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PARKERVISION INC
Form PREM14A
March 26, 2004

SCHEDULE 14A
(RULE 14A-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the registrant Filed by a party other than the registrant

Check the appropriate box:

- Preliminary proxy statement Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))
- Definitive proxy statement
- Definitive additional materials
- Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

PARKERVISION, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate amount of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:1

(4) Proposed maximum aggregate value of transaction:

\$13,750,000

(5) Total fee paid:

\$2,750

Fee paid previously with preliminary materials: _____

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date filed:

1 [Set forth the amount on which the filing fee is calculated and state how it was determined.]

ParkerVision, Inc.
8493 Baymeadows Way
Jacksonville, Florida 32256
_____, 2004

Dear Shareholder:

You are invited to attend a special meeting of the shareholders of ParkerVision, Inc. ("ParkerVision") to be held at the Marriott Hotel, 1501 International Parkway, Lake Mary, Florida on , 2004 at a.m., local time, to consider and vote upon a proposal to sell substantially all of the assets and business of our video products division, including our PVTV and CameraMan related assets and business (the "Video Division") for \$12.5 million in cash, subject to adjustment. The board of directors of ParkerVision has approved this sale.

At this meeting, you will be asked to consider and vote upon a proposal to approve and adopt an Asset Purchase Agreement, dated as of February 25, 2004, by and among ParkerVision, as seller, and each of Thomson Broadcast & Media Solutions, Inc. ("TBM"), and Thomson Licensing, S.A. ("TL" and, together with TBM, "Purchasers"), as purchasers. Each of TBM and TL are affiliates of Thomson S.A., a leading global provider of integrated technology and service solutions for entertainment and media companies through its Technicolor, Grass Valley, Thomson and RCA brands ("Thomson"). The Asset Purchase Agreement is attached to the Proxy Statement enclosed herewith as Appendix A.

The sale of the Video Division will enable us to focus all of our resources and efforts on our wireless division (the "Wireless Division") and will provide us with working capital for the development of our wireless business and products. We believe that our Wireless Division's proprietary technologies embody industry advances that can be significantly commercialized in the near term and that our Wireless Division now provides far greater growth potential for ParkerVision than the Video Division.

Wells Fargo Securities, LLC, an investment banking firm retained by our board of directors, has opined that the consideration to be received by us through the sale of the Video Division is fair to ParkerVision from a financial point of view. A copy of Wells Fargo Securities' opinion is attached to the Proxy Statement enclosed herewith as Appendix B.

AFTER CAREFUL CONSIDERATION, OUR BOARD OF DIRECTORS HAS APPROVED THE SALE OF THE VIDEO DIVISION AND DETERMINED THAT IT IS FAIR AND IN THE BEST INTERESTS

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OF PARKERVISION AND OUR SHAREHOLDERS. CONSEQUENTLY, THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE SALE OF THE VIDEO DIVISION.

I, and certain other members of my family and affiliates of ParkerVision, have agreed to vote our shares in favor of the sale of the Video Division.

Because the Video Division historically has generated substantially all our revenues, the Video Division sale could be deemed a sale of substantially all of our assets under Florida corporate law and we are accordingly hereby seeking approval of our shareholders for the Video Division sale as a sale of all or substantially all of our assets. Our shareholders shall not be entitled to appraisal rights under Chapter 607, Florida Statutes, with respect to the Video Division sale.

Attached to this letter you will find a formal Notice of Special Meeting, a Proxy Statement, a proxy card and various attachments. Collectively, these documents more fully describe the Asset Purchase Agreement and the Video Division sale pursuant to such agreement. IN ORDER TO HELP US ACHIEVE OUR STRATEGIC GOALS THROUGH THE SALE OF THE VIDEO DIVISION, PLEASE COMPLETE AND RETURN THE PROXY WITH YOUR VOTE IN FAVOR OF THE VIDEO DIVISION SALE AS SOON AS POSSIBLE.

Sincerely,

Jeffrey Parker
Chairman and Chief Executive Officer

YOUR VOTE IS VERY IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN. TO VOTE YOUR SHARES, YOU MAY USE THE ENCLOSED PROXY CARD OR ATTEND THE SPECIAL MEETING IN PERSON. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, YOU ARE URGED TO SIGN, DATE AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED. THE EXECUTION OF YOUR PROXY WILL NOT AFFECT YOUR RIGHT TO VOTE IN PERSON IF YOU ARE PRESENT AT THE MEETING. FAILURE TO RETURN A PROPERLY EXECUTED PROXY CARD OR VOTE AT THE SPECIAL MEETING WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE APPROVAL OF THE ASSET PURCHASE AGREEMENT AND THE VIDEO DIVISION SALE.

PARKERVISION, INC.
8493 BAYMEADOWS WAY
JACKSONVILLE, FLORIDA 32256

NOTICE OF SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD [_____, 2004 _____]

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of ParkerVision, Inc., will be held at the Marriott Hotel, 1501 International Parkway, Lake Mary, Florida on [_____, _____, 2004 at ____] a.m. local time, for the following purposes:

- o To consider and vote on a proposal to approve the Asset Purchase Agreement, dated as of February 25, 2004, by and among ParkerVision, as seller, and each of Thomson Broadcast & Media Solutions, Inc. ("TBM") and Thomson Licensing, S.A. ("TL" and, together with TBM, "Purchasers"), as purchasers, and the sale of our video products division ("Video Division") contemplated by the Asset Purchase Agreement (the "Video Division Sale"); and

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- o To transact such other business as may properly come before the special meeting or any adjournments thereof.

Our transfer books will not be closed for the special meeting. Only shareholders of record at the close of business on _____, 2004 will be entitled to notice of, and to vote at, the meeting and any adjournments thereof. Our shareholders shall not be entitled to any appraisal rights in connection with the Video Division Sale under Chapter 607, Florida Statutes.

The above matters are more fully described in the accompanying Proxy Statement and you are urged to read it carefully. In particular, you should carefully consider the discussion entitled "Risk Factors" in the attached Proxy Statement. Historically, substantially all our revenues have been generated by our Video Division. Revenues generated by our Wireless Division have been nominal to date. Accordingly, the Video Division Sale could be deemed a sale of substantially all of the assets of ParkerVision.

WHILE ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE SPECIAL MEETING IN PERSON, YOU ARE URGED TO SIGN AND DATE THE ACCOMPANYING PROXY CARD AND MAIL IT PROMPTLY IN THE ENCLOSED ADDRESSED, POSTAGE PREPAID ENVELOPE. YOU MAY REVOKE YOUR PROXY IF YOU SO DESIRE AT ANY TIME BEFORE IT IS VOTED.

AFTER CAREFUL CONSIDERATION, OUR BOARD OF DIRECTORS HAS DETERMINED THAT THE VIDEO DIVISION SALE IS FAIR AND IN THE BEST INTERESTS OF PARKERVISION AND OUR SHAREHOLDERS, HAS APPROVED THE ASSET PURCHASE AGREEMENT AND RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ADOPTION OF THE ASSET PURCHASE AGREEMENT AND APPROVAL OF THE VIDEO DIVISION SALE.

By order of the board of directors,
Stacie Wilf
Secretary

Jacksonville, Florida
_____, 2004

This Proxy Statement is dated March 25, 2004 and is first being mailed to our shareholders on or about _____, 2004.

PARKERVISION, INC.

PROXY STATEMENT

SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON _____, 2004

This Proxy Statement and the enclosed form of proxy are being furnished in connection with the solicitation of proxies by our board of directors to be used at a special meeting of shareholders of ParkerVision and any adjournments thereof. At the special meeting, shareholders will be asked to consider and vote on a proposal to approve and adopt an Asset Purchase Agreement, dated as of February 25, 2004, by and among ParkerVision, as seller, and each of Thomson Broadcast & Media Solutions, Inc. ("TBM"), and Thomson Licensing, S.A. ("TL" and, together with TBM, "Purchasers"), as purchasers for the sale of our video products division ("Video Division"). Each of TBM and TL are affiliates of Thomson S.A. ("Thomson"). The Asset Purchase Agreement is attached hereto as Appendix A.

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SUMMARY OF TERMS OF ASSET AGREEMENT AND PROPOSED TRANSACTION

Asset Purchase Agreement and the Video Division Sale
(see pages 7 through 13 generally)

If the Asset Purchase Agreement is a share sale, the Video Division will be consummated, substantially all the assets of our Video Division will be sold to the Purchasers. At closing, TBM will directly employ a majority of the employees who currently work in the Video Division.

Purchasers

TL will purchase the intellectual property and TBM will purchase the other assets of the Video Division. Each of the Purchasers is Thomson, a leading provider of technology solutions for integrated entertainment companies through its Technicolor, Gammamotion and RCA brands.

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Asset not being sold (see page 7)

The assets used in the current or proposed sale of our wireless division (the "Wireless Division") and other assets relating to our general corporate operations, our real property and all cash shall be retained by us and shall not be sold in the Video Division Sale.

Retention of liabilities (see page 7)

Other than post-closing liabilities, we shall retain all outstanding contractual liabilities, including the liabilities of our Video Division which are not assumed by Purchasers and instead will be retained by us.

Purchase price (see page 8)

The purchase price for the assets of the Video Division will be \$12.5 million, subject to adjustments as provided in the Asset Purchase Agreement. TBM, an affiliate of Thomson, has guaranteed the payment obligations of Purchasers under the Asset Purchase Agreement.

Holdback (see page 8)

In order to secure our indemnification obligations under the Asset Purchase Agreement, we shall retain 10% of the purchase price as a holdback, to be paid back by Purchasers at closing and shall be held in trust for us, to the extent not compromised by our indemnification obligations, on the date of the closing.

Use of proceeds (see page 20)

All of the purchase price received by us shall be retained for use as working capital for the Wireless Division and general corporate operations.

Reasons for the Video Division Sale
(see page 16)

Our board of directors has determined that the long-term objective of maximizing shareholder value is best served by focusing our efforts on our Wireless Division. The Video Division Sale is integral to this strategy and is consistent with ParkerVision's long-term capital allocation efforts.

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Closing conditions (see page 10)

The Asset Purchase Agreement contains certain conditions, including the approval of the Video Division Sale by our shareholders, the satisfaction of certain specific covenants and the receipt of certain consents.

