

NextWave Wireless Inc.
Form PRE 14A
August 04, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

SCHEDULE 14A

(Rule 14a-101)
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 Sec. 240.14a-12

NEXTWAVE WIRELESS 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: Common Stock

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

\$111,600,000 (aggregate cash to be received by wholly-owned subsidiary of registrant)

4) Proposed maximum aggregate value of transaction: \$111,600,000

5) Total fee paid: \$7,958

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(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:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

12264 El Camino Real, Suite 305
San Diego, CA 92130

PROXY STATEMENT

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held _____, 2010

To our stockholders:

You are cordially invited to attend a special meeting of stockholders of NextWave Wireless Inc. (“NextWave” or the “Company”) to be held on _____, 2010 at 8:00 a.m. local time at the Company’s offices located at 12264 El Camino Real, Suite 305, San Diego, California 92130.

At the special meeting we will ask you to consider and to vote upon the following matters:

1. To consider and vote upon a proposal to adopt and approve the stock purchase agreement dated July 30, 2010, by and among the Company, NextWave Broadband Inc., a wholly-owned subsidiary of the Company (“NextWave Broadband”), PacketVideo Corporation, a majority-owned subsidiary of NextWave Broadband (“PacketVideo”), and NTT DOCOMO, INC. (“DOCOMO”), and authorize the transactions contemplated thereby, including the sale by NextWave Broadband of all of the shares of common stock of PacketVideo owned by it to DOCOMO for \$111.6 million.
2. To consider and vote upon any proposal to adjourn, postpone or continue the special meeting to a later date to enable the Company to solicit additional proxies in favor of the proposal to adopt and approve the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby at the special meeting; and
3. To transact such other business as may properly come before the special meeting or any adjournments, postponements or continuations thereof.

In connection with the exercise by DOCOMO of its call option to purchase all of the shares of PacketVideo stock owned by NextWave Broadband, and after careful consideration, our Board of Directors determined that the stock purchase agreement, the sale of the PacketVideo shares to DOCOMO and the other transactions contemplated by the stock purchase agreement are advisable and are fair to, and in the best interests of, the Company and our stockholders and unanimously adopted and approved the stock purchase agreement and authorized the execution and delivery of the stock purchase agreement and the consummation of the transactions contemplated thereby. Therefore, our Board of Directors recommends that you vote “FOR” the adoption and approval of the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby.

Our Board of Directors considered a number of factors in evaluating the sale, in consultation with our legal and financial advisors.

Your vote is very important. Adoption and approval of the stock purchase agreement and the authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby requires the affirmative vote of the holders of a

majority of our common stock outstanding and entitled to vote at the special meeting.

Our Board of Directors has fixed the close of business on _____, 2010 as the record date for the determination of the holders of our common stock, par value \$0.007 per share, entitled to notice of, and to vote at, the special meeting. At the close of business on _____, 2010, there were _____ shares of our common stock outstanding and entitled to vote. Whether or not you plan to attend the special meeting, it is important that your

shares, regardless of the number, be represented. Stockholders of record may vote their shares via a toll-free telephone number, over the Internet or by signing, dating and mailing the proxy card in the envelope provided. Instructions regarding all three methods of voting are contained on the proxy card. If your shares are held in the name of a bank, broker, fiduciary or custodian, follow the voting instructions on the form you receive from such record holder. The availability of Internet and telephone proxies will depend on their voting procedures. Completing a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote. Failure to submit a signed proxy or to vote in person at the special meeting will have the same effect as a vote "AGAINST" the adoption and approval of the stock purchase agreement and authorization of the sale of PacketVideo shares to DOCOMO contemplated thereby.

Important Notice Regarding the Availability of Proxy Materials for the Special Meeting of Stockholders to Be Held on _____, 2010. In accordance with new rules and regulations adopted by the Securities and Exchange Commission, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a notice of special meeting and proxy card, and by notifying you of the availability of our proxy materials on the Internet. The notice of special meeting, proxy statement and proxy card are available on the Internet at <http://www.proxyvote.com>, using the 12-digit control number printed on your proxy card, and may also be requested by calling toll-free at 800-579-1639 or by e-mailing at sendmaterial@proxyvote.com.

The enclosed proxy statement explains the proposed sale, the stock purchase agreement and the transactions contemplated by the stock purchase agreement and provides specific information concerning the special meeting. Please read the entire proxy statement carefully. This proxy statement is dated _____, 2010, and this proxy statement and accompanying form of proxy are first being sent to holders of our common stock on or about _____, 2010.

By Order of the Board of Directors

FRANK A. CASSOU
Chief Legal Counsel and Secretary
San Diego, California

, 2010

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE TRANSACTIONS DESCRIBED IN THIS PROXY STATEMENT, PASSED UPON THE MERITS OR FAIRNESS OF SUCH TRANSACTIONS, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IMPORTANT

Your vote is important. Stockholders of record may vote their shares via a toll-free telephone number, over the Internet or by signing, dating and mailing the proxy card in the envelope provided. Instructions regarding all three methods of voting are contained on the proxy card. If your shares are held in the name of a bank, broker, fiduciary or custodian, follow the voting instructions on the form you receive from such record holder. The availability of Internet and telephone proxies will depend on their voting procedures. Voting your shares by one of these three methods will ensure that your shares are represented at the meeting.

If you need assistance in voting your shares, please call the firm assisting us in the distribution and tabulation of proxies for the special meeting:

Broadridge Financial Services
51 Mercedes Way
Edgewood, NY 11717
800-579-1639

ADDITIONAL INFORMATION

This document incorporates important business and financial information about us from documents that are not included in or delivered with this document. See “Where You Can Find More Information” on page 42. You can obtain documents incorporated by reference in this document from us by requesting them in writing at 12264 El Camino Real, Suite 305, San Diego, California 92130, Attn: Secretary, or by calling 858-731-5300. You will not be charged for any of these documents that you request. If you wish to request documents, you should do so by _____, 2010 in order to receive them before the special meeting.

