jun-04	Sep-04
Cash and Equivalents	14,955	20,476	7,798	16,482	20,391	14,922	7,798	22,797	18,906	14,565
Accounts Receivable	2,159	989	310	1,133	795	920	310	200	123	28
Inventories	3,091	2,477	2,626	2,983	2,203	4,250	2,626	2,714	404	153
Other	2,587	2,367	3,059	2,215	3,924	2,656	3,059	2,974	1,751	1,526
Total Current Assets	22,792	26,309	13,794	22,812	27,313	22,749	13,794	28,685	21,184	16,272
Property Plant and Equipment	6,184	4,860	3,373	4,581	3,756	3,679	3,373	3,110	2,377	2,298
Goodwill/Intangibles/Other	8,871	11,314	10,914	11,192	10,398	11,064	10,914	10,631	9,139	9,372
Total Assets	37,846	42,483	28,081	38,585	41,466	37,491	28,081	42,426	32,700	27,941
Liabilities										
Accounts Payable	759	694	858	2,171	1,339	1,434	858	713	436	568
Accrued Liabilities	1,936	1,163	2,057	1,353	595	1,130	2,057	1,632	2,021	1,560
Deferred Revenue	1,003	1,227	407	1,026	58	543	407	594	831	295
Current Liabilities	3,699	3,084	3,323	4,550	1,992	3,107	3,323	2,939	3,287	2,424
Long Term Debt	0	0	0	0	0	0	0	0	0	0
Other	101	0	0	0	0	0	0	0	0	0
Total Liabilities	3,799	3,084	3,323	4,550	1,992	3,107	3,323	2,939	3,287	2,424
Shareholders Equity										
Total Shareholders Equity	34,047	39,399	24,758	34,035	39,474	34,384	24,758	39,487	29,413	25,518
Total Liabilities & Equity	37,846	42,483	28,081	38,585	41,466	37,491	28,081	42,426	32,700	27,941
Liquidity Ratios:										
Days Sales Outstanding				2085.5	1359.0	802.4	2915.2	133.4	118.5	15.8
Inventory Turns				0.1	0.1	0.1	0.4	0.4	0.3	4.9
Current Ratio				5.0	13.7	7.3	4.2	9.8	6.4	6.7
Quick Ratio				3.9	10.6	5.1	2.4	7.8	5.8	6.0
Cash Ratio				3.6	10.2	4.8	2.3	7.8	5.8	6.0
Total Debt/Equity				3.0%	0.1%	1.6%	1.6%	1.5%	2.8%	1.2%
Total Debt/Capital				2.9%	0.1%	1.6%	1.6%	1.5%	2.7%	1.1%
Return on Equity				-14.6%	14.2%	-13.8%	-32.5%	-17.1%	-29.6%	-14.2%
Return on Assets				-13.2%	13.1%	-12.9%	-29.3%	-15.6%	-27.1%	-12.9%

Source: Corporate reports.