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The closing (see page 7)

The closing of the Video Division Sale will occur within five business days following the receipt of a written waiver of the conditions set forth in the Asset Purchase Agreement, unless the parties agree on a different date. We currently expect the closing to occur on or about July 5, 2004.

No-shop obligations (see page 9)

Prior to the closing, we may not solicit or accept offers from any third party for the purchase of the Video Division. If we receive an unsolicited offer to purchase the Video Division for cash or other consideration more favorable than the Video Division Sale, we may terminate the Asset Purchase Agreement with a party that is capable of consummating such offer ("Superior Offer"), we are entitled, at our option, to a termination fee described below, to consummate the Superior Offer provided our board of directors approves. We are obligated to so act pursuant to our fiduciary duties under Florida corporate law. We will notify you of any Superior Offer no later than 30 days prior to termination of the Asset Purchase Agreement.

Termination (see page 11)

The Asset Purchase Agreement may be terminated in certain situations, including by the mutual agreement of the shareholders of ParkerVision Inc. If the Video Division Sale has not been closed prior to July 5, 2004 or the other party is in breach of the Asset Purchase Agreement, we elect to accept a Superior Offer, we may terminate the Asset Purchase Agreement and pay the termination fee described below.

Termination fees (see page 11)

If we terminate the Asset Purchase Agreement in connection with a Superior Offer to consummate the Video Division Sale to another party, fail to obtain the approval of our shareholders prior to July 5, 2004 or elect to terminate the Asset Purchase Agreement because the Video Division Sale has not been closed prior to July 5, 2004, the Asset Purchase Agreement is terminated for reasons enumerated herein, we must pay the termination fee of \$1,000,000 in cash or shares (at our election), either cash or shares (at our election).

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Right of first refusal (see page 12)

If the Asset Purchase Agreement is terminated in certain circumstances, during the term of the Asset Purchase Agreement, such termination, if we receive an offer from a third party to sell or license the assets of the Video Division, Purchasers will receive a right of first refusal to purchase or license the assets of the Video Division.

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Corporate accounting treatment
(see page 21)

Transition Agreements
(see page 10)

Interest of certain persons
in the Video Division Sale
(see page 13)

Voting agreement (see page 13)

Tax consequences (see page 28)

Appraisal rights (see page 21)

Division.

The Video Division Sale will be accounted as a discontinued operation.

In connection with the closing of the Video Division Sale, we have entered into a Transition Agreement whereby we will assist TBM in the continuation of the operations of the Video Division for a six-month transition period following the closing. We will receive compensation for the cost of the transition, and in some instances, cost-plus.

As part of the Video Division Sale, we are selling to us for a prescribed rental certain real property located in Jacksonville, Florida headquarters during the transition period.

Each of our executive officers and directors own shares of our common stock and/or options to purchase shares of our common stock. By virtue of their ownership, these persons will receive proceeds from the Video Division Sale as any other shareholder of ParkerVision.

Members of the Parker family and other major shareholders of ParkerVision have agreed to sell their respective shares for the approximate value of the Purchase Agreement and the Video Division Sale group, they hold approximately 27.5% of the common stock.

Consummation of the Video Division Sale will have federal and state income tax consequences to ParkerVision, although these are not expected to be substantial.

Our shareholders will not be entitled to appraisal rights with respect to the Video Division Sale. Chapter 607, Florida Statutes.

GENERAL INFORMATION ABOUT THE SPECIAL MEETING

DATE, PLACE AND TIME OF THE SPECIAL MEETING

The meeting will be held at _____ a.m. local time, on _____, 2004. The special meeting will take place at the Marriott Hotel, 1501 International Parkway, Lake Mary, Florida. This Proxy Statement, the attachments hereto and the enclosed form of proxy are first being sent to our shareholders on or about _____, 2004.

VOTE REQUIRED; RECORD DATE; OUTSTANDING SHARES

The Asset Purchase Agreement and the Video Division Sale can only be approved by the affirmative vote of at least a majority of the outstanding shares of common stock of ParkerVision. Our board of directors has fixed the close of business on _____, 2004 as the record date for determination of shareholders entitled to notice of, and to vote at, the annual meeting. As of

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the record date, we had issued and outstanding 17,959,504 shares of common stock, par value \$.01 per share, our only class of voting securities outstanding. Each of our shareholders is entitled to one vote for each share of common stock registered in his or her name on the record date.

AGREEMENTS TO VOTE

Jeffrey Parker, our chairman of the board and chief executive officer, Todd Parker, president of our Video Division and a director, Stacie Wilf, our corporate secretary and certain members of their immediate family and certain affiliates, together with William Sammons, a director of the Company, own an aggregate of 4,931,747 shares, or 27.5% of the currently outstanding shares of common stock (without giving effect to any options to purchase common stock they may own) and each of them has agreed to vote all of his or her shares "FOR" approval of the Asset Purchase Agreement and the Video Division Sale in connection with the special meeting. Accordingly, their votes, combined with the affirmative vote of the holders of an additional 4,048,006 shares, will be sufficient to approve the proposal at the special meeting.

VOTING OF PROXIES

Proxies in the form enclosed are solicited by and on behalf of our board of directors. The persons named in the proxy have been designated as proxies by our board of directors. Any proxy given pursuant to this solicitation and received in time for the meeting will be voted as specified in the returned proxy. If no instructions are given, proxies returned by shareholders will be voted "FOR" the proposal to approve the Asset Purchase Agreement and the Video Division Sale.

Once given, your proxy may be revoked only by written notice received by our corporate secretary at any time prior to the voting at the meeting, by submitting a subsequent proxy or by attending the special meeting and voting in person.

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QUORUM REQUIREMENT; ABSTENTIONS; AND BROKER NON-VOTING

The presence, in person or by proxy, of a majority of the votes entitled to be cast at the meeting will constitute a quorum at the meeting. A proxy submitted by a shareholder may indicate that all or a portion of the shares represented by his or her proxy are not being voted ("shareholder withholding") with respect to a particular matter. Brokers may not be permitted to vote stock ("broker non-vote") held in street name in the absence of instructions from the beneficial owner of the stock. The shares subject to a proxy that are not being voted because of either shareholder withholding or broker non-vote will not be considered shares present and entitled to vote on the matter and will not be counted for purposes of determining the presence of a quorum.

Since the Asset Purchase Agreement and the Video Division Sale can only be approved by the affirmative vote of at least a majority of the outstanding common stock of ParkerVision, abstentions from voting, shareholder withholding or broker non-voting will have the same effect as a vote against the proposal.

PROXY SOLICITATION

We will bear the cost of the solicitation of proxies from our shareholders and the cost of printing and mailing this Proxy Statement. In addition to solicitation by mail, our directors, officers and employees may contact our shareholders to solicit their proxies. Those directors, officers and employees will not be paid any additional compensation for doing so.

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ADJOURNMENT

Any decision to adjourn the meeting would be made by a vote of the shareholders present in person or by proxy at the meeting. It is the intention of the persons named in the proxy, unless otherwise specifically instructed in the proxy, to vote in favor of adjournment if a quorum is not present. If a quorum is present, but insufficient votes have been cast in favor of a proposal to approve it, proxies will be voted in favor of adjournment only if the board of directors determines that adjournment and the additional solicitation of proxies is reasonable and in the best interests of shareholders. In making this determination the board would consider:

- o the nature of the proposal;
- o the votes already cast as a percentage of the vote required;
- o the percentage of negative votes cast; and
- o the nature of any further solicitation that might be made.

CONTACT INFORMATION

Our principal offices are located at 8493 Baymeadows Way, Jacksonville, Florida 32256 and our phone number is 904-737-1367.

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PROPOSAL: APPROVAL AND ADOPTION OF THE ASSET PURCHASE AGREEMENT AND APPROVAL OF THE PROPOSED TRANSACTION

At the special meeting, you will be asked to consider and vote upon a proposal to approve and adopt the Asset Purchase Agreement and Video Division Sale. Purchasers will purchase substantially all the assets of our Video Division following approval of the Asset Purchase Agreement and the Video Division Sale by our shareholders and satisfaction of the other customary conditions to closing.

THE ASSET PURCHASE AGREEMENT

The following summary of the Asset Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Asset Purchase Agreement, which is attached as Appendix A to this Proxy Statement and is incorporated by reference herein. All shareholders are urged to read the Asset Purchase Agreement in its entirety. Defined terms that are not expressly defined in the following summary have the meanings provided in the Asset Purchase Agreement.

General

On February 25, 2004, ParkerVision entered into the Asset Purchase Agreement with Purchasers. Purchasers are affiliates of Thomson, a leading provider of technology and service solutions for integrated entertainment and media companies. Thomson provides end-to-end solutions to content creators, video network operators and manufacturers and retailers through its Technicolor, Grass Valley, THOMSON and RCA brands. The Video Division Sale is expected to close in the second quarter of 2004 following approval of our shareholders at the special meeting.

Assets being sold

In the Video Division Sale, we would sell to Purchasers substantially all

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the assets of our Video Division, excluding certain contracts and incidental properties. Generally, the assets to be sold are those used in connection with and relating to our PVTV and CameraMan products and services, including patents, patent applications, tradenames, trademarks and other intellectual property, inventory, specified design, development and manufacturing equipment, and obligations under outstanding contracts for products and services. We will retain all liabilities of the Video Division other than certain liabilities arising after closing under the terms of contracts that comprise a portion of the assets being acquired ("Post-Closing Contractual Liabilities").

Excluded assets

The assets used in the current or proposed operations of our Wireless Division, assets relating to our general corporate and management functions, our real property and all receivables and cash shall be retained by us and shall not be sold in the Video Division Sale. These retained assets will be the foundation of our operations following the closing of the Video Division Sale.

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Consideration

The purchase price for the assets of the Video Division will be \$12.5 million, subject to adjustment upon verification of the book value of the certain tangible and current assets that will be transferred, minus certain liabilities (warranty reserves, deferred income and amounts required to satisfy certain assumed liabilities). Thomson Inc., an affiliate of Thomson, has agreed to guarantee the payment obligations of Purchasers under the Asset Purchase Agreement.

The upward adjustment to the purchase price, if any, cannot exceed \$2.75 million. We currently believe that the adjustment will be approximately \$1.5 million. The actual amount of the adjustment will be determined within 45 days after the closing and will be paid when the final valuation is agreed upon.

In order to secure our indemnification obligations to Purchasers under the Asset Purchase Agreement, \$1.25 million of the purchase price will be held by Purchasers until the first anniversary of the closing. This amount will earn interest until paid.

