

EGE INSTITUTIONAL RESEARCH REPORT

RESEARCH UPDATE

APRIL 12, 2007

EMERGING GROWTH EQUITIES, LTD.



PARKERVISION, INC.

NASDAQ: PRKR - \$12.81

Semiconductors – Integrated Circuits

We Expect A Tier-One Mobile Phone OEM Contract To Be Announced Soon; We Revised Our Model And Introduced 2010 Estimates; Reiterate BUY Rating

We Believe An OEM Contract Would Validate PRKR's Technology And Could Give A Considerable Boost To The Stock Price. With 3G handset sales expected to reach about 500 million units by 2009, we see tremendous opportunity for PRKR in the next few years. More importantly, since PRKR is using an IP licensing business model, the majority of the execution risk has been eliminated.

PRKR Offers A Unique Solution That Is Capable Of Supporting All Standard And Emerging Transmission Protocols. Every new protocol that handsets must support requires a new implementation and, therefore, redundancy, power loss and more expense. PRKR's d2p series 1300 RF Power Transmitter can accomplish all of the following: CDMA, CDMA 200, GSM/GPRS, EV-DO, EV-DV, EDGE, Wi-Fi, Bluetooth, WiMAX/WiBro, WCDMA, HSDPA and HSUPA. Moreover, PRKR's new chips will enable handset OEMs to increase efficiency by 2x to 3x, decrease bill of materials by 50% and decrease board space by 50%. PRKR is in discussions with all the tier-one OEMs and semiconductor makers that account for 70% of the handset market. These discussions include possible platform-wide implementation of the technology.

Reiterate BUY Rating And \$17.50 Price Target. In 2008, we now expect \$42.5 million in revenue and earnings of \$0.39 per share, down from our previous estimates of \$120.0 million in revenue and earnings of \$1.24 per share (including pushing-out the timing of expected royalties a bit and considerably lower operating expense expectations). In 2009, we now project earnings of \$2.32 per share (up from our prior estimate of \$2.29), on \$140 million in revenue (from our prior estimate of \$192 million). We are also introducing new 2010 estimates of \$228.0 million in revenue and earnings of \$3.54. Our valuation is based on a multiple of about 10x our new 2009 EPS estimate of \$2.32, discounted back to 2007 at 30% to arrive at our \$17.50 price target (however, multiple expansion is likely upon the consummation of an OEM contract). (See discussion of Investment Risks on page 2.)

Rating: BUY

Target: \$17.50

52-Week Range:	\$13.98 - \$5.30
Market Cap.:	\$312.6m
Shares Out:	24.4m
Estimated Float:	18.1m
Short Interest:	6.1m
Avg. Daily Vol.:	160.1k
Insider Ownership:	25.0%
Inst. Ownership:	35.0%
FY Ends:	Dec.



Source: BigCharts.com

Revenues (M)

	07E	08E	09E	10E
Mar.	\$0.0	\$1.0	\$27.0	\$47.3
June	0.3	1.5	32.0	52.0
Sept.	0.5	17.0	38.0	59.8
Dec.	0.8	23.0	43.0	68.8
Yr.	\$1.5	\$42.5	\$140.0	\$228.0
P/S	NA	9.4x	3.1x	1.9x

Earnings per Share

	07E	08E	09E	10E
Mar.	\$(0.16)	\$(0.15)	\$0.41	\$0.72
June	(0.16)	(0.14)	0.52	0.80
Sept.	(0.16)	0.27	0.64	0.93
Dec.	(0.16)	0.42	0.75	1.08
Yr.	\$(0.64)	\$0.39	\$2.32	\$3.54
P/E	NA	32.9x	5.5x	3.6x

Balance Sheet (3/07) Estimate

Cash:	\$21.5m (\$0.85/sh.)
Debt:	\$0.00

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Note: Please refer to the last two pages of this report for rating definitions, possible conflicts of interest and other important disclosures concerning these recommendations.