PRKR Cash Flow

December Fiscal Year (\$ in 000s, except EPS and Ratios)	Annual Cash Flow			Fiscal 2004				Fiscal 2005		
	2002	2003	2004	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Net Income	(\$17,272)	(\$22,015)	(\$14,815)	(\$5,362)	\$5,258	(\$5,088)	(\$9,622)	(\$5,504)	(\$10,191)	(\$3,901)
Depreciation/Amortization	3,232	3,108	3,144	810	752	775	807	809	792	450
Other	1,690	1,229	(7,125)	276	(10,783)	298	3,083	277	4,351	223
Working Capital	(1,837)	1,171	(3,013)	673	(1,758)	(781)	(1,147)	(362)	1,902	(513)
Cash Flow from Operations	(14,187)	(16,507)	(21,809)	(3,604)	(6,530)	(4,796)	(6,879)	(4,781)	(3,146)	(3,741)
Capital Expenditures	(1,319)	(1,173)	(996)	(223)	(199)	(439)	(134)	(177)	(302)	(180)
Increase from Other Assets	11,529	9,915	11,771	148	11,174	446	4	32	(687)	(419)
Cash Flow from Investing	10,210	8,742	10,776	(76)	10,974	7	(130)	(146)	(989)	(600)
Debt	0	0	0	0	0	0	0	0	0	0
Stock	501	24,145	0	0	0	0	0	20,237	0	6
Cash Flow from Financing	501	24,145	0	0	0	0	0	20,237	0	6
Increase (Decrease) Cash	(3,477)	16,381	(11,033)	(3,680)	4,445	(4,789)	(7,009)	15,310	(4,135)	(4,334)
Beginning Cash	4,564	1,087	17,468	17,468	13,788	18,233	13,444	6,435	21,745	17,610
Ending Cash	1,087	17,468	6,435	13,788	18,233	13,444	6,435	21,745	17,610	13,276
<i>Free Cash Flow</i>	<i>(18,101)</i>	<i>(19,384)</i>	<i>(23,670)</i>	<i>(2,767)</i>	<i>(5,172)</i>	<i>(5,508)</i>	<i>(10,223)</i>	<i>(5,268)</i>	<i>(8,022)</i>	<i>(4,283)</i>
<i>Free Cash Flow Per Share</i>	<i>(\$1.29)</i>	<i>(\$1.08)</i>	<i>(\$1.31)</i>	<i>(\$0.15)</i>	<i>(\$0.29)</i>	<i>(\$0.31)</i>	<i>(\$0.57)</i>	<i>(\$0.25)</i>	<i>(\$0.38)</i>	<i>(\$0.20)</i>
<i>EBIT, Depreciation and Amortization (EBITDA)</i>	<i>(14,945)</i>	<i>(19,382)</i>	<i>(19,662)</i>	<i>(3,216)</i>	<i>(3,215)</i>	<i>(4,288)</i>	<i>(8,942)</i>	<i>(4,729)</i>	<i>(9,622)</i>	<i>(3,590)</i>
<i>EBITDA Per Share</i>	<i>(\$1.07)</i>	<i>(\$1.08)</i>	<i>(\$1.09)</i>	<i>(\$0.18)</i>	<i>(\$0.18)</i>	<i>(\$0.24)</i>	<i>(\$0.50)</i>	<i>(\$0.23)</i>	<i>(\$0.46)</i>	<i>(\$0.17)</i>

Source: Corporate reports.

Wireless RF Components (WRFC) Comparables Universe

WRFC Vendors	Ticker	Price 11/7	% Price Change			52-wk. Range		MV (M)	ASV (M)	CY EPS			CY P/E			CY PEG			Revenue (M)			Price/Sales		
			YTD	TTM	30-day	High	Low			2004	2005E	2006E	2004	2005E	2006E	2005E	2006E	2005E	2006E	TTM	CY'05E	CY'06E	TTM	CY'05E
Anadigics (NR)	ANAD	\$3.50	-6.7%	21.5%	1.4%	\$3.91	\$1.26	\$119	0.38	(\$1.29)	(\$0.94)	(\$0.22)	NM	NM	NM	NM	NM	\$97	\$109	\$141	1.22	1.09	0.85	
QUALCOMM (NR)	QCOM	\$44.64	5.3%	15.5%	1.6%	\$46.28	\$32.08	\$72,782	15.07	\$1.13	\$1.26	\$1.52	39.5	35.4	29.4	3.08	1.42	\$5,673	\$6,006	\$7,352	12.83	12.12	9.90	
RF Micro Devices (NR)	RFMD	\$5.26	-23.1%	-17.3%	1.2%	\$7.79	\$3.77	\$989	7.53	\$0.10	\$0.03	\$0.24	52.6	175.3	21.9	NM	NM	\$656	\$696	\$825	1.51	1.42	1.20	
Silicon Laboratories (NR)	SLAB	\$34.60	-2.0%	10.1%	19.7%	\$36.60	\$24.62	\$1,868	1.11	\$1.46	\$1.15	\$1.22	23.7	30.1	28.4	-1.42	4.66	\$411	\$422	\$453	4.54	4.43	4.12	
Sirenza Microdevices (NR)	SMDI	\$3.05	-53.5%	-36.2%	-6.2%	\$6.89	\$2.15	\$110	0.10	\$0.16	\$0.10	\$0.25	19.1	30.5	12.2	-0.81	0.08	\$60	\$63	\$75	1.84	1.74	1.46	
Skyworks Solutions (NR)	SWKS	\$4.97	-47.3%	-43.8%	-25.3%	\$11.10	\$4.64	\$787	3.36	\$0.40	\$0.21	\$0.32	12.4	23.7	15.5	-0.50	0.30	\$792	\$770	\$794	0.99	1.02	0.99	
Triquint Semiconductor (NR)	TQNT	\$4.64	4.3%	23.1%	24.1%	\$4.71	\$2.88	\$649	0.91	(\$0.09)	(\$0.04)	\$0.05	NM	NM	NM	NM	NM	\$285	\$294	\$333	2.28	2.21	1.95	
WIIC Vendor Average:			-17.6%	-3.9%	2.4%								29.5	59.0	21.5	0.09	1.62				3.60	3.43	2.92	
ParkerVision (BUY)	PRKR	\$7.64	-14.2%	30.2%	17.7%	\$13.27	\$3.70	\$160	0.05	(\$1.10)	(\$1.03)	(\$0.20)	NM	NM	NM	NM	NM	NM	NM	\$65	NM	NM	2.46	