If you require assistance in submitting proxies or voting shares of our common stock, or if you would like to receive additional copies of the proxy statement or the enclosed proxy card, please contact Broadridge Financial Services:

Broadridge Financial Services
51 Mercedes Way
Edgewood, NY 11717
800-579-1639

TABLE OF CONTENTS

	Page
SUMMARY TERM SHEET	1
CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION	6
QUESTIONS AND ANSWERS ABOUT THE SALE AND THE SPECIAL MEETING	7
THE SPECIAL MEETING	12
THE PARTIES TO THE STOCK PURCHASE AGREEMENT	15
THE SALE	16
THE STOCK PURCHASE AGREEMENT	27
USE OF PROCEEDS	35
SPECIAL RISK CONSIDERATIONS YOU SHOULD TAKE INTO ACCOUNT IN DECIDING HOW TO VOTE ON THE PROPOSAL	36
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	38
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	40
PROPOSALS BY STOCKHOLDERS	41
WHERE YOU CAN FIND MORE INFORMATION	42
ANNEX A: STOCK PURCHASE AGREEMENT	A-1
ANNEX B: OPINION OF THE COMPANY'S FINANCIAL ADVISOR	B-1
ANNEX C: UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	C-1

SUMMARY TERM SHEET

This summary term sheet highlights selected information from this proxy statement with respect to the stock purchase agreement and the sale of the PacketVideo shares to DOCOMO contemplated thereby and may not contain all of the information that is important to you. To understand the sale fully and for a more complete description of the terms of the sale, you should read this entire proxy statement carefully, including the annexes, and the documents we refer to or incorporate by reference herein. We encourage you to read each of these documents, in particular the stock purchase agreement attached as Annex A hereto.

Except as otherwise specifically noted in this proxy statement, “sale” refers to the sale by NextWave Broadband of PacketVideo shares to DOCOMO contemplated by the stock purchase agreement, and “transactions” refers to the transactions contemplated by the stock purchase agreement, including the sale by NextWave Broadband of PacketVideo shares to DOCOMO. References to the Company, NextWave, us, our and we all refer to NextWave Wireless Inc.

The Sale (page 16)

On July 30, 2010, the Company, NextWave Broadband and PacketVideo entered into a stock purchase agreement with DOCOMO pursuant to which the Company and NextWave Broadband agreed to sell to DOCOMO all of the issued and outstanding shares of common stock of PacketVideo held by NextWave Broadband, representing approximately 65% of the issued and outstanding common stock of PacketVideo, for an aggregate purchase price of \$111.6 million. We expect to receive approximately \$107.5 million of net proceeds from the sale, after deduction of estimated expenses for the transaction, of which we expect to apply approximately \$95 million to retire principal of and accrued interest on our Senior Secured First Lien Notes due 2011, or “First Lien Notes,” pursuant to our secured note agreements, and we expect to retain approximately \$12.5 million to fund our working capital needs.

DOCOMO acquired 35% of the issued and outstanding common stock of PacketVideo in July 2009. In connection with the July 2009 transaction, the Company, NextWave Broadband, PacketVideo and DOCOMO entered into a Stockholders’ Agreement dated July 2, 2009, pursuant to which DOCOMO was granted a call option exercisable under certain conditions to purchase all (but not less than all) of the remaining shares of common stock of PacketVideo owned by NextWave Broadband. In November 2009, PacketVideo achieved the milestone which triggered DOCOMO’s right to exercise the option and, on June 28, 2010, after the completion and finalization of an independent valuation of the PacketVideo shares owned by NextWave Broadband, DOCOMO confirmed in writing to the Company and NextWave Broadband that DOCOMO still intended to exercise the call option and acquire all of the shares of common stock of PacketVideo owned by NextWave Broadband in accordance with the procedures set forth in the stockholders’ agreement. The current transaction pursuant to the stock purchase agreement represents DOCOMO’s exercise of the call option.

Under the terms of the stock purchase agreement, the Company and NextWave Broadband have agreed to sell to DOCOMO all of the issued and outstanding shares of common stock of PacketVideo held by NextWave Broadband, for an aggregate purchase price of \$111.6 million, which was established pursuant to valuation procedures set forth in the stockholders’ agreement.

Information About the Parties to the Transaction (page 15)

NextWave Wireless Inc. We are a holding company for mobile multimedia businesses and a significant wireless spectrum portfolio. Our mobile multimedia business segment consists of PacketVideo, our majority-owned subsidiary. As a result of the sale of our remaining interest in PacketVideo, our continuing operations would be focused solely on the management, operation, marketing and selling of our wireless spectrum interests. We will

continue to manage and operate and pursue the sale of our wireless spectrum holdings over time to repay our significant secured indebtedness.

The Company is a Delaware corporation. Our principal executive office is located at 12264 El Camino Real, Suite 305, San Diego, California, 92130, and our telephone number is 858-731-5300.

PacketVideo Corporation. Founded in 1998, PacketVideo develops, produces and markets advanced mobile multimedia and consumer electronic connectivity product solutions, including embedded software for mobile handsets, client-server platforms for mobile media applications such as music, photos, video and software for

sharing media in the connected home. PacketVideo supplies multimedia software and services to many of the world's largest network operators and wireless handset manufacturers which, in turn, use PacketVideo's platform to offer music and video services on mobile handsets, generally under their own brands. To date, over 350 million PacketVideo-powered handsets have been shipped worldwide. PacketVideo has been contracted by some of the world's largest carriers, such as Orange, DOCOMO, Rogers Wireless, TeliaSonera, TELUS Mobility and Verizon Wireless, to design and implement the embedded multimedia software capabilities contained in their handsets. PacketVideo's software is compatible with virtually all network technologies, including CDMA, GSM, WiMAX, LTE and WCDMA. As a result of the sale, PacketVideo would become a wholly-owned subsidiary of DOCOMO.

PacketVideo is a Delaware corporation. DOCOMO owns 35% of PacketVideo's issued and outstanding shares of common stock, and the remainder of PacketVideo's issued and outstanding shares are currently owned by NextWave Broadband. PacketVideo's principal executive office is located at 10350 Science Center Drive, Suite 210, San Diego, California, 92121, and its telephone number is 858-731-5300.

NextWave Broadband Inc. NextWave Broadband is a wholly-owned subsidiary of NextWave and a holding company for our equity interest in PacketVideo and our wireless spectrum interests. NextWave Broadband is a Delaware corporation. Its principal executive office is located at 12264 El Camino Real, Suite 305, San Diego, California, 92130, and its telephone number is 858-731-5300.

NTT DOCOMO, INC. DOCOMO's parent company is NIPPON TELEGRAPH AND TELEPHONE CORPORATION, or "NTT." NTT, together with its subsidiaries, including DOCOMO, constitutes one of the world's leading telecom operators and providers of advanced telecom services.