Representations

ParkerVision has made customary representations and warranties to Purchasers with respect to the assets being acquired, our overall business and the business of the Video Division. These include representations relating to:

- o the corporate status and authority of ParkerVision,
- o the financial statements of ParkerVision and the Video Division,
- o the non-contravention of outstanding contracts and obligations of ParkerVision, laws and regulations affecting the business and arising because of the transaction,
- o the inventory and personal property of the Video Division,
- o the intellectual property owned by or licensed to ParkerVision and used by the Video Division,
- o certain employee-related matters,

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- o taxes and insurance matters relating to ParkerVision and the Video Division,
- o the sufficiency of the assets to operate the Video Division after the sale,
- o the adequacy of the title to the assets being sold,
- o the material contracts of the Video Division,
- o government approvals and compliance with applicable laws, including FCC compliance,

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- o products, services and related warranties,
- o customers, suppliers and distributors,
- o the operations of the Video Division since January 1, 2004, including any material adverse change since that date,
- o the general conduct of the Video Division, and
- o various other matters.

Covenants

ParkerVision has entered into numerous customary covenants under the Asset Purchase Agreement. These include obligations to:

- o solicit the approval of the Asset Purchase Agreement and the Video Division Sale from our shareholders,
- o operate the Video Division in the ordinary course until the closing,
- o take all necessary action to be able to transfer the assets, including obtaining approvals under various contracts and from regulatory bodies and making various assignments, and
- o use all commercially reasonable efforts to fulfill the conditions within our control to complete the sale of the Video Division.

We have agreed not to initiate or solicit or take any action designed to encourage or facilitate any inquires or offers with respect to the Video Division from, or discuss such inquiries and offers with, any other parties, unless required under corporate law fiduciary duties after receiving a bona fide, written, unsolicited cash offer which the board of directors determines is superior to the terms of the Asset Purchase Agreement, and subject to payment of a termination fee as described below.

We also agreed not to compete with the business of the Video Division for five years after the closing. In addition, during such period, we are generally obligated to refrain from soliciting Purchasers' employees or otherwise interfering in the relationships between Purchasers and their employees.

We also agreed not to seek legal recourse against Purchasers in respect of any intellectual property that will be transferred or should have been transferred in connection with the Video Division.

Employees of Video Division

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TBM is obligated to offer, prior to closing of the Video Division Sale, employment to a certain number of our employees who currently work in our Video Division. A condition to Purchasers' obligations to close the Video Division Sale is the acceptance of the offers by a

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prescribed number of employees. The offers of employment must be on terms no less favorable to such employees than have been agreed to by TBM and ParkerVision. The parties also have agreed upon the components of a retention plan intended to promote acceptance of the offers of employment, including the buyback of certain accrued benefits and cash and equity incentives.

Other agreements

Under a Transition Services Agreement, to be entered into upon Closing, we will provide Purchasers' employees with training in the Video Division's business, products and services, contract manufacturing to Purchasers and certain general administrative functions. We will also provide services and resources relating to the transitioning of the business of the Video Division into TBM's operations. The transition phase will last for up to six months after the closing. We will be reimbursed at cost and at cost-plus depending on the service and length of time it is being provided.

Under a Sublease, to be entered into upon Closing, we will provide the Purchasers' employees with office space at our headquarters in Jacksonville, Florida. The term of the Sublease will run concurrently with the transition phase contemplated by the Transition Services Agreement.

Purchasers also will be granted a license to use the "ParkerVision" name for a limited time in connection with the transition and integration of the Video Division into the operations of the Purchaser.

Conditions to closing

There are a number of customary conditions to be satisfied in order to close. These include the following:

- o accuracy of representations and warranties in all material respects at closing,
- o absence of materially adverse changes in the business of the Video Division,
- o satisfactory performance of various covenants,
- o absence of any pending litigation which seeks to materially restrain, modify or invalidate the Video Division Sale,
- o receipt of required consents, including those relating to various suppliers and customers,
- o continued approval by the board of directors of the Video Division Sale and receipt of the vote of our shareholders approving the Asset Purchase Agreement and the Video Division Sale, and

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- o TBM's offer of employment to a certain number of employees of the

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Video Division and the acceptance of same by a prescribed percentage thereof.

Termination

The Asset Purchase Agreement may be terminated in the following circumstances (subject to payment of a termination fee in certain instances as described below):

- o by mutual consent,
- o by the non-breaching party, after a material breach by the other party,
- o by either party, after issuance of certain orders enjoining or otherwise prohibiting the transaction,
- o by either party, if the closing has not occurred by July 9, 2004,
- o by Purchasers, if the shareholders of ParkerVision have not approved the Asset Purchase Agreement and the Video Division Sale by July 5, 2004,
- o by Purchasers, if the board of directors of ParkerVision fails to recommend or it withdraws, modifies or amends in any respect adverse to Purchasers its approval or recommendation of the Asset Purchase Agreement and the Video Division Sale, or the board of directors approves an alternative acquisition proposal,
- o by ParkerVision, upon receipt by ParkerVision of a Superior Offer for the assets which the directors are bound to accept under their fiduciary duty to ParkerVision and the shareholders, and following prior notice by ParkerVision to Purchasers, and
- o by Purchasers, subject to certain limitations, if there is a material adverse change in the business, financial condition or prospects of the Video Division.

In the event of a termination for breach, the non-breaching party may seek damages from the breaching party.

Termination Fees

If the Asset Purchase Agreement is terminated as a result of the:

- o withdrawal of our board of directors' recommendation for the transaction,
- o issuance of an order enjoining or prohibiting the Video Division Sale,
- o acceptance of a Superior Offer,

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- o failure to close by July 9, 2004, where ParkerVision acts to terminate, or
- o failure to obtain our shareholder approval by July 5, 2004

then, ParkerVision will be obligated to pay a fee of \$1,000,000 in cash, or at its election only in the case of the last two items above, by the issuance of

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that number of shares of common stock of ParkerVision with an equivalent value to the cash amount. If we issue our common stock, we will register the shares for re-offer and resale by Purchasers, and also have agreed to a make-whole provision to assure Purchasers of getting at least \$1,000,000 from its sale of the shares within a certain period of time.

Right of first refusal

Purchasers will receive a right of first refusal for one year after termination of the Asset Purchase Agreement, if such termination occurs in any of the following circumstances:

- o acceptance of a Superior Offer that ultimately is not closed by ParkerVision,
- o withdrawal of the recommendation of our board of directors for the Video Division Sale,
- o failure to obtain shareholder approval by July 5, 2004
- o failure to close the Video Division Sale by July 9, 2004, where ParkerVision acts to terminate, or
- o court order or similar directive enjoining or prohibiting the Video Division Sale.

The right of first refusal will be triggered by any written proposal from a third party to acquire the business of the Video Division, to acquire all or a material portion of the assets being sold under the Asset Purchase Agreement, or to exclusively license all or a material portion of the intellectual property of the Video Division.

Indemnification

The Asset Purchase Agreement provides that each party must indemnify the other for damages incurred as a result of the breach of their respective representations and warranties and failure to observe their covenants. In general, the representations and warranties will survive for 18 months after the closing and will not be affected by any investigation by the other party. Each party is obligated to indemnify the other up to \$4,000,000, once a threshold of \$150,000 in damages is achieved. ParkerVision also must indemnify Purchasers against intellectual property claims for an unlimited period of time, without any minimum threshold, and with a separate maximum of \$5,000,000.

We shall also indemnify Purchasers with respect to other specific items without time or amount limitations. These items include, but are not limited to:

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- o the liabilities of the Video Division that are not being assumed by Purchasers,
- o the failure to comply with any applicable bulk sales requirements,
- o breaches under the Transition Services Agreement, and
- o costs of replacement of third-party software necessary to conduct the business of the Video Division that is not transferable or assignable in the Video Division Sale.

Purchasers shall also indemnify us with respect to certain specific items

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without time or amount limitations. These items include, but are not limited to:

- o the limited liabilities of the Video Division being assumed by Purchasers, such as the Post-Closing Contractual Liabilities,
- o the failure to pay back any amounts of the purchase price held back at closing when and as due,
- o the failure to pay any adjustment to purchase price when and as due, and
- o breaches under the Transition Services Agreement.

VOTING AGREEMENT

Jeffrey Parker, our chief executive officer and chairman of the board, Todd Parker, president of our Video Division and a director, Stacie Wilf, our corporate secretary, and certain members of their immediate family and certain of their other affiliates, together and William Sammons, a director, have each entered into a Voting Agreement with Purchasers, dated February 25, 2004. Collectively, these persons and entities own an aggregate of 4,931,747 shares, representing 27.5% of the outstanding shares of our common stock and each of them has agreed to vote "FOR" the adoption of the Asset Purchase Agreement and the approval of the Video Division Sale. Each of these persons and entities has appointed Purchasers as their proxies with respect to the voting of their shares at the special meeting if they do not act in accordance with the Voting Agreement.

INTERESTS OF MANAGEMENT

Except in their capacity as shareholders or holders of options to buy common stock of ParkerVision, no director or executive officer of ParkerVision or any of their affiliates has any substantial interest, direct or indirect, in the Video Division Sale, nor will any such person derive any extra or special benefit.

BACKGROUND OF THE VIDEO DIVISION SALE

The following summarizes our operating divisions and the events and reasons leading to our decision to sell our Video Division and focus our resources and efforts on our Wireless Division.

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Our Business Divisions

WIRELESS DIVISION. We have developed radio frequency transceivers based on what we believe to be an entirely new electronic circuit configuration and design. We market these under the names Direct2Data or D2D. We believe our D2D technology enables the creation of practical, high performance transceivers that reduce or eliminate transmission and receiving problems when compared to fundamental circuit configurations based on solutions developed over fifty years ago. Transceiver products using the current widely accepted radio technology have inherent transmission and receiving limitations. These limitations compromise the overall performance of the transceivers, use more power to drive them, are more expensive to manufacture and must be larger in size (which also means heavier) to function at levels similar to products using the D2D technology. Wireless products employing D2D technology, when compared to other products, have the ability to function at farther distances, with fewer dead zones, with increased connection reliability, may be manufactured less expensively, and use less power to drive them.

