

Title: Wireless vision. (ParkerVision's products)(Company Profile)

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Four years ago, when ParkerVision engineers couldn't find a low-cost, reliable radio-frequency technology, company executives figured they'd spotted a business opportunity. After spending more than \$5 million on research and development, executives at ParkerVision, a maker of automated video conferencing equipment, say the company has produced a wireless technology that is cheap, market-ready and brimming with potential. They say ParkerVision's chip design can be used in products such as cordless and cellular telephones, pagers, toys and garage-door openers, at a fraction of existing costs.

"We clearly understand the value of what we have here," says Jeffrey Parker, founder and CEO of ParkerVision. Recent tests conducted by Boeing show the technology is appropriate for commercial grade wireless communications. If true, the new product comes along none too soon for ParkerVision. Founded in 1989, the Jacksonville company has yet to post a profit. That trend continues in 1998 with a first quarter loss of \$1.4 million, or 13 cents per share, on \$2 million in sales. In recent years, income from its video conferencing systems has been wiped out by the costs of developing new products and wireless technology.

To profit from its wireless research, ParkerVision is looking for partnerships or licensing agreements with semiconductor manufacturers. It also plans to license the technology to makers of wireless products.

Meanwhile, ParkerVision has rolled out a new video production system for TV and cable studios that allows, for example, one technician, instead of 10, to manage the complete production of a newscast. The studio camera system costs \$150,000 to \$300,000. Company officials say some 6,000 production studios buy video equipment each year.

ParkerVision shares fell from \$30.63 last October to \$14.13 in January, after IBM canceled an agreement to test ParkerVision's wireless technology, but shares rebounded this spring to trade in the low \$20s. ParkerVision is well capitalized. Thanks to a recent private placement, the company has roughly \$30 million in short-term investments and cash. It's too early to tell whether ParkerVision's wireless technology represents a major breakthrough, but one New York City money manager is betting on it. "It's a nascent technology, but I think it can do what they say it can do," says Jack Ferraro, with Neuberger & Berman. "The potential should be extraordinary."

ParkerVision at a Glance

Headquarters Jacksonville Line of business Development of audio/visual products and wireless technology Employees 95 Net sales (millions) 1997: \$10.8 1996: \$9.2 Net loss (millions) 1997: \$2.9 1996: \$1.7 Shares outstanding 11 million Share price range 1997: \$30.63-\$11.75 1998: \$24.50-\$14.13 Initial public offering 1993: \$5/share Recent stock price \$21.50

Source: Bloomberg Business News, ParkerVision