DOCOMO is a joint stock corporation incorporated and registered under Japanese Law. Its corporate head office is at Sanno Park Tower, 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan. Its telephone number is 81-3-5156-1111.

The Special Meeting (page 12)

We are furnishing this proxy statement to our stockholders as part of the solicitation of proxies by our Board of Directors for use at the special meeting which will be held at 8:00 a.m., local time, on _____, 2010, at the Company's offices located at 12264 El Camino Real, Suite 305, San Diego, California 92130.

Board Recommendation (pages 12 and 20)

After careful consideration, our Board of Directors determined that the stock purchase agreement, the sale and the other transactions contemplated by the stock purchase agreement are advisable and are fair to, and in the best interests of, the Company and our stockholders, and unanimously adopted and approved the stock purchase agreement and authorized the execution and delivery of the stock purchase agreement and the consummation of the sale and the other transactions contemplated thereby. Therefore, our Board of Directors recommends that you vote "FOR" the adoption and approval of the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby.

Required Vote (page 12)

For us to complete the sale, stockholders holding at least a majority of the shares of our common stock issued and outstanding at the close of business on the record date, _____, 2010 must vote "FOR" the adoption and approval of the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby.

Opinion of the Company's Financial Advisor (page 20)

In connection with the sale, on July 28, 2010, the Company's financial advisor, Moelis & Company, which we refer to in this proxy statement as "Moelis," rendered its oral opinion to our Board of Directors, which opinion was subsequently confirmed in writing, that, as of such date, and based upon and subject to the conditions and limitations set forth in the written opinion, the consideration to be paid to NextWave Broadband and us in the sale was fair, from a financial point of view, to NextWave Broadband and us.

The full text of Moelis' written opinion, dated July 28, 2010, which sets forth the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by Moelis in connection with its fairness opinion, is attached to this proxy statement as Annex B and is incorporated into this proxy statement by reference.

We encourage you to read Moelis' opinion and the section "The Sale—Opinion of the Company's Financial Advisor" beginning on page 20, carefully and in their entirety. Moelis' opinion is limited solely to the fairness to NextWave Broadband and the Company of the consideration to be paid from a financial point of view as of the date of the fairness opinion and does not address the underlying business decision to effect the sale or the relative merits of the sale as compared to any alternative business strategies or transactions that might be available to us, NextWave Broadband or PacketVideo. Moelis' opinion does not constitute a recommendation to any stockholder of PacketVideo (including NextWave Broadband), NextWave Broadband (including us) or the Company as to how such stockholder should vote with respect to the sale or whether NextWave Broadband should sell shares in the sale or any other matter.

Reasons for the Sale (page 18)

In making its recommendation that you vote "FOR" the proposal to adopt and approve the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby, our Board of Directors considered a number of factors, including the financial performance of and prospects for PacketVideo's multimedia business; the resources required to fund the further development and growth of PacketVideo's business; the current and future competitive environment for PacketVideo's multimedia business and related risks associated with its business; the process and procedures set forth in the stockholders' agreement to determine and agree upon the fair market value of the PacketVideo shares held by NextWave Broadband; our global restructuring initiative which was commenced in 2008; the amount of our current cash reserves and cash generated from operations and our significant outstanding secured indebtedness; the amount of the consideration to be paid in connection with the sale which will be used to pay down a portion of the First Lien Notes and provide us with working capital; the maturity dates of our outstanding indebtedness and the interest accruals on such indebtedness prior to the respective maturity dates; the value of our spectrum assets and cash required to continue to manage and operate our spectrum assets; the market for and recent market developments with respect to our spectrum assets; the challenging public market to raise necessary capital to further develop our multimedia business; the contractual obligations set forth in the stockholders' agreement with DOCOMO and DOCOMO's right to exercise its option to acquire all of the shares of common stock of PacketVideo owned by NextWave Broadband; limitations on our ability to sell the shares of PacketVideo owned by NextWave Broadband to a third party set forth in the stockholders' agreement; and the written opinion received from our financial advisor that, subject to the conditions and limitations set forth in the opinion, the consideration to be paid to NextWave Broadband and us in the sale was fair, from a financial point of view, to NextWave Broadband and us.

In the course of deliberations, our Board of Directors also considered a variety of risks and potentially negative factors, including the risks and contingencies related to the announcement and pendency of the sale, including the impact of the sale on our relationships with third parties; the loss of future revenue as a result of the sale of our multimedia business; the effect the sale will have on the value of our stock; the possibility that the sale might not be consummated and we will have expended extensive resources and time during the pendency of the transaction; and the fact that after the sale our business will consist solely of our wireless spectrum interests.

NextWave After the Sale (page 24)

We anticipate that the management, operation, marketing and selling of our portfolio of licensed wireless spectrum assets will, following the closing of the sale, make up the entirety of our business, which we refer to as our "Strategic Initiatives" business. Our total domestic spectrum holdings consist of approximately ten billion MHz POPs (the term "MHz-POPs" is defined as the product derived from multiplying the number of megahertz associated with a license by the population of the license's service area), covering approximately 215.9 million total POPs, with 106.9 million POPs covered by 20 MHz or more of spectrum, and an additional 90.6 million POPs covered by at least 10 MHz of spectrum. In addition, a number of markets, including much of the New York City metropolitan region, are covered by 30 MHz or more of spectrum. Our domestic spectrum resides in the 2.3 GHz Wireless Communication Services, 2.5 GHz Broadband Radio Service/Educational Broadband Service and 1.7/2.1 GHz Advanced Wireless Service or

“AWS.” Our domestic spectrum resides in the 2.3 GHz WCS, 2.5 GHz BRS/ EBS and 1.7/2.1 GHz AWS bands and offers propagation and other characteristics suitable to support high-capacity, mobile broadband services. Our international spectrum held for continuing operations include 2.3 GHz licenses in Canada, covering 15 million POPs. Following the sale, we will continue to manage and operate and pursue the sale and license of our wireless spectrum holdings over time to repay our significant secured indebtedness. In order to retire our debt, we will need to successfully monetize a substantial portion of our wireless spectrum assets for net proceeds substantially in excess of our cost basis. There is no guarantee that we will be able to successfully

monetize our wireless spectrum assets or successfully retire our outstanding indebtedness.