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In September and December 2003, we introduced our first D2D-based products, which include a wireless local area networking card, a wireless four-port router and a wireless universal serial bus adaptor. We promote and sell our wireless consumer products on our website and through an Internet based retailer. We are exploring additional channels of commercial product distribution. We also are marketing our designs and semiconductor products to product manufacturers for integration into their products.

VIDEO DIVISION. The Video Division encompasses our automated live television production systems, marketed under the tradename PVTV(TM), and automated video camera control systems, marketed under the tradename CameraMan(R). ParkerVision provides training, support and other services related to these products.

PVTV systems are marketed to broadcasters in the US and Canada and are designed specifically to meet the needs of studio production markets. The PVTV product line combines a professional television broadcast video production system that integrates video, audio, teleprompter, machine control, character generators and still stores and control functions. PVTV systems, at the election of the customer, also may incorporate ParkerVision camera systems. With the PVTV system, broadcasters are able to economize resources by maximizing their production capabilities with many fewer employee operators.

The CameraMan systems permit non-professional video users to create professional-quality video communications. We principally market the CameraMan systems to educational and videoconferencing segments of the commercial market and to the broadcast and professional video user.

Pre-signing activities

In 2002, our board of directors and management began to evaluate our business divisions, assets, prospects and costs in an effort to maximize the potential of our company and shareholder value. The declining sales of the CameraMan products, the time frame for achieving sales of the PVTV products, the impact of the recession and Iraqi war on budget commitments by television broadcasters and the continued losses of the Video Division were considered. Also taken into

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consideration were the commercial potential represented by the technology of our Wireless Division and the expenses and resources that would be required to realize this potential.

Management sought advice with respect to its efforts to maximize company potential and shareholder value and, in this regard, consulted with and interviewed several corporate strategists and investment banking firms. In March 2003, ParkerVision engaged Wells Fargo Securities, LLC to assist ParkerVision in the development of our corporate strategies, including with respect to our Video Division.

In order to strengthen our capital position and fund the ongoing research and development costs associated with our Wireless Division as well as our other operations, we consummated a private placement in November 2003, selling 2,310,714 shares of common stock at \$8.75 per share for an aggregate purchase price of approximately \$20.2 million. Wells Fargo Securities served as sole placement agent for the transaction. Wells Fargo Securities was paid fees and expenses of \$1,243,124 from the gross proceeds of this offering.

Through the efforts of Wells Fargo Securities, in April 2003, we began

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preliminary discussions with representatives of the Purchasers. In connection with these discussions, we signed a mutual confidentiality agreement on May 23, 2003. Thereafter, during the period from May 2003 to December 2003, executives and technical personnel of Purchasers and ParkerVision had two face-to-face meetings and several telephonic conferences with respect to the prospects of the Video Division and the design, manufacturing, marketing and support capabilities of the Video Division.

As a result of the preliminary due diligence investigations by the Purchasers and the discussions, the Purchasers made an offer to acquire the assets of the Video Division in a written term sheet delivered to ParkerVision on December 9, 2003. From December 10, 2003 to December 17, 2003, Purchasers and ParkerVision discussed the offer terms and signed a definitive letter of intent on December 18, 2003.

There were further discussions in early January 2004 between Jean Marc Hoffer and John Stuckey, representatives of Purchasers, and Jeffrey Parker and Todd Parker, officers of ParkerVision, during which several of the original terms of the Video Division Sale were modified.

Immediately thereafter, counsel for the Purchasers commenced their "due diligence" review and drafting the acquisition agreements.

From January 27, 2004 through January 30, 2004, management of Purchasers and ParkerVision met in New York for the preliminary negotiation of the transaction documents. Present at these meetings were Jean Marc Hoffer, John Stuckey, Jeff Rosica and Tom Collins of the Purchasers, and Jeffrey Parker, our chief executive officer and chairman of the board, and Todd Parker, president of our Video Division and a director. Counsel for each of the parties also was present.

On January 28, 2004, the board of directors of ParkerVision met to receive a report of the face-to-face negotiations and respond to several provisions of the transaction documents being proposed. The board authorized continued negotiations, subject to certain parameters.

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During the period from February 2, 2004 to February 24, 2004, the parties and counsel negotiated and finalized the transaction documents by telephonic conferences, exchange of written transaction documents, memoranda and emails. During this time, ParkerVision provided Purchasers with additional due diligence documentation and disclosure and prepared the disclosure schedules to the Asset Purchase Agreement which clarified the representations and warranties being made by ParkerVision.

On February 17, 2004, the board met to consider the transaction documents. Counsel for ParkerVision and management reviewed the terms of the transaction documents. The representative of Wells Fargo Securities reviewed the terms and fairness of the Video Division Sale with our board of directors.

On February 24, 2004, the board of directors convened again to evaluate the Video Division Sale and the transaction documents. For this meeting, the board was provided with the final forms of transaction documents and the supporting data in respect of the draft fairness opinion to be rendered by Wells Fargo Securities. At this meeting, the board of directors approved the Asset Purchase Agreement, the various ancillary transaction agreements and the Video Division Sale.

On February 25, 2004, Purchasers and ParkerVision entered into the Asset Purchase Agreement and Thomson Inc. delivered its guarantee of the Purchasers'

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payment obligations thereunder. Simultaneously, certain shareholders of ParkerVision executed and delivered the Voting Agreement to Purchasers.

On February 26, 2004, Thomson and ParkerVision jointly announced the execution of the agreements through press releases.

Reasons for the Video Division Sale

ParkerVision has offered video products since 1990 and these products were the original core of our business. In 1995, we started our Wireless Division, which made what we believe to be important technological advances in wireless and chip architecture technologies. During the ensuing years, we engaged in significant research and obtained extensive patent protection related to these wireless technology advances and, in the fourth quarter of 2003, we began selling the first products based on our wireless technologies. Although revenues for our Wireless Division have been insignificant to date, we believe this division has significant growth potential far greater than that of the Video Division.

As a result of the sale of our Video Division, we will be able to focus all of our resources and attention on our wireless technologies and products and will obtain at least an additional \$12.5 million in cash for use in our Wireless Division's operations.

Our board approved the Video Division Sale and the Asset Purchase Agreement based on a number of factors, including the following:

- o the consideration is all cash, which provides certainty of value compared to a transaction involving receipt of stock or other non-cash consideration, especially in light of the volatility of the stock market;

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- o the cash consideration provides us with proceeds that are immediately usable in the continued rollout of our initial wireless products;
- o the opinion of Wells Fargo Securities that the purchase price is fair to ParkerVision from a financial point of view; and
- o the need to generate sufficient capital resources to continue our operations with a focus on our Wireless Division.

OPINION OF WELLS FARGO

Under an engagement letter dated as of March 3, 2003, ParkerVision retained Wells Fargo Securities to provide it with advisory services with respect to the maximization of the value of the company, including its Video Division.

In March 2003, ParkerVision authorized Wells Fargo Securities to prepare a selling memorandum with respect to the Video Division. This memorandum was prepared and five potential purchasers were approached, including Thomson. Ultimately, the other four parties declined to proceed, with Thomson electing to proceed. Thomson submitted a letter of intent to ParkerVision in December 2003, which subsequently was negotiated to a draft Asset Purchase Agreement.

At the meeting of ParkerVision's board of directors on February 17, 2004, Wells Fargo Securities rendered its oral opinion, subsequently confirmed in writing, to the effect that, as of February 25, 2004 and subject to and based upon the assumptions and other considerations set forth in its written opinion, the purchase price to be paid to ParkerVision in the Video Division Sale was

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fair to ParkerVision from a financial point of view.

The full text of the written opinion of Wells Fargo Securities, dated as of February 25, 2004, is attached as Appendix B to this Proxy Statement. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Wells Fargo Securities in rendering its opinion. Wells Fargo Securities' opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof could materially affect this opinion. Wells Fargo Securities was not requested to consider, and its opinion does not address, the relative merits of the Video Division Sale as compared to any alternative business strategies that might exist for ParkerVision. Wells Fargo Securities' opinion is, in any event, limited to the fairness, from a financial point of view, of the purchase price in the Video Division Sale and does not address ParkerVision's underlying business decision to affect the Video Division Sale. Wells Fargo Securities has not undertaken to update, revise or reaffirm this opinion or otherwise comment upon events occurring after the date hereof. The summary of the opinion of Wells Fargo Securities set forth in this document is qualified in its entirety by reference to the full text of the opinion.

In connection with rendering its opinion, Wells Fargo Securities reviewed, among other things:

- o a draft of the Asset Purchase Agreement and exhibits thereto substantially similar to the final forms;

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- o the financial statements of the Video Division and other historical financial information provided by ParkerVision that we deemed relevant;
- o audited financial statements of ParkerVision for the years 2002, 2001, 2000 and 1999 and other historical financial information provided by ParkerVision that we deemed relevant;
- o certain financial analyses and forecasts of the Video Division prepared by and reviewed with management of ParkerVision and the views of senior management of ParkerVision regarding the Video Division's past and current business operations, results thereof, financial condition and future prospects;
- o a comparison of certain financial information for the Video Division with similar publicly available information for certain other publicly traded companies;
- o the financial terms of recent business combinations deemed generally relevant to their analysis; and
- o such other information, financial studies, analyses and investigations and financial, economic and market criteria as Wells Fargo Securities considered relevant.

Wells Fargo Securities' opinion did not in any manner address the prices at which ParkerVision's common stock will actually trade following the consummation of the Video Division Sale. Wells Fargo Securities expressed no opinion or recommendation as to how the shareholders of ParkerVision should vote at the shareholders' meeting to be held in connection with the Video Division Sale.

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The following is a summary of the financial analyses performed by Wells Fargo Securities in connection with its oral opinion and the preparation of its written opinion, which represent all of the financial analyses considered by Wells Fargo Securities in arriving at its opinion. Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Wells Fargo Securities, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.

Comparable Company Trading Analysis. Wells Fargo Securities compared certain publicly available financial information for ParkerVision and four companies were selected. The four comparable companies were:

- o Avid Technology Inc.
- o Harris Corp.
- o Pinnacle Systems Inc.
- o Thomson

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Wells Fargo Securities then analyzed the ratio of aggregate value, defined as market capitalization plus total debt less cash and cash equivalents, for each of these companies to trailing twelve months revenues. This analysis showed the following:

COMPANY	AGGREGATE VALUE TO TRAILING TWELVE MONTHS REVENUE
Avid Technology Inc.	2.2x
Harris Corp.	1.3x
Pinnacle Systems Inc.	1.3x
Thomson	0.7x
Mean:	1.4x
Median:	1.3x

No company utilized in the comparable company analysis is identical to the Video Division. In evaluating the comparable companies, Wells Fargo Securities made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of ParkerVision. Mathematical analysis, such as determining the average or median, is not in itself a meaningful method of using comparable company data.