CORPORATE OVERVIEW

PRKR is a fabless semiconductor Company that is focusing on the commercialization of its patented proprietary RF (radio frequency) communication technologies. The Company has developed its ESP (energy signal processing) technology into its two primary solutions, Direct2RFPower (d2p) and Direct2Data (d2d). These two offerings will target the mobile handset market addressing the needs for extended battery life, reduced handset cost, and better performance as the cellular industry migrates to 3G networks. PRKR has obtained 72 patents and 98 pending. The Company's business strategy includes forming relationships with OEMs (original equipment manufacturers) and ODMs (original design manufacturers) for incorporation of the Company's integrated circuits into products manufactured by others or to license its technology for use by others. PRKR has approximately 55 employees at its headquarters in Jacksonville, Florida with additional facilities in Orlando, Florida.

INVESTMENT RISKS

Disruptive Technology: The technology PRKR has developed can be classified as a disruptive technology since it is a complete and radical shift from traditional RF technology utilized today. There is no assurance this technology will gain market acceptance. A particular challenge is that OEM/ODMs may not be willing to take on the risk associated with bringing a new unproven technology to market or they may find incorporating the technology into existing products is too cumbersome.

Business Model Execution: PRKR success rests solely on its ability to penetrate the mobile handset market by licensing and selling its d2p and d2d technology to OEM/ODMs. Failure to execute this plan could have an adverse effect on future revenues as well as the long term viability of the Company.

Customer Conversion and Base: Currently PRKR has no customers and no sources of revenue. The Company is in the process of attracting OEM/ODMs to either purchase or license its technology. There is no guarantee that its marketing efforts will attract customers. Additionally, if and when the Company signs its first customers, revenue is likely to be concentrated around a few large customers.

Competitive Products: The microelectronics industry is highly competitive ranging from established players to smaller start-ups. To succeed, substantial capital must continually be invested in R&D to ensure new and more innovative products are developed. Although PRKR has developed a new RF technology there are current products on the market that address similar needs without assuming the risks of implementing a completely new technology.

Intellectual Property: PRKR sustainable competitive advantage hinges on its patent portfolio of new technologies. There is no guarantee that the Company's existing patents are broad enough to fully protect its newly developed technology.

Revenue Recognition: It is still unclear whether the Company will sell its technology via licensing, direct sales, or a combination of both models. This translates into many unknowns as to how and when revenue will be booked. An OEM contract signing under a sales model may not produce revenue for one year after the signing date, while a license sale could result in immediate upfront revenue.

ParkerVision, Inc. Income Statement (thousands)