Interests of Certain Persons in the Sale (page 25)

When considering the recommendation of our Board of Directors with respect to the adoption and approval of the stock purchase agreement and the authorization of the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO, you should be aware that some of our directors and executive officers have interests in the sale that may be different from, and in addition to, the interests of our stockholders generally. Approximately \$95 million of the net proceeds from the sale will be used to retire a portion of principal and interest on our First Lien Notes, with priority given to holders other than those affiliated with Avenue Capital Group and Solus Core Opportunities Master Fund Ltd., or "Solus." As of July 3, 2010, funds managed by Avenue Capital Group held approximately \$116.8 million in principal amount of the First Lien Notes, representing approximately 55.5% of such indebtedness. Robert Symington, a portfolio manager with Avenue Capital Group, is a member of our Board of Directors. As a result of the transactions contemplated by the stock purchase agreement, the Company anticipates that affiliates of Avenue Capital Group will receive approximately \$30.5 million in redemption of the senior secured notes held by them pursuant to the terms of our secured note agreements. In addition, Navation, Inc., an affiliate of Allen Salmasi, our Chairman and a member of the Board of Directors, held approximately \$79.5 million in principal amount of our Third Lien Subordinated Secured Convertible Notes, or "Third Lien Notes," representing approximately 14.1% of such indebtedness as of July 3, 2010, and Douglas Manchester, a member of our Board of Directors, held approximately \$79.5 million in principal amount of our Third Lien Notes, representing approximately 14.1% of such indebtedness as of July 3, 2010. The holders of the Third Lien Notes will not receive any proceeds as a result of the stock purchase agreement but will receive an indirect benefit as a result of the reduction in our senior secured debt that is senior to the Third Lien Notes. As of July 30, 2010, our directors and executive officers as a group were the beneficial owners of 26.9% of our outstanding common stock, Navation, Inc. was the beneficial owner of 13.5% of our outstanding common stock, and affiliates of Avenue Capital Group were the beneficial owners of 34.8% of our outstanding common stock.

In connection with the signing of the stock purchase agreement, we have established cash retention bonuses for certain officers and employees of PacketVideo in the aggregate amount of \$2 million. The cash retention bonuses are anticipated to be paid in connection with the closing of the sale, subject to such persons' continued employment with PacketVideo. Dr. James Brailean, who also served as the Company's Chief Executive Officer, Chief Operating Officer and President and a member of our Board of Directors prior to July 30, 2010, the date of signing of the stock purchase agreement, would be eligible to receive a cash retention bonus of \$280,000 at closing.

In addition, DOCOMO and PacketVideo have agreed that promptly after the closing of the sale (but no later than six months after such closing), PacketVideo will diligently prepare proposed forms of written agreements, amendments, plans, policies and other documents as may be necessary to (i) implement 2010 merit increases for PacketVideo's senior executives, (ii) establish a cash bonus program, (iii) amend PacketVideo's 2009 Equity Incentive Plan, (iv) establish a severance pay program for PacketVideo's senior executives, (v) establish long-term incentive and retention bonus programs, (vi) adopt policies pertaining to DOCOMO's rules and procedures for internal reporting and consultation, and (vii) enter into a management agreement with DOCOMO, in each case as contemplated by and containing the applicable terms and conditions set forth in that certain term sheet dated July 30, 2010 and entitled "PacketVideo Proposed Management and Employee Retention Plan," as executed by DOCOMO and PacketVideo. The agreements, amendments, plans, policies and documents to be prepared by PacketVideo will be subject to the review and approval of DOCOMO.

Our Board of Directors was aware of these interests during its deliberations on the merits of the sale and in deciding to recommend that you vote for the adoption and approval of the stock purchase agreement and the authorization of the sale at the special meeting. Dr. Brailean recused himself from such discussions and the decision of our Board of

Directors because of his interest in the sale and submitted his resignations from our Board of Directors and from his position as our Chief Executive Officer, Chief Operating Officer and President in connection with the signing of the stock purchase agreement on July 30, 2010. Dr. Brailean continues to serve as the President and Chief Executive Officer and as a member of the Board of Directors of PacketVideo following his resignations.

Certain United States Federal Income Tax Consequences to the Company (page 26)

The sale of the PacketVideo shares to DOCOMO likely will not result in any material United States federal or California state corporate income tax liability (including any alternative minimum tax liability) to the Company because we anticipate using our net operating losses to offset any taxable gain from the sale of the PacketVideo shares to DOCOMO.

The Stock Purchase Agreement (page 27)

The rights and obligations of the parties to the stock purchase agreement are governed by the specific terms and conditions of the stock purchase agreement and not by any summary or other information set forth in this proxy statement. Therefore, the information in this proxy statement regarding the stock purchase agreement and the sale of the PacketVideo shares to DOCOMO contemplated thereby is qualified in its entirety by reference to the stock purchase agreement, a copy of which is attached as Annex A to this proxy statement.

Conditions to the Sale (page 31)

A number of conditions must be satisfied or waived before the sale can be completed, including, without limitation, the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the “HSR Act,” receipt of the required stockholder approval and the required consents of third parties. We cannot offer any assurance that all of the conditions will be satisfied or waived or that the sale of the PacketVideo shares to DOCOMO will occur.

Termination of Stock Purchase Agreement; Termination Fee (page 33)

The stock purchase agreement may be terminated by either the Company or DOCOMO under certain circumstances, including the failure of the transaction to close by September 28, 2010 (unless the party seeking termination is responsible for any such delay and unless certain other circumstances set forth in the stock purchase agreement exist) and failure to obtain the required stockholder approval at a duly convened meeting of our stockholders.

If either the Company or DOCOMO terminates the stock purchase agreement due to failure to obtain the required stockholder approval at a duly convened meeting of our stockholders, the Company and NextWave Broadband shall be required to pay DOCOMO up to \$700,000 in cash as reimbursement for its expenses in connection with the transactions.

Use of Proceeds (page 35)

We plan to receive approximately \$107.5 million of net proceeds from the sale, after deduction of estimated expenses for the transaction, of which we expect to apply approximately \$95 million to retire principal and accrued interest of our First Lien Notes pursuant to our secured note agreements, and we expect to retain approximately \$12.5 million to fund our working capital needs.