Discounted Cash Flow Analysis. Wells Fargo Securities attempted to calculate equity values for the Video Division based on a discounted cash flow analysis, but deemed the resulting equity values as immaterial due to the lack of information and pertinent projections.

Analysis of Purchase Price as a Multiple of Revenue. Wells Fargo Securities compared publicly available statistics for 20 selected transactions

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announced between January 1, 1998 and December 31, 2003 involving public companies in the broadcasting equipment industry and in which transaction values ranged up to \$250 million. Of these transactions, there were five in which the transactions were most comparable to the Video Division Sale. The transactions reviewed were:

DATE ANNOUNCED -----	ACQUIROR -----	TARGET -----
12/14/01	Thomson Multimedia	Grass Valley Group
01/26/01	Dielectric Communications	TCI International
11/30/99	Harris Corp.	Louth Automation
09/05/00	Leitch Technology	Digital Processing Systems
09/05/00	Unique Broadband Systems	ProTeleVision Technology

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For each of these transactions, Wells Fargo Securities analyzed the purchase price as a multiple of trailing twelve months revenues. Wells Fargo Securities then applied the results from this analysis to the relevant financial statistic for the Video Division.

REFERRAL MULTIPLES -----	RELEVANT MULTIPLE RANGES -----	MEDIAN -----	MEAN -----
Transaction value to last twelve month revenue	0.5x - 3.1x	1.3x	1.7x

No company or transaction utilized in the analysis of the purchase price in the Video Division Sale as a multiple of revenue is identical to the Video Division or the Video Division Sale. In evaluating the purchase price in the Video Division Sale as a multiple of revenue, Wells Fargo Securities made judgments and assumptions with regard to general business, market and financial conditions and other matters, which are beyond the control of ParkerVision and which could affect the public trading value of the companies and the aggregate value of the transactions to which they are being compared.

Wells Fargo Securities conducted the analyses described above solely as part of its analysis of the fairness to ParkerVision from a financial point of view of the purchase price to be paid for the Video Division and in connection with the delivery of its opinion to ParkerVision's board of directors. These analyses do not purport to be appraisals or to reflect the prices at which shares of common stock of ParkerVision might actually trade.

The purchase price to be paid for the Video Division was determined through arm's-length negotiations between ParkerVision and Purchasers and was approved by ParkerVision's board of directors. Wells Fargo Securities provided advice to ParkerVision during these negotiations. Wells Fargo Securities did not, however, recommend any specific purchase price to ParkerVision.

In addition, as described elsewhere in this document, Wells Fargo Securities' opinion and its presentation to ParkerVision's board of directors was one of many factors taken into consideration by ParkerVision's board of directors in deciding to approve the Purchase. Consequently, the analyses as described above should not be viewed as determinative of the opinion of

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ParkerVision's board of directors.

Under the engagement letter, ParkerVision paid Wells Fargo Securities an initial retainer of \$75,000 upon signing of the letter. ParkerVision also agreed to pay Wells Fargo Securities a fee for its services equal to 2% of the value of any sales transaction introduced to ParkerVision by Wells Fargo Securities. In connection with the Video Division Sale, this fee will be between \$250,000 if there is no upward adjustment to the purchase price, and \$305,000 if the maximum upward adjustment is applied. This fee will be paid upon closing of the Video Division Sale. In addition, ParkerVision paid Wells Fargo Securities \$150,000 for the fairness opinion. ParkerVision has also agreed to reimburse Wells Fargo Securities for its expenses incurred in performing its services. ParkerVision will indemnify Wells Fargo Securities and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Wells Fargo Securities or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Wells Fargo Securities' engagement.

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USE OF PROCEEDS

If the Video Division Sale is approved and consummated, the net proceeds received by ParkerVision will be used for working capital in the Wireless Division and general corporate purposes. No distributions of the purchase price proceeds to the shareholders of ParkerVision are contemplated.

ABSENCE OF APPRAISAL RIGHTS

Under Chapter 607, Florida Statutes, ParkerVision's shareholders will have no rights in connection with the Video Division Sale to seek appraisal for the fair value of their shares of common stock.

ACCOUNTING TREATMENT OF PROPOSED TRANSACTION

Following approval of the Video Division Sale by the shareholders, the Video Division will be accounted for "as a discontinued operation" in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" during the quarter in which the closing occurs.

BOARD OF DIRECTORS RECOMMENDATION

AFTER CAREFUL CONSIDERATION, PARKERVISION'S BOARD HAS DETERMINED THAT THE ASSET PURCHASE AGREEMENT IS ADVISABLE, FAIR TO, AND IN THE BEST INTERESTS OF, PARKERVISION AND ITS SHAREHOLDERS. ACCORDINGLY, OUR BOARD APPROVED THE ASSET PURCHASE AGREEMENT AND THE VIDEO DIVISION SALE, AND RECOMMENDS THAT YOU VOTE "FOR" APPROVAL OF THE ASSET PURCHASE AGREEMENT AND THE VIDEO DIVISION SALE.

RISK FACTORS RELATING TO THE PROPOSED TRANSACTION AND OUR CONTINUING BUSINESS

You are urged to read the following risk factors relating to the Video Division Sale and the continued operation of, and focus on, our Wireless Division following the consummation of the Video Division Sale.

WE HAVE A HISTORY OF LOSSES THAT WE MAY NOT BE ABLE TO REVERSE.

ParkerVision has had losses in each year since our inception in 1989. For the fiscal years 2001, 2002 and 2003, our losses were approximately \$16.6 million, \$17.3 million and \$22.0 million, respectively. We had an accumulated

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deficit of approximately \$95.7 million at December 31, 2003. Our recent operating losses resulted from declining revenues of our video products and insufficient sales of our wireless products. Our expenditures are likely to continue to outpace our revenues in the near term and we may never be able to generate sufficient revenues to support operations.

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THE RISK THAT WE WILL CONTINUE TO EXPERIENCE LOSSES COULD BE EXACERBATED BY THE DISCONTINUATION OF OUR VIDEO DIVISION REVENUE STREAM.

After the sale of our Video Division, we will no longer generate revenues from the sale of our video products and will rely solely on our ability to generate revenues through the commercialization of our D2D technology to support our operations. Revenues from our Wireless Division have been nominal to date, while expenditures for such division have been, and likely will continue to be, significant. We may never be able to generate revenues through our Wireless Division that are sufficient to cover operational expenses or which result in net profits.

IF WE REQUIRE ADDITIONAL CAPITAL IN THE FUTURE AND CANNOT RAISE IT, WE WILL NOT BE ABLE TO IMPLEMENT OUR CURRENT BUSINESS PLAN.

We anticipate that we will continue to operate at a loss in the near term and to make significant expenditures for research and development, patent protection, manufacturing, marketing and general operations. We believe that our existing resources, together with the net proceeds from the Video Division Sale, will be sufficient to fund our business plan for 2004. After such time, if revenues generated by our Wireless Division are not sufficient to support our operations, we will be required to obtain financing. Financing, if any, may be in the form of loans, additional sales of equity securities or one or more joint ventures. A loan, the sale of preferred stock or a joint venture may result in the imposition of operational limitations and other covenants and payment obligations, any of which may be burdensome to ParkerVision. The sale of any of our equity securities will result in dilution to our then existing shareholders. ParkerVision does not have any plans or arrangements for additional financing at this time.

OUR WIRELESS DIVISION HAS NO MEANINGFUL COMMERCIAL HISTORY ON WHICH TO EVALUATE ITS PROSPECTS.

Our first wireless products were introduced in late 2003 and revenues for our Wireless Division have been insignificant to date. There is no long-term business history on which you can evaluate our Wireless Division and its prospects. Our Wireless Division must therefore be evaluated in light of the risks, uncertainties, expenses and difficulties frequently encountered by companies in development, particularly companies in the technology industries. These risks include:

- o limited or no proven market acceptance of our existing and future products;
- o our need to develop sales and support organizations for newly introduced products and technologies;
- o competition from numerous sources, the substantial majority of which have greater resources than ParkerVision;
- o our need to manage changing operations in an efficient and timely manner; and

- o our likely need to rely on strategic relationships for the exploitation of our technology and distribution of our products.

OUR D2D TECHNOLOGY REPRESENTS A RADICAL CHANGE FROM PREVIOUSLY ACCEPTED TECHNOLOGIES AND MAY MEET WITH RESISTANCE OR NONACCEPTANCE IN THE INDUSTRY.

Our wireless technology represents a significant change in the circuit design of wireless radio-frequency communications. To achieve market acceptance, we will need to prove to the marketplace that our technology can be utilized to produce products and solutions that are desirable or superior alternatives to existing products and solutions. We may not be able to do this, and we cannot predict the ultimate competitive, operational or economic benefits, if any, that our technology would provide. If we are not able to establish our D2D technology in the market place as a desirable or superior alternative to current, traditional solutions in wireless communications, our business and financial condition will be adversely affected.

IF WE CANNOT KEEP PACE WITH RAPID CHANGES IN TECHNOLOGY, WE WILL BE AT A COMPETITIVE DISADVANTAGE AND COULD LOSE IMPORTANT MARKET OPPORTUNITIES.

The microelectronics industry in which our D2D technology applies is characterized by rapid technological developments, changes and demand shifts. We must continually dedicate substantial resources to the development and improvement of our technology and must regularly introduce new products and related technologies to stay ahead or apace with these changes. For example, in fiscal year 2003, we spent approximately \$13 million on wireless research and development, and in the coming year, we expect to spend a significant additional amount. If other companies offer better products or technologies than those offered by ParkerVision or our own product and technology development lags or fails to produce viable products and solutions, our competitive position will be compromised and we may not be able to capitalize on important market opportunities as they arise.

IF OUR PRODUCTS ARE NOT COMMERCIALY ACCEPTED, OUR RESEARCH AND DEVELOPMENT INVESTMENT WILL BE LOST AND OUR ABILITY TO CONTINUE OPERATIONS WILL BE IMPAIRED.