WRFC Vendors	FY End	Price/ TBV	TTM Profitability Ratios			Liquidity Ratios		Inv. Turn	Inv./ Rev.	Debt/ Cap.	Cash/ Rev.	Per-Share			EV/ Rev.	EV/ OIBDA	MRO Margins			Owners/Interest			
			ROCE	ROIC	ROE	Current	Quick					DSO	Cash	Debt			TBV	Gross	Oper.	Net	Inside	Inst.	Short
Anadigics (NR)	Dec	2.2	-26.3%	-56.5%	-53.1%	6.5	5.6	48.0	6.9	44.7%	58.8%	84.8%	\$2.42	\$2.49	\$1.56	1.2	NM	22.5%	-21.0%	-23.2%	18.2%	56.2%	1.7%
QUALCOMM (NR)	Sep	7.1	30.8%	42.8%	20.2%	7.3	6.6	34.0	9.7	11.3%	0.0%	115.4%	\$3.88	\$0.00	\$6.26	11.7	25.6	71.7%	42.9%	34.5%	2.2%	69.3%	1.9%
RF Micro Devices (NR)	Mar	2.4	-2.7%	-1.9%	-2.2%	4.3	2.9	43.1	5.3	52.4%	28.9%	20.8%	\$0.71	\$1.18	\$2.22	1.6	20.6	36.0%	3.1%	3.4%	1.4%	49.4%	8.6%
Silicon Laboratories (NR)	Jan	4.8	24.1%	48.8%	13.8%	4.7	4.3	52.2	6.8	26.0%	1.1%	81.5%	\$6.23	\$0.09	\$7.17	NM	NM	54.5%	16.5%	13.9%	18.2%	84.0%	11.3%
Sirenza Microdevices (NR)	Feb	3.3	-12.7%	-12.0%	2.3%	3.5	2.5	48.6	4.4	50.8%	0.9%	25.9%	\$0.41	\$0.01	\$0.93	1.6	NM	45.8%	6.5%	6.7%	37.1%	30.3%	0.4%
Skyworks Solutions (NR)	Sep	2.8	10.9%	4.3%	4.3%	3.1	2.6	78.9	6.1	40.7%	26.1%	29.8%	\$1.48	\$1.75	\$1.76	1.0	14.1	36.4%	4.7%	3.5%	19.3%	66.0%	4.3%
Triquint Semiconductor (NR)	Dec	1.5	-4.2%	-5.0%	-3.5%	6.9	5.7	48.9	4.7	60.9%	33.0%	86.9%	\$1.75	\$1.55	\$3.15	NM	NM	31.4%	0.5%	2.7%	0.5%	56.5%	3.2%
WIIC Vendor Average:		3.4	2.9%	3.0%	-2.6%	5.2	4.3	50.5	6.3	41.0%	21.3%	63.6%				3.4	20.1	42.6%	7.6%	5.9%			
ParkerVision (BUY)	Dec	9.9	NM	NM	NM	6.7	6.0	15.8	4.9	NM	0.0%	NM	\$0.70	\$0.00	\$0.77	NM	NM	21.2%	NM	NM	33.3%	22.2%	14.3%

Source: **MRQ** - Most Recent Quarter; **TTM** - Trailing 12-Months; **YTD** - Year-to-Date; **ROCE** - Return on Capital Employed; **ROIC** - Return on Invested Capital; **ROE** - Return on Equity; **DSO** - Days Sales Outstanding; **I/T** - Inventory Turns; **MV** - Market Value; **ASV** - Average Share Volume; **EV** - Enterprise Value; **TBV** - Tangible Book Value; **GM** - Gross Margin; **OM** - Operating Margin; **NM** - Net Margin; **OIBDA** - Operating Income before Depreciation and Amortization.
Rating Description: BUY; SELL; Not Rated (NR)

Source: Halpern Capital estimates, corporate reports, Thomson Financial, and Yahoo!.

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