After we apply the proceeds from the sale to retire approximately \$95 million of our First Lien Notes, we anticipate that at September 30, 2010 approximately \$117 million of principal owed under the First Lien Notes will remain outstanding and be due and payable in July 2011. In addition, we anticipate that at September 30, 2010, approximately \$161 million of principal under our Senior Subordinated Secured Second Lien Notes, or “Second Lien Notes,” that mature in November 2011 and approximately \$582 million of principal owed under our Third Lien Notes

that mature in December 2011 will remain outstanding, together with accrued interest on such notes.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement, and the documents to which we refer you in this proxy statement, include forward-looking statements based on estimates and assumptions reflecting management's current expectations. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "believes," "estimates," "anticipates," "continues," "predict," "potential," "contemplates," "expects," "may," "will," "likely," "could," "should" or "would" or other similar words or phrases intended to identify forward-looking statements. These statements are subject to risks, uncertainties, and other factors, including, among others:

- the effect of the announcement of the sale on our business relationships, operating results and business generally;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the stock purchase agreement;
- the outcome of any legal proceedings that may be instituted against us, DOCOMO or others related to the stock purchase agreement;
- the failure to obtain the required stockholder approval, to satisfy other conditions to the completion of the sale, or to obtain regulatory approvals required for the sale on the terms expected or on the anticipated schedule;
 - the amount of the costs, fees, expenses and charges related to the sale; and
- our and DOCOMO's ability to meet expectations regarding the timing and completion of the sale.

We discuss some of the above risks in greater detail in this proxy statement in the section "Special Risk Considerations Regarding the Proposal to Adopt the Stock Purchase Agreement." In addition, we are subject to risks and uncertainties and other factors detailed in our filings with the Securities and Exchange Commission, or "SEC," including our annual report on Form 10-K for the fiscal year ended January 2, 2010 and our quarterly report on Form 10-Q for the fiscal quarter ended April 3, 2010 and in subsequent filings with the SEC, which should be read in conjunction with this proxy statement. See "Where You Can Find More Information" on page 42. Many of the factors that will impact the completion of the proposed sale are beyond our ability to control or predict. In light of the significant uncertainties inherent in the forward-looking statements contained in this proxy statement, readers should not place undue reliance on forward-looking statements. We cannot guarantee any future results, levels of activity, performance or achievements. The statements made in this proxy statement represent our views as of the date of this proxy statement, and it should not be assumed that the statements made in this proxy statement remain accurate as of any future date. Moreover, we assume no obligation to update forward-looking statements, except as required by law.

QUESTIONS AND ANSWERS ABOUT THE SALE AND THE SPECIAL MEETING

The following questions and answers are intended to address briefly some commonly asked questions regarding the sale and the special meeting. These questions and answers may not address all questions that may be important to you as a NextWave stockholder. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to in this proxy statement, which you should read carefully.

Q: Why am I receiving this proxy statement?

A: We entered into a stock purchase agreement dated July 30, 2010, with PacketVideo, NextWave Broadband and DOCOMO. Upon completion of the sale contemplated by the stock purchase agreement, PacketVideo will become a wholly-owned subsidiary of DOCOMO. A copy of the stock purchase agreement is attached to this proxy statement as Annex A.

To consummate the sale, the stock purchase agreement must be adopted and approved and the sale of the PacketVideo shares to DOCOMO contemplated by the stock purchase agreement must be authorized by the affirmative vote of the holders of a majority of the shares of our common stock outstanding at the close of business on the record date. Our Board of Directors is providing this proxy statement to give you information for use in determining how to vote on the proposals submitted to the stockholders at the special meeting. You should carefully read this proxy statement, the attached annexes and the documents referred to in, or incorporated by reference into, this proxy statement. The enclosed proxy card and voting instructions allow you, as a stockholder, to vote your shares without attending the special meeting in person.

Q: What is the date, time and place of the special meeting?

A: The special meeting of stockholders of the Company will be held at 8:00 a.m., local time, on , 2010, at the Company's corporate headquarters located at the Company's offices located at 12264 El Camino Real, Suite 305, San Diego, California 92130.

Q: What matters am I being asked to vote on at the special meeting?

A: You are being asked to vote on the following proposals:

- Adoption and approval of the stock purchase agreement and authorization of the transactions contemplated thereby, including the sale by NextWave Broadband of all the shares of common stock of PacketVideo owned by it to DOCOMO;
- Consideration of any proposal to adjourn, postpone or continue the special meeting to a later date to solicit additional proxies in favor of the proposal to adopt and approve the stock purchase agreement and authorize the transactions contemplated thereby, including the sale by NextWave Broadband of all of the shares of common stock of PacketVideo owned by it to DOCOMO; and
- Consideration and action upon any other business that may properly come before the special meeting or any adjournments, postponements or continuations thereof. The Company does not currently expect any other business to come before the meeting.

Q: How many shares must be present or represented at the special meeting in order to conduct business?

A: A quorum of stockholders is necessary to hold a valid special meeting. A quorum is present at the special meeting if a majority of the shares of our common stock entitled to vote on the record date are present in person or represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present.

Q: Who is entitled to vote at the special meeting?

A: Only stockholders of record as of the close of business on _____, 2010 are entitled to receive notice of the special meeting and to vote their shares of our common stock that they held at that time at the special meeting, or at any adjournments or postponements of the special meeting. You will have one vote at the special meeting for each share of our common stock you owned at the close of business on the record date.

As of the record date, _____ shares of our common stock were outstanding and entitled to vote at the special meeting.

Q: What vote of our stockholders is required to approve the proposals?

A: The voting requirements to approve the proposals are as follows:

- Adoption and approval of the stock purchase agreement and authorization of the transactions contemplated thereby, including the sale by NextWave Broadband of all of the shares of common stock of PacketVideo owned by it to DOCOMO requires the affirmative vote of holders of the majority of the Company's shares of common stock outstanding and entitled to vote at the special meeting; and
- Any proposal to adjourn or postpone the special meeting requires the affirmative vote of a majority of the Company's shares represented in person or by proxy and entitled to vote, excluding abstentions.

Q: How does our Board of Directors recommend I vote?

A: Our Board of Directors unanimously recommends that our stockholders vote "FOR" the approval and adoption of the stock purchase agreement and the authorization of the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO. You should read "The Sale—Reasons for the Sale," beginning on page 18, for a discussion of the factors that our Board of Directors considered in deciding to recommend the approval and adoption of the stock purchase agreement and the authorization of the authorization of the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO.

Q: What factors did our Board of Directors consider in making its recommendation regarding the stock purchase agreement and the sale?