There can be no assurance that our Wireless Division's technology can be harnessed to create commercially viable or desirable products. If new products are not developed by us or by third parties under license to us, or such products are not commercially accepted, the funds we have expended and will continue to expend on research and development will not be recoverable, and our competitive and financial position will be adversely affected.

IF OUR PATENTS DO NOT PROVIDE US WITH THE PROTECTION WE ANTICIPATE, OUR COMPETITIVE POSITION, BUSINESS AND PROSPECTS WILL BE IMPAIRED.

We have been awarded 29 United States and foreign patents and have more than 90 patent applications pending relating to our D2D technologies. We rely on these to provide us with competitive advantage and to protect us from theft of our intellectual property. We believe that many of these patents are for entirely new technologies. If the pending patents are not issued, or issued patents are later shown not to be as broad as currently believed or otherwise challenged such that some or all of the protection is lost, any competitive advantage that we possess will be diminished or lost and our ability to offer unique products and technologies could be substantially harmed.

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OUR D2D TECHNOLOGY WILL COMPETE WITH THE TECHNOLOGIES OF NUMEROUS OTHER COMPANIES.

Our technology, and the products and solutions based on such technology, will necessarily be judged against, and will compete with, the technologies of other companies in our industry. We face competition from chip suppliers, such as Philips, Texas Instruments, Analog Devices and Broadcom, as well as from finished products suppliers, such as Netgear, Cisco, Proxim and D.Link. It also is likely that we will face competition from entities such as Qualcomm, Nokia, Panasonic, Sony and Samsung, as well as other existing and future companies that are developing or which will develop other technologies. Many of our competitors have far greater resources and more established brand names than we do and may be able to use such resources and brand identity to capture significant market share, even in circumstances where their technology is inferior to ours.

WE OBTAIN CRITICAL PRODUCTION COMPONENTS FROM VARIOUS SUPPLIERS WHO MAY NOT BE ABLE TO FULFILL OUR REQUIREMENTS AS AND WHEN NEEDED OR WHO MAY IMPLEMENT PRICE INCREASES THAT WE CANNOT PASS ON TO OUR CUSTOMERS.

We obtain critical components from various suppliers, some of which are single sources. We may not obtain components on a timely basis or at all as a result of lack of capacity, parts shortages and other disruptions at these sources or in the overall marketplace. To date, we have not experienced any significant problems with sources of components that have affected our ability to fulfill our obligations in a timely fashion. In addition, we have never ended or had terminated any supply arrangements for critical components where an alternative has not been readily available. Notwithstanding this history, if we are unable to obtain components from current sources as and when needed, our business could be disrupted, and we would have to expend some of our resources to modify our products or find new suppliers and work with them to develop appropriate components. Although we have been able to pass on price increases we have encountered to date, we have no control over the level or timing of future price increases and may not always be able to pass on such increases, which could have an adverse effect on our financial condition.

WE WILL SEEK TO ESTABLISH RELATIONSHIPS WITH THIRD PARTIES FOR THE COMMERCIALIZATION OF OUR D2D TECHNOLOGY AND MAY NOT BE ABLE TO ACHIEVE MARKET ACCEPTANCE WITHOUT THEM.

To achieve wide market awareness and acceptance of our D2D technology, we will seek to enter into business relationships with third parties by which our D2D technology would be incorporated into their products under license or by which our own products would be marketed through their marketing channels. From time to time, we have had discussions for OEM and other types of arrangements, but to date, none have been successfully concluded. The successful commercialization of our D2D technology will depend in part on our ability to enter into, and then meet our obligations under, such agreements.

OUR LIMITED EXPERIENCE IN THE COMMERCIAL DESIGN OF ELECTRONIC CHIPS AND NEED TO OUT-SOURCE THEIR PRODUCTION COULD RESULT IN DESIGN ERRORS, PRODUCTION DELAYS AND PRODUCT REJECTIONS.

We have limited experience in the commercial design and manufacture of electronic chips. Our inexperience in chip design could result in fundamental design or manufacturing flaws. Our chips are manufactured through a foundry relationship with Texas Instruments. Since we do not control the actual manufacturing process, there could be deficiencies or delays

in manufacturing that are outside of our control and which we may not be able to

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identify or remedy on a timely basis. Design errors, manufacturing deficiencies or production delays could lead to the rejection of finished product by our end customers.

WE ARE HIGHLY DEPENDENT ON JEFFREY PARKER, OUR CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD.

Because of Mr. Parker's position in the company and the respect he has garnered in the industries in which we operate and the investment community, the loss of his services would likely impede our ability to execute our business plan, establish and maintain relationships in our industries and obtain future financing if needed. Mr. Parker has an employment agreement that expires in September 2005. ParkerVision maintains key-man life insurance for its benefit on Mr. Parker.

WE ARE DEPENDENT ON HIRING HIGHLY SKILLED EMPLOYEES.

Our Wireless Division is very specialized and we are dependent on having skilled and specialized employees to conduct our research and development, manufacturing, marketing and support activities. There tends to be relatively few persons available that meet our requirements. ParkerVision encounters intense competition from other telecommunications, electronics and technically orientated companies for these employees. We are often required to fashion superior compensation packages and to develop a working environment conducive to attracting the kinds of person the company needs. We also have to pay recruiting fees. The inability to obtain appropriately skilled employees on a commercially reasonable basis would have an adverse impact on our business and development.

THIS PROXY STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS THAT MAY PROVE INACCURATE.

In connection with the Private Securities Litigation Reform Act of 1995 (the "Litigation Reform Act"), we are disclosing certain cautionary information in connection with this Proxy Statement that may contain "forward-looking statements" within the meaning of the Litigation Reform Act. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate" or "continue" or the negative thereof or other variations thereon or comparable terminology.

You are cautioned that all forward-looking statements are necessarily speculative and there are numerous risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. The discussion above highlights some of the more important risks identified by us, but should not be assumed to be the only factors that could affect future performance. We do not have a policy of updating or revising forward-looking statements.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information as of the record date with respect to the stock ownership of (i) those persons or groups who beneficially own more than 5% of our common stock, (ii) each of our directors, (iii) each executive officer whose compensation exceeded \$100,000 in 2003, and (iv) all of our directors and executive officers as a group (based upon information furnished by those persons).

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NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP
Jeffrey L. Parker(2)	3,314,342 (3) (4)
J-Parker Family Limited Partnership(5)	2,376,974 (4)
Todd Parker(2)	1,100,588 (6) (7)
T-Parker Family Limited Partnership(5)	876,255 (7)
Stacie Wilf(2)	1,033,416 (8) (9)
S-Parker Wilf Family Limited Partnership(5)	905,811 (9)
David F. Sorrells(2)	549,500 (10)
William A. Hightower	162,500 (11)
Richard A. Kashnow	115,000 (12)
William L. Sammons	169,750 (13)
Nam P. Suh	-- (14)
Papken S. der Torossian	15,000 (15)
Cynthia Poehlman(2)	61,200 (16)
Wellington Management Company, LLP(17)	2,064,600 (17)
Leucadia National Corporation(18)	1,607,973 (18)
Banca del Gottardo(19)	1,197,439 (19)
Arbor Capital Management, LLC(20)	1,310,800 (20)
Tyco International Ltd.(21)	1,058,949 (21)
Tyco Sigma Limited(21)	1,058,949 (21)
All directors and executive officers as a group (10 persons)	6,521,296 (22)

-
- (1) Percentage includes all outstanding shares of common stock plus, for each person or group, any shares of common stock that the person or the group has the right to acquire within 60 days pursuant to options, warrants, conversion privileges or other rights.
 - (2) The person's address is 8493 Baymeadows Way, Jacksonville, Florida 32256.
 - (3) Includes 700,000 shares of common stock issuable upon currently exercisable options and 9,501 shares owned of record by Mr. Parker's three children over which he disclaims ownership. Excludes 60,000 shares of common stock issuable upon options that may become exercisable in the future.
 - (4) J-Parker Family Limited Partnership is the record owner of 2,376,974 shares of common stock. Mr. Jeffrey L. Parker has sole voting and dispositive power over the shares of common stock owned by the J-Parker Family Limited Partnership, as a result of which Mr. Jeffrey Parker is deemed to be the beneficial owner of such shares.

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- (5) The entity's address is 409 S. 17th Street, Omaha, Nebraska 68102.
- (6) Includes 127,500 shares of common stock issuable upon currently exercisable options and 10,000 shares owned of record by Mr. Parker's spouse and 100 shares owned of record by Mr. Parker's child. Excludes 40,000 shares of common stock issuable upon options that may become exercisable in the future.
- (7) T-Parker Family Limited Partnership is the record owner of 876,255 shares of common stock. Mr. Todd Parker has sole voting and dispositive power over the shares of common stock owned by the T-Parker Family Limited Partnership, as a result of which Mr. Todd Parker is deemed to be the beneficial owner of such shares.

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- (8) Includes 87,500 shares of common stock issuable upon currently exercisable options and 10,600 shares owned of record by Ms. Wilf's two children over which she disclaims ownership.
- (9) S-Parker Wilf Family Limited Partnership is the owner of 905,811 shares of common stock. Ms. Wilf has sole voting and dispositive power over the shares of common stock owned by the S-Parker Wilf Family Limited Partnership, as a result of which Ms. Wilf is deemed to be the beneficial owner of such shares.
- (10) Includes 549,500 shares of common stock issuable upon currently exercisable options. Excludes 300,000 shares of common stock issuable upon options that may become exercisable in the future.
- (11) Includes 162,500 shares of common stock issuable upon currently exercisable options. Excludes 500,000 shares of common stock issuable upon options that may become exercisable in the future.
- (12) Includes 115,000 shares of common stock issuable upon currently exercisable options.
- (13) Includes 150,000 shares of common stock issuable upon currently exercisable options.
- (14) Excludes 100,000 shares of common stock issuable upon options that may become exercisable in the future.
- (15) Includes 15,000 shares of common stock issuable upon currently exercisable options. Excludes 100,000 shares of common stock issuable upon options that may become exercisable in the future.
- (16) Includes 61,200 shares of common stock issuable upon currently exercisable options. Excludes 27,300 shares of common stock issuable upon options that may become exercisable in the future.
- (17) The business address of Wellington Management Company, LLP is 75 State Street, Boston, Massachusetts 02109. Wellington has shared voting authority over 974,300 shares of common stock and has shared dispositive power over 2,064,600 shares of common stock. Wellington has reported beneficial ownership of 2,064,600 shares of common stock. The foregoing information was derived from a Schedule 13G/A filed with the SEC on December 31, 2003.