	2005	2006	2007E				2007E	2008E				2008E	2009E				2009E	2010E
			Mar-07E	Jun-07	Sep-07	Dec-07		Mar-08	Jun-08	Sep-08	Dec-08		Mar-09	Jun-09	Sep-09	Dec-09		
Net sales	995	-	-	250	500	750	1,500	1,000	1,500	17,000	23,000	42,500	27,000	32,000	38,000	43,000	140,000	227,974
Product revenue	995	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
License revenue	-	-	-	250	500	750	1,500	1,000	1,500	-	-	2,500	-	-	-	-	-	-
Royalty revenue	-	-	-	-	-	-	-	-	-	17,000	23,000	40,000	27,000	32,000	38,000	43,000	140,000	227,974
% change in net sales	-	-	-	-	-	-	-	-	-	-	-	-	2600.0%	2033.3%	123.5%	87.0%	229.4%	62.8%
Cost of sales	784	-	-	50	100	150	300	170	240	2,550	3,220	6,180	3,499	3,827	4,165	4,283	15,774	22,770
Inventory write down	2,251	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross profit	(2,040)	-	-	200	400	600	1,200	830	1,260	14,450	19,780	36,320	23,501	28,173	33,835	38,717	124,226	205,204
Gross margin	-205.0%	-	-	80.0%	80.0%	80.0%	80.0%	83.0%	84.0%	85.0%	86.0%	85.5%	87.0%	88.0%	89.0%	90.0%	88.7%	90.0%
Research and development	10,282	9,521	2,400	2,600	2,800	3,000	10,800	3,200	3,400	3,600	3,800	14,000	4,000	4,200	4,400	4,600	17,200	20,400
% of sales	1033.4%	-	-	1040.0%	560.0%	400.0%	720.0%	320.0%	226.7%	21.2%	16.5%	32.9%	14.8%	13.1%	11.6%	10.7%	12.3%	8.9%
Marketing and selling	3,139	2,117	550	600	650	700	2,500	750	800	850	900	3,300	950	1,000	1,050	1,100	4,100	4,900
% of sales	315.5%	-	-	240.0%	130.0%	93.3%	166.7%	75.0%	53.3%	5.0%	3.9%	7.8%	3.5%	3.1%	2.8%	2.6%	2.9%	2.1%
General and administrative	6,045	5,233	1,300	1,350	1,400	1,450	5,500	1,500	1,550	1,600	1,650	6,300	1,700	1,750	1,800	1,850	7,100	8,050
% of sales	607.5%	-	-	540.0%	280.0%	193.3%	366.7%	150.0%	103.3%	9.4%	7.2%	14.8%	6.3%	5.5%	4.7%	4.3%	5.1%	3.5%
Other	1,891	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	21,357	16,866	4,250	4,550	4,850	5,150	18,800	5,450	5,750	6,050	6,350	23,600	6,650	6,950	7,250	7,550	28,400	33,350
Operating income	(23,397)	(16,866)	(4,250)	(4,350)	(4,450)	(4,550)	(17,600)	(4,620)	(4,490)	8,400	13,430	12,720	16,851	21,223	26,585	31,167	95,826	171,854
Operating margin	-2351.5%	-	-	-1740.0%	-890.0%	-606.7%	-1173.3%	-462.0%	-299.3%	49.4%	58.4%	29.9%	62.4%	66.3%	70.0%	72.5%	68.4%	75.4%
Interest & other, net	304	1,051	265	265	265	265	1,060	350	360	370	380	1,460	390	400	410	420	1,620	1,780
Pretax income	(23,093)	(15,815)	(3,985)	(4,085)	(4,185)	(4,285)	(16,540)	(4,270)	(4,130)	8,770	13,810	14,180	17,241	21,623	26,995	31,587	97,446	173,634
Pretax margin	-2320.9%	-	0.0%	-1634.0%	-837.0%	-571.3%	-1102.7%	-427.0%	-275.3%	51.6%	60.0%	33.4%	63.9%	67.6%	71.0%	73.5%	69.6%	76.2%
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income before tax	(23,093)	(15,815)	(3,985)	(4,085)	(4,185)	(4,285)	(16,540)	(4,270)	(4,130)	8,770	13,810	14,180	17,241	21,623	26,995	31,587	97,446	173,634
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	3,448	4,325	5,399	6,317	19,489	52,090
% of pretax income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	20.0%	20.0%	20.0%	30.0%
Other	(3)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income	(23,096)	(15,814)	(3,985)	(4,085)	(4,185)	(4,285)	(16,540)	(4,270)	(4,130)	8,770	13,810	14,180	13,793	17,298	21,596	25,270	77,957	121,544
EPS	(1.14)	(0.68)	(0.16)	(0.16)	(0.16)	(0.16)	(0.64)	(0.15)	(0.14)	0.27	0.42	0.39	0.41	0.52	0.64	0.75	2.32	3.54
Diluted shares	20,100	23,257	24,382	25,382	26,382	27,382	25,882	28,382	29,382	32,882	33,082	30,932	33,282	33,482	33,682	33,882	33,582	34,382

ANALYST CERTIFICATION

I, Michael C. Donahue, certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. In addition, no part of my compensation was, is, or will be directly or indirectly related to this recommendation or views contained in this report.

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Strong Buy	Subject security could significantly outperform its peer group, driven by potential near-term catalyst(s). Advise clients to aggressively establish new positions.
Buy	Subject security could outperform its peer group. Advise clients to patiently establish new positions.
Hold	Subject security likely to perform in line with its peer group, with little or no appreciation expected. Advise clients against establishing new positions.
Sell	Subject security is expected to underperform its peer group. Advise clients to reduce positions.
No Rating	No formal rating has been issued, or rating has been suspended.
Monitor	No rating has been issued, or rating has been suspended, and we are following the company's progress.

EGE RECOMMENDATION HISTORY (PRKR)

EGE RESEARCH RATING DISTRIBUTION (April 12, 2007)

Rating	Percentage	Investment Banking Relationships*
Strong Buy or Buy	58%	5%
Hold	31%	0%
Sell	0%	0%
Not Rated	3%	0%
Monitor	8%	33%

* Companies within rating category to whom EGE has provided investment banking services within the past 12 months.

All prices noted in this report are as of the close of trading on April 11, 2007.

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