A: In making its recommendation that you vote "FOR" the proposal to adopt and approve the stock purchase agreement and authorize the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO, our Board of Directors considered a number of factors, including the financial performance of and prospects for PacketVideo's multimedia business; the resources required to fund the further development and growth of PacketVideo's business; the current and future competitive environment for PacketVideo's multimedia business and related risks associated with its business; the process and procedures set forth in the stockholders' agreement to determine and agree upon the fair market value of the PacketVideo shares held by NextWave Broadband; our global restructuring initiative, which was commenced in 2008; the amount of our current cash reserves and cash generated from operations and our significant outstanding secured indebtedness; the amount of the consideration to be paid in connection with the sale which will be used to pay down a portion of the First Lien Notes and provide us with working capital; the maturity dates of our outstanding indebtedness and the interest accruals on such indebtedness prior to the respective maturity dates; the value of our spectrum assets and cash required to continue to manage and operate our spectrum assets; the market for and recent market developments with respect to our spectrum assets; the challenging public market to raise necessary capital to further develop our multimedia business; the contractual obligations set forth in the stockholders' agreement with DOCOMO and DOCOMO's right to exercise its option to acquire all of the shares of common stock of PacketVideo owned by NextWave Broadband; limitations on our ability to sell the shares of PacketVideo owned by NextWave Broadband to a third party set forth in the stockholders' agreement; and the opinion received from our financial advisor (the full text of which is attached as Annex B to this proxy statement) that, subject to the conditions and limitations set forth in the written opinion, the consideration to be paid to NextWave Broadband and us in the sale was fair, from a financial point of view, to NextWave Broadband and us.

Q: How are votes counted?

A: For the proposal relating to the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby, you may vote "FOR," "AGAINST" or "ABSTAIN." Abstentions will not count as votes cast on the proposal relating to adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to

DOCOMO contemplated thereby but will count for the purpose of determining whether a quorum is present. As a result, if you “ABSTAIN,” it has the same effect as if you vote “AGAINST” the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby with respect to the majority of outstanding shares voting requirement. If you sign and return your proxy and do not indicate how you want to vote, your proxy will be voted “FOR” the proposal to adopt the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby. If your shares are held in “street name” by your broker, follow the instructions from your broker on how to vote your shares.

Q: What do I need to do now? How do I vote?

A: We urge you to read this proxy statement carefully, including its annexes, and to consider how the sale of the PacketVideo shares to DOCOMO affects you. Then you can vote by telephone, using the toll-free telephone number shown on your proxy card; via the Internet, by visiting the Internet website indicated on your proxy card and following the on-screen instructions; or by mail, by completing, signing, dating and returning your proxy card in the enclosed envelope. You can also attend the special meeting and vote in person. See the question below “May I vote in person?”

If your shares of our common stock are held in “street name” by your broker, be sure to give your broker instructions on how you want to vote your shares because your broker will not be able to vote on the sale proposal without instructions from you. See the question below “If my broker holds my shares in ‘street name,’ will my broker vote my shares for me?”

Q: Why is it important for me to vote?

A: Your vote is important. The failure to return your proxy card or vote in person at the special meeting will mean that your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as voting “AGAINST” the proposal to adopt and approve the stock purchase agreement and authorize the sale contemplated thereby.

Q: If my broker holds my shares in “street name,” will my broker vote my shares for me?

A: Your broker will not be able to vote your shares with regard to the adoption and approval of the stock purchase agreement and the authorization of the sale contemplated thereby without instructions from you but may be able to vote with respect to any other proposals that may properly come before the special meeting. You should instruct your broker to vote your shares, following the procedures provided by your broker. Without instructions, your shares will be considered present at the special meeting for purposes of determining a quorum but will have the same effect as being voted “AGAINST” the adoption and approval of the stock purchase agreement and the authorization of the sale contemplated thereby.

Q: May I vote in person?

A: Yes. If your shares are held directly in your name and not in “street name” through a broker, you may attend the special meeting and vote your shares in person. If your shares are held in “street name,” you must get a proxy card from your broker in order to attend the special meeting and vote in person.

We urge you to complete, sign, date and return the enclosed proxy card (or vote by telephone or Internet) as soon as possible, even if you plan to attend the special meeting, as it is important that your shares be represented and voted at the special meeting. If you attend the special meeting in person, you may vote by written ballot as you wish, even though you have previously returned your proxy card. See the question below “May I change my vote after I have

mailed my signed proxy card?"

Q: May I change my vote after I have mailed my signed proxy card?

A: Yes. You may change your vote at any time before the shares of our common stock reflected on your proxy card are voted at the special meeting. If your shares are registered in your name, you can do this in one of three ways:

- you can deliver to our Secretary, at our address set forth herein, a written notice stating that you would like to revoke your proxy (the written notice must bear a date later than the proxy card and be received before the taking of the vote at the special meeting);

- you can complete, execute and deliver to our Secretary a new, later-dated proxy card (either in writing, by telephone or via the Internet) for the same shares, provided the new proxy card is received before the taking of the vote at the special meeting; or
- you can attend the special meeting and vote in person. Your attendance alone will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions. You cannot vote shares held in “street name” by returning a proxy card directly to us or by voting in person at the special meeting unless you obtain a proxy card from your broker.

Q: Who will bear the cost of this solicitation?

A: We will bear the expense of soliciting proxies for the special meeting. We have retained Broadridge Financial Services, a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of approximately \$25,000 plus expenses. In addition, we may reimburse brokers, banks and other custodians, nominees and fiduciaries representing beneficial owners of shares for their expenses in forwarding soliciting materials to such beneficial owners. Proxies also may be solicited by certain of our directors, officers and employees, personally or by telephone, facsimile or other means of communication, but no additional compensation will be paid for such services. For a description of the costs and expenses to us of soliciting proxies, see “The Special Meeting—Solicitation Costs” below.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

Q: What happens if I sell my shares of NextWave common stock before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting. If you transfer your shares of our common stock after the close of business on the record date but before the special meeting, you will retain your right to vote at the special meeting.

Q: How will DOCOMO finance the sale?

A: DOCOMO has indicated that it will have sufficient cash on hand to complete the transactions contemplated by the stock purchase agreement. The sale is not conditioned upon DOCOMO obtaining financing from any outside sources.

Q: When do you expect the sale to be completed?

A: We are working toward completing the sale as quickly as possible, but we cannot predict the exact timing. We expect to complete the sale by the end of the third quarter of this year. In addition to obtaining stockholder approval and obtaining required third party consents, we must satisfy all other closing conditions set forth in the stock purchase agreement, including the expiration or termination of the waiting period under the HSR Act.

Q: Should I send in my stock certificates?