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- (18) The business address of Leucadia National Corporation is 315 Park Avenue South, New York, New York 10010. The information for Leucadia National Corporation was derived from a Schedule 13G filed with the SEC on April 1, 2003. The number of shares reported as beneficially owned includes 484,293 shares underlying a currently exercisable warrant.
- (19) The address is Banca del Gottardo, Viale S. Franscini 8, CH-6901 Lungano, Switzerland. The foregoing information was derived from an amendment to Schedule 13G filed with the SEC and is based on information as of December 31, 2003.
- (20) The address is One Financial Plaza, 120 South Sixth Street, Suite 100, Minneapolis, Minnesota 55402. The foregoing information was derived from a Schedule 13G filed with the SEC and is based on information as of December 31, 2003.
- (21) The business address of each of Tyco International Ltd. and Tyco Sigma

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Limited is The Zurich Center, Second Floor, 90 Pitts Bay Road, Pembroke, HM 08, Bermuda. These shares are held of record by Tyco Sigma Limited, a wholly owned subsidiary of Tyco International Ltd. Tyco International Ltd. and Tyco Sigma Limited share voting and dispositive power over these shares. The foregoing information was derived from a Schedule 13G filed with the SEC on March 6, 2003. The number of shares reported as beneficially owned includes 529,475 shares underlying a currently exercisable warrant.

- (22) Includes 1,968,200 shares of common stock issuable upon currently exercisable options held by directors and officers and 1,127,300 shares of common stock issuable upon options that may vest in the future held by directors and officers (see notes 3, 6, 8, 10, 11, 12, 13, 14, 15 and 16, above).

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PROPOSED TRANSACTION

The Video Division Sale will have no immediate direct income tax consequences to ParkerVision's shareholders. The Video Division Sale will be reported by ParkerVision as a sale of assets for federal and state income tax purposes in 2004.

To the extent that the purchase price allocated to an asset exceeds its tax basis, we will recognize gain. To the extent that the purchase price allocated to an asset is less than our tax basis in that asset, we will recognize a loss. We should be able to offset taxable gain arising from the sale of the assets with operating losses, expenses and net operating loss carry-forwards. The asset sale may also result in state or local income, franchise, sales, use or other tax liabilities to ParkerVision in states or local tax jurisdictions in which we file tax returns. Overall, we do not expect the tax obligations of the Company to be significant.

Holders of our common stock will not recognize any gain or loss solely as a result of the Video Division Sale. Our shareholders may be taxed on subsequent distributions (i.e., dividends) of the proceeds of the Video Division Sale, if any. Such distributions are not contemplated.

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FINANCIAL STATEMENTS AND OTHER INFORMATION INCORPORATED BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we filed at the SEC's public reference room at 450 Fifth Street, N.W., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room.

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this proxy statement, and information that we file later with the SEC will automatically update and supersede this information. This proxy statement incorporates by reference our documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended.

- o Annual Report on Form 10-K for the fiscal year ended December 31,

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2003;

- o Current Report on Form 8-K dated February 25, 2004 and filed March 2, 2004;
- o Current Report on Form 8-K dated March 11, 2004 and filed March 11, 2004; and
- o Form 8-A declared effective on November 30, 1993, registering our common stock, under Section 12(g) of the Securities Exchange Act of 1934, as amended.

You may obtain a copy of any of our SEC filings, excluding exhibits, without charge by written or oral request directed to ParkerVision, Inc., Attention: Investor Relations, 8493 Baymeadows Way, Jacksonville, Florida 32256.

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SELECTED FINANCIAL DATA

The following table sets forth consolidated financial data for ParkerVision as of the dates and for the periods indicated. The data has been derived from the audited consolidated financial statements of ParkerVision. The selected financial data should be read in conjunction with the consolidated financial statements of ParkerVision and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Form 10-K for the fiscal year ended December 31, 2003 incorporated by reference into this proxy statement.

	For the years ended December 31,			
	2003	2002	2001	2000
	(in thousands, except per share amounts)			
CONSOLIDATED STATEMENT OF OPERATIONS DATA:				
Revenues, net	\$ 6,738	\$11,912	\$ 9,315	\$ 15,965
Gross margin	2,072	4,703	3,262	7,474
Operating expenses	24,563	22,880	21,613	22,445
Interest and other income	476	905	1,741	1,949
Net loss	(22,015)	(17,272)	(16,610)	(13,022)
Basic and diluted net loss per common share	(1.43)	(1.24)	(1.20)	(1.03)
CONSOLIDATED BALANCE SHEET DATA:				
Total assets	\$42,483	\$37,745	\$54,144	\$ 63,46
Shareholders' equity	39,399	34,047	50,547	60,02
Working capital	23,225	18,992	36,161	45,46

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UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following pro forma financial data should be read in conjunction with the selected financial data of ParkerVision found elsewhere in this proxy statement and the financial statements of ParkerVision incorporated by reference

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in this proxy statement and available on the SEC website or from the company. The following pro forma information below has not been audited.

The unaudited pro forma consolidated balance sheet as of December 31, 2003 has been prepared to illustrate the estimated effects of the sale of the video business and related assets as of December 31, 2003. The unaudited pro forma consolidated statements of operations for the years ended December 31, 2003, 2002 and 2001 have been prepared to illustrate the estimated effects of the sale of the video business and related assets at January 1, 2001. The pro forma consolidated statements of operations for each of the years ending December 31, 2001, 2002 and 2003 were derived by adjusting the historical financial statements of ParkerVision for certain transactions pursuant to the sale transaction described in the notes to the unaudited pro forma consolidated financial statements.

The pro forma financial data does not purport to be indicative of the results which actually could have been obtained had the sale transaction been completed as of the assumed dates or which may be obtained in the future. The future financial results will be primarily those of the Wireless Division.

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PARKERVISION, INC. AND SUBSIDIARY UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2003

	Historical -----	Video Division -----		Proforma -----
Product revenue	\$ 5,576,472	\$ 5,555,582	a	\$ 20,89
Support and other services revenue	1,161,597	1,161,597	a	
Net revenues	6,738,069	6,717,179		20,89
Cost of goods sold - products	3,500,064	3,470,411	a	29,65
Cost of goods sold - support and other services	1,165,609	1,165,609	a	
Total cost of goods sold	4,665,673	4,636,020		29,65
Gross margin	2,072,396	2,081,159		(8,76)
Research and development expenses	15,025,747	1,708,268	b	13,317,47
Marketing and selling expenses	3,679,203	2,681,329	c	997,87
General and administrative expenses	5,774,239	0		5,774,23
Other expense	84,007	0		84,00
Total operating expenses, net	24,563,196	4,389,597		20,173,59
Loss from operations	(22,490,800)	(2,308,438)		(20,182,36)
Interest and other income	476,002	0		476,00

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Loss from continuing operations	\$ (22,014,798)	\$ (2,308,438)	\$ (19,706,36)
	=====	=====	=====

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PARKERVISION, INC. AND SUBSIDIARY
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Historical	Video Division		Pro Forma
	-----	-----		-----
Product revenue	\$ 10,733,769	\$ 10,733,769	a	\$
Support and other services revenue	1,178,144	1,178,144	a	
	-----	-----		-----
Net revenues	11,911,913	11,913,913		
	-----	-----		-----
Cost of goods sold - products	6,031,027	6,031,027	a	
Cost of goods sold - support and other services	1,178,258	1,178,258	a	
	-----	-----		-----
Total cost of goods sold	7,209,285	7,209,285		
	-----	-----		-----
Gross margin	4,702,628	4,702,628		
	-----	-----		-----
Research and development expenses	13,939,480	1,814,726	b	12,124,75
Marketing and selling expenses	3,568,208	2,878,046	c	690,16
General and administrative expenses	5,320,557	0		5,320,55
Other expense	51,643	51,643		
	-----	-----		-----
Total operating expenses, net	22,879,888	4,744,415		18,135,47
	-----	-----		-----
Loss from operations	(18,177,260)	(41,787)		(18,135,47
Interest and other income	905,438	0		905,43
	-----	-----		-----
Loss from continuing operations	\$ (17,271,822)	\$ (41,787)		\$ (17,230,03
	=====	=====		=====

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PARKERVISION, INC. AND SUBSIDIARY
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE YEARS ENDED DECEMBER 31, 2001

	Historical	Video Division		Pro Forma
	-----	-----		-----
Product revenue	\$ 8,340,528	\$ 8,340,528	a	\$
Support and other services revenue	974,917	974,917	a	

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Net revenues	9,315,445	9,315,445		
Cost of goods sold - products	5,005,121	5,005,121	a	
Cost of goods sold - support and other services	1,048,683	1,048,683	a	
Total cost of goods sold	6,053,804	6,053,084		
Gross margin	3,261,641	3,261,641		
Research and development expenses	12,796,442	1,590,179	b	11,206,263
Marketing and selling expenses	3,835,724	2,817,131	c	1,018,593
General and administrative expenses	4,972,889	0		4,972,889
Other expense	8,241	7,871		378
Total operating expenses, net	21,613,296	4,415,181		17,198,115
Loss from operations	(18,351,655)	(1,153,540)		(17,198,115)
Interest and other income	1,741,188	0		1,741,188
Loss from continuing operations	\$ (16,610,467)	\$ (1,153,540)		\$ (15,456,927)

- a. Reflects the discontinued revenues and corresponding cost of sales attributable to the video business being sold.
- b. Reflects the elimination of research and development costs attributable to the video business being sold.
- c. Reflects the elimination of marketing and selling costs attributable to the video business being sold.

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UNAUDITED PRO FORMA CONSOLIDATED
BALANCE SHEET AS OF DECEMBER 31, 2003

	ParkerVision, Inc. Historical 12/31/2003	Pro Forma Adjustments	
		Debit	Credit
Cash and cash equivalents	17,467,875	11,250,000	a
Investments in US government securities	3,008,427		
Accounts receivable, net	988,849		
Note receivable - Purchase price adjustment	0	1,194,526	b
Note receivable - purchase price holdback	0	1,250,000	c
Inventories, net	2,476,985		1,449,857
Prepaid expenses and other	2,366,792		154,201

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TOTAL CURRENT ASSETS	26,308,928	13,694,526	1,604,058
PROPERTY & EQUIPMENT, net	4,860,261		766,481
Deposits and other	549,990		
Prepaid license fees	2,030,000		
Patents and copyrights, net	8,733,631		657,394
OTHER ASSETS, net	11,313,621	-	657,394
TOTAL ASSETS	42,482,810	13,694,526	3,027,933
CURRENT LIABILITIES			
Accounts payable	693,820		
Salaries and wages payable	592,369		
Warranty reserves	199,084	199,084	h
Other accrued expenses	371,950		
Deferred revenue	1,226,929	976,929	i
TOTAL CURRENT LIABILITIES	3,084,152	1,176,013	
STOCKHOLDERS' EQUITY			
Common stock	179,595		
Preferred stock	0		
Additional paid in capital	118,048,964		
Unrealized gains	31,746		
Warrants	16,807,505		
Ending retained earnings	(95,669,152)		11,842,606
TOTAL STOCKHOLDERS' EQUITY	39,398,658	-	11,842,606
TOTAL LIABILITY AND EQUITY	42,482,810	1,176,013	11,842,606

- a. Represents 90% of the purchase price of \$12,500,000 payable at the closing for the video business and related assets being sold to the Purchasers. The remaining 10%, or \$1,250,000, is payable by the Purchasers one year after the closing, subject to deduction for indemnification amounts claimed by such date, and is accounted for by the company as a purchase price holdback receivable.
- b. Represents the estimated purchase price adjustment receivable, due within 45 days after closing, for the book value of the inventories, prepaid expenses, and equipment transferred to the Purchasers, less liabilities assumed for warranty reserves and deferred revenue.
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- c. Represents 10%, or \$1,250,000, payable by the Purchasers one year after the closing, subject to deduction for indemnification amounts claimed by such date.
- d. Represents the estimated inventories to be sold to the Purchasers and is a portion of the purchase price adjustment receivable.
- e. Represents the estimated current prepaid assets to be assigned to the

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Purchasers and is a portion of the purchase price adjustment receivable.

- f. Represents the estimated equipment to be sold to the Purchasers and is a portion of the purchase price adjustment receivable.
- g. Represents the estimated book value of the patents and other intangible assets to be sold to the Purchasers, which amount is included in the purchase price payable at the closing.
- h. Represents the estimated warranty reserves liability assumed by the Purchasers and is a portion of the purchase price adjustment receivable.
- i. Represents the estimated deferred revenue assumed by the Purchasers and is a portion of the purchase price adjustment receivable.
- j. Represents the estimated gain on sale to the Purchasers of the video business and related assets.

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APPENDIX A

ASSET PURCHASE AGREEMENT

BETWEEN

THOMSON BROADCAST & MEDIA SOLUTIONS, INC.

AND

THOMSON LICENSING, S.A.

AS PURCHASERS,

AND

PARKERVISION, INC.

AS SELLER,

DATED AS OF

FEBRUARY 25, 2004

MORRISON & FOERSTER LLP

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is entered into as of February 25, 2004 (the "Effective Date"), by and between Thomson Broadcast & Media Solutions, Inc., a corporation organized in Delaware ("Lead Purchaser"), Thomson Licensing, S.A., a corporation organized in France ("Patent Purchaser," and collectively with Lead Purchaser, "Purchasers"), and ParkerVision, Inc., a corporation organized in the State of Florida ("Seller"). Certain capitalized terms used in this Agreement and the recitals below are defined in Exhibit A hereto.

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RECITALS

WHEREAS, the Seller, through its video division (the "Video Division"), is engaged in the design, development, marketing, sales, service and support of hardware and software products and systems for (i) producing live news and other television programs (which products and systems currently utilize no wireless communications technology), including as marketed under the trade name "PVTV," and (ii) controlling live video cameras (which products and systems do not currently utilize wireless communications technologies except for super heterodyne and infrared wireless communications technologies), including as marketed under the trade name "CameraMan" (collectively with related support, training and other services, but excluding the related Manufacturing Operations, the "Business");

WHEREAS, the Business as conducted by Seller at or prior to Closing and as Proposed to be Conducted by Seller includes no wireless technologies other than super heterodyne and infrared wireless technologies in connection with PVTV and CameraMan related Products and Services and, for clarification purposes, excludes all direct conversion technology;

WHEREAS, Seller, through its wireless division (the "Wireless Division"), is also engaged in the business of designing, developing, marketing, selling, servicing and supporting wireless communications products utilizing Seller's direct conversion and related wireless technology;

WHEREAS, Seller desires to sell, and Purchasers desire to purchase, the Business and all related Assets, excluding (i) Seller's Wireless Division and the Assets used by Seller in its Wireless Division and (ii) Seller's general management and administrative operations and the Assets used by Seller in such operations, in each case on the terms and conditions hereof;

WHEREAS, of the Assets acquired from Seller by Purchasers, Patent Purchaser will acquire the Patent Assets, and Lead Purchaser will acquire the Non-Patent Assets;

WHEREAS, in connection with the purchase and sale of the Business, Purchasers shall assume no Liabilities other than the Assumed Liabilities;

WHEREAS, in connection with the purchase and sale of the Business, Seller and the applicable Purchasers will enter into certain related agreements, including (i) the Retained Trademark License, (ii) the Transition Services Agreement, (iii) the Patent Assignment Agreement, (iv) the Assignment and Assumption Agreement and (v) the Sublease; and

WHEREAS, simultaneously with the execution of this Agreement and as an inducement to Purchasers to enter into this Agreement, certain of the major shareholders of Seller have entered into and delivered to Purchasers duly executed voting agreements whereby such shareholders have agreed to vote in favor of approving this Transaction;

WHEREAS, an Affiliate of Purchasers has agreed to guarantee the payment obligations of Purchasers set forth herein pursuant to a guarantee agreement executed simultaneously with this Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual representations, warranties, covenants and promises contained herein, the adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

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AGREEMENT

ARTICLE 1

PURCHASE AND SALE OF ACQUIRED ASSETS

1.1 Acquired Assets. Subject to the terms and conditions of this Agreement, effective at Closing, Seller hereby sells, transfers, conveys, assigns and delivers all of Seller's right, title and interest in, to and under the Non-Patent Assets (as defined below) to Lead Purchaser and, effective at Closing and subject to the terms and conditions hereof, Lead Purchaser hereby purchases all such right, title and interest in, to and under the Non-Patent Assets. "Non-Patent Assets" means all Assets of Seller related to the Business, including as conducted at or prior to Closing or as Proposed to be Conducted by Seller, except for the Excluded Assets and the Patent Assets being acquired by Patent Purchaser pursuant to Section 1.2. Acquired Assets further include (except for the Excluded Assets and the Patent Assets being acquired by Patent Purchaser pursuant to Section 1.2):

(a) Products and Services. The Products and Services related to the Business, including as set forth on Schedule 1.1(a);

(b) Personal Property. (i) The Inventory related to the Business, including as set forth on Schedule 1.1(b)(i), and (ii) the research, development, testing, training and product-qualification equipment and any other Personal Property (except for furniture) owned or leased (including any of the foregoing subject to any conditional sales or title retention agreement in favor of any other Person) by Seller in connection with the Business, including any such equipment which is attached to or permanently installed in any facility of the Business (except for the Los Angeles demonstration facility) or located at third-party facilities, and further including as set forth on Schedule 1.1(b)(ii);

(c) Software. (i) The Third-Party Embedded Software related to the Business, including as set forth on Schedule 1.1(c)(i); (ii) the proprietary Development Environment related to the Business, including as set forth on Schedule 1.1(c)(ii); (iii) the Third-Party Development Environment related to the Business, including as set forth on Schedule 1.1(c)(iii); (iv) any Other Licensed Software related to the Business, including as set forth on Schedule 1.1(c)(iv); and (v) any other Software related to the Business, including as set forth on Schedule 1.1(c)(v);

(d) Technical Documentation. The Technical Documentation related to the Business, including as set forth on Schedule 1.1(d);

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(e) Domain Names. The domain names related to the Business (excluding any such domain names utilizing the name "Parkervision"), including as set forth on Schedule 1.1(e);

(f) Intellectual Property Rights. Except for the Patent Assets transferred pursuant to Section 1.2, (i) the Acquired Registered Intellectual Property Rights, including as set forth on Schedule 1.1(f)(i), and (ii) all other Acquired Intellectual Property Rights;

(g) Contracts. The Material Contracts and any other Contracts related to the Business, including as set forth on Section 4.15(a) of Seller's Disclosure Schedule, but excluding the Contracts set forth on Section 4.15(c) of Seller's Disclosure Schedule;

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(h) Governmental Approvals. The Governmental Approvals related to the Business, including as set forth on Section 4.16 of Seller's Disclosure Schedule;

(i) Deposits and Advances. The Deposits and Advances of Seller with third parties that are related to the Business, including as set forth on Schedule 1.1(i);

(j) Rebates and Credits. The Rebates and Credits related to the Business, including as set forth on Schedule 1.1(j), but excluding (A) Receivables generated prior to Closing, (B) Tax refunds or rebates for Taxes previously paid by Seller to the extent applicable to the pre-Closing period and (C) to the extent applicable to the pre-Closing period, Rebates and Credits directly pertaining to Excluded Liabilities;

(k) Claims. The Claims related to the Business, including as set forth on Schedule 1.1(k), but excluding (A) rights to tender claims or demands to insurance companies and rights to any insurance proceeds with respect to the insurance policies of Seller, (B) any Claims related to Receivables of the Business generated prior to Closing, (C) any Claims related to Taxes previously paid by Seller to the extent applicable to the pre-Closing period and (D) to the extent related to the pre-Closing period, any Claims directly pertaining to Excluded Liabilities;

(l) Acquired Records. The Acquired Records, including as set forth on Schedule 1.1(l);

(m) Security Information. The Software keys, passwords, security and encryption codes and other security information related to the Business, including with respect to any security systems incorporated in Seller's Products and Services related to the Business and as necessary to access the acquired computer systems and other Acquired Assets;

(n) Customized Manufacturing Operations Assets. (i) The customized tooling, assembly, testing and any other equipment utilized in the Manufacturing Operations for the Products and Services of the Business and the components and subcomponents thereof, including any of the foregoing located at third-party facilities, and further inc