A: No. The number of shares of stock that you own will not be affected by the sale of the PacketVideo Shares to DOCOMO and you should not send in certificates in response to the sale.

Q: How does the sale impact my ownership of stock of the Company?

A: The sale will have no impact on any stockholder's ownership of stock of the Company.

Q: Will we continue to operate as a public reporting company?

A: Yes. Following the sale of the PacketVideo Shares to DOCOMO, we will focus solely on the operation and management of our wireless spectrum interests and will continue operating as a public reporting company. Following the sale, we will continue to manage and operate our wireless spectrum assets and pursue the sale our wireless spectrum holdings over time to repay our significant secured indebtedness.

Q: How will I know if the Company's stockholders have adopted and approved the stock purchase agreement and authorized the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO?

A: We will issue a press release regarding the outcome of the stockholder vote at the special meeting. We will also file a Current Report on Form 8-K with the SEC disclosing the results of the vote.

Q: What plans does the Company have if the stock purchase agreement is not approved?

A: If the stock purchase agreement is not approved, we will continue to hold our multimedia business and PacketVideo will continue to be a majority-owned subsidiary of ours. We may pursue alternative transactions regarding the sale of our equity interest in PacketVideo. We will also continue to manage and operate our wireless spectrum assets and pursue the sale and license of our wireless spectrum holdings over time to repay our significant secured indebtedness.

Q: What happens to DOCOMO's call option under the stockholders' agreement if the stock purchase agreement is terminated?

A: If the stock purchase agreement is terminated, the Company believes DOCOMO's call option under the stockholders' agreement with the Company and NextWave Broadband will terminate. Nevertheless, the stockholders' agreement previously entered into by the parties will remain in effect. The stockholders' agreement provides DOCOMO with, among other things, a right of first negotiation and first refusal applicable to a sale of the PacketVideo shares owned by NextWave Broadband, a drag-along right in the event a third party proposes to acquire all our PacketVideo shares, and preemptive rights to acquire DOCOMO's pro rata portion of any new securities issued by PacketVideo, in each case as further described in the stockholders' agreement. Also pursuant to the stockholders' agreement, PacketVideo and NextWave Broadband would retain a right of first refusal in the event a third party proposes to acquire any of the PacketVideo shares owned by DOCOMO.

Q: Where can I learn more about DOCOMO?

A: Information about DOCOMO is available for free from its website at www.nttdocomo.com or from its public filings with the SEC at www.sec.gov.

Q: Who can help answer my questions?

A: If you have any questions about the sale, including the procedures for voting your shares, or if you need additional copies of this proxy statement or the enclosed proxy card (which will be provided without charge) you should contact Broadridge Financial Services as follows:

Broadridge Financial Services
51 Mercedes Way
Edgewood, NY 11717
800-579-1639

THE SPECIAL MEETING

Date, Time and Place

We are furnishing this proxy statement to our stockholders as part of the solicitation on behalf of our Board of Directors of proxies to be voted at the special meeting of stockholders or any postponement or adjournment of that meeting. The special meeting will be held on , 2010, at 8:00 a.m. local time at the Company's offices located at 12264 El Camino Real, Suite 305, San Diego, California 92130.

Matters to be Considered

At the special meeting, we will ask holders of our common stock (a) to consider and vote on a proposal to adopt and approve the stock purchase agreement and authorize the transactions contemplated thereby, including the sale by NextWave Broadband of all of the shares of common stock of PacketVideo owned by it to DOCOMO, (b) to consider and vote on any proposal to adjourn, postpone or continue the special meeting to a later date to enable the Company to solicit additional proxies in favor of the proposal to adopt and approve the stock purchase agreement and authorize the sale of the PacketVideo shares to DOCOMO contemplated thereby and (c) to act upon any other business that may properly come before the special meeting or any adjournments, postponements or continuations thereof. Our Board of Directors does not know of any matters to be brought before the meeting other than as set forth in the notice of meeting. If any other matters properly come before the meeting, the persons named in the enclosed form of proxy card or their substitutes will vote in accordance with their best judgment on such matters.

Recommendation of NextWave's Board of Directors

In connection with the exercise by DOCOMO of its call option to purchase all of the shares of common stock of PacketVideo owned by NextWave Broadband, and after careful consideration, our Board of Directors determined that the stock purchase agreement, the sale of the PacketVideo shares to DOCOMO and the other transactions contemplated by the stock purchase agreement are advisable and are fair to, and in the best interests of, the Company and our stockholders and unanimously adopted and approved the stock purchase agreement and authorized the execution and delivery of the stock purchase agreement and the consummation of the sale and the other transactions contemplated thereby. Therefore, our Board of Directors recommends that you vote "FOR" the adoption and approval of the stock purchase agreement and authorize the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO.

Record Date and Quorum

Our Board of Directors has fixed the close of business on , 2010, as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the special meeting. The only outstanding class of our stock is our common stock, par value \$0.007 per share.

A quorum must be present to transact business at the special meeting. A quorum will be present at the special meeting if a majority of all shares of our common stock issued and outstanding on the record date and entitled to vote at the special meeting are represented at the special meeting in person or by a properly executed proxy. If you submit a properly executed proxy card, even if you abstain from voting or vote against the adoption of the stock purchase agreement, your shares will be counted for purposes of calculating whether a quorum is present at the special meeting. As of the record date, shares of our common stock were outstanding and entitled to vote.

If a quorum is not present at the special meeting, it is expected that the meeting will be adjourned or postponed to enable the Company solicit additional proxies. If a new record date is set for the adjourned meeting, however, a new

quorum would have to be established at the adjourned meeting.

Required Votes

Adoption and approval of the stock purchase agreement and the sale of PacketVideo shares contemplated thereby require the affirmative vote of holders of the majority of shares of our common stock outstanding and entitled to vote at the special meeting.

Any proposal to adjourn or postpone the special meeting to permit further solicitation of proxies requires the affirmative vote of a majority of the shares represented at the meeting in person or by proxy, entitled to vote on the matter and actually voted in favor of adjournment or postponement.

Effect of Abstentions and Broker Non-Votes

If you are the beneficial owner of shares held for you by a broker, your broker must vote those shares in accordance with your instructions. If you do not give voting instructions to your broker, the shares will be treated as “broker non-votes.”

For purposes of the special meeting, abstentions and broker non-votes will be included in the number of shares present for purposes of constituting a quorum, assuming such broker has submitted a proxy or attends the annual meeting. Abstentions and broker non-votes will have the same effect as votes “AGAINST” the proposal for the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby. Abstentions and broker non-votes will have no effect on the outcome of any proposal to adjourn or postpone the special meeting.

Voting Procedure

There are a number ways to vote our common stock at the special meeting:

- You can vote by telephone, using the toll-free telephone number shown on your proxy card; via the Internet, by visiting the Internet website indicated on your proxy card and following the on-screen instructions; or by mail, by completing, signing, dating and returning your proxy card in the enclosed envelope. If you submit a proxy card, the “proxy” (i.e., one of the individuals named on the proxy card) will vote the holder’s shares as the holder instructs on the proxy card. If a holder signs and returns the proxy card but does not give instructions on how to vote the shares, the shares will be voted as recommended by our Board of Directors, “FOR” the proposal for the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby, and in the discretion of the proxy on any other matter properly brought before the special meeting; or
- You can attend the special meeting and vote in person. We will give each stockholder a ballot when he or she arrives at the special meeting. Stockholders who are beneficial owners of shares held in “street name” by a broker, trustee or bank or other nominee holder on behalf of such stockholder may vote in person at the meeting by obtaining a proxy from the nominee holding the shares.

If you vote by proxy, voting instructions (including instructions for both telephonic and Internet proxies) are provided on the proxy card. The Internet and telephone proxy procedures are designed to authenticate stockholder identities, to allow stockholders to give voting instructions and to confirm that stockholders’ instructions have been recorded properly. A control number, located on the proxy card, will identify stockholders and allow them to submit their proxies and confirm that their voting instructions have been properly recorded. Costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, must be borne by the stockholder. If you submit your proxy by Internet or telephone, it will not be necessary to return your proxy card.

If you do not return a signed proxy card or submit a proxy by the Internet or by telephone, and do not attend the meeting and vote in person, your shares will not be voted. Shares of our common stock represented by properly executed proxy cards that are received by us and are not revoked will be voted at the meeting in accordance with the instructions contained therein. If instructions are not given, such proxies will be voted “FOR” the proposal for the adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby. In addition, we reserve the right to exercise discretionary authority to vote proxies, in the manner determined by the Company in its sole discretion, on any matters brought before the special meeting of stockholders for which we did not receive adequate notice under the proxy rules promulgated by the SEC.

If your shares are held in the name of a bank, broker, fiduciary or custodian, follow the voting instructions on the form you receive from such record holder. The availability of Internet and telephone proxies will depend on their voting procedures.

Revocation of Proxy

You may revoke your proxy prior to its exercise. You may do this by (a) delivering to our Secretary, at our address set forth herein, a written notice stating that you would like to revoke your proxy (the written notice must bear a date later than the proxy card and be received before the taking of the vote at the special meeting); (b) completing, executing and delivering a new, later-dated proxy card (either in writing, by telephone or via the Internet) for the same shares, provided the new proxy card is received before the taking of the vote at the special meeting; or (c) attending the special meeting and voting in person. Your attendance at the meeting alone will not revoke your proxy.

Proxy Solicitation

We will pay the expenses of soliciting proxies for the special meeting, including preparation, assembly, printing and mailing of this proxy statement, the proxy card and any additional information furnished to stockholders. Copies of our proxy statement and related materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding shares of common stock beneficially owned by others to forward to such beneficial owners. Although there is no formal agreement to do so, we may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding this proxy statement to stockholders whose common stock is held of record by such entities. In addition, we have retained Broadridge Financial Services, a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of \$25,000 plus expenses. Solicitation of proxies by mail may be supplemented by means of personal calls upon, or telephonic or electronic communications with, stockholders or their personal representatives by our directors, officers and employees, who will not be specially compensated for such services.

Householding

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as “householding,” potentially means extra convenience for stockholders and cost savings for companies. To take advantage of this opportunity, we have delivered only one proxy statement to multiple stockholders who share an address, unless we have received contrary instructions from the impacted stockholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the proxy statement and annual report to any stockholder at the shared address to which a single copy of those documents was delivered. If you prefer to receive separate copies of the proxy statement and annual report, contact Broadridge Financial Solutions, Inc. at 800-542-1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

If you are currently a stockholder sharing an address with another stockholder and wish to receive only one copy of future stockholder communications for your household, please contact Broadridge at the above phone number or address.

THE PARTIES TO THE STOCK PURCHASE AGREEMENT

NextWave Wireless Inc. We are a holding company for mobile multimedia businesses and a significant wireless spectrum portfolio. Our mobile multimedia business segment consists of PacketVideo, our majority-owned subsidiary. As a result of the sale of our remaining interest in PacketVideo, our continuing operations would be focused solely on the management, operation, marketing and selling of our wireless spectrum interests. We will continue to manage and operate and pursue the sale of our wireless spectrum holdings over time to repay our significant secured indebtedness.

The Company is a Delaware corporation. Our principal executive office is located at 12264 El Camino Real, Suite 305, San Diego, California, 92130, and our telephone number is 858-731-5300.

PacketVideo Corporation. Founded in 1998, PacketVideo develops, produces and markets advanced mobile multimedia and consumer electronic connectivity product solutions, including embedded software for mobile handsets, client-server platforms for mobile media applications such as music, photos, video and software for sharing media in the connected home. PacketVideo supplies multimedia software and services to many of the world's largest network operators and wireless handset manufacturers which, in turn, use PacketVideo's platform to offer music and video services on mobile handsets, generally under their own brands. To date, over 350 million PacketVideo-powered handsets have been shipped worldwide. PacketVideo has been contracted by some of the world's largest carriers, such as Orange, DOCOMO, Rogers Wireless, TeliaSonera, TELUS Mobility and Verizon Wireless, to design and implement the embedded multimedia software capabilities contained in their handsets. PacketVideo's software is compatible with virtually all network technologies, including CDMA, GSM, WiMAX, LTE and WCDMA. As a result of the sale, PacketVideo would become a wholly-owned subsidiary of DOCOMO.

PacketVideo is a Delaware corporation. DOCOMO owns 35% of PacketVideo's issued and outstanding common stock, and the remainder of the outstanding shares are currently owned by NextWave Broadband. PacketVideo's principal executive office is located at 10350 Science Center Drive, Suite 210, San Diego, California, 92121, and its telephone number is 858-731-5300.

NextWave Broadband Inc. NextWave Broadband is a wholly-owned subsidiary of NextWave and a holding company for our equity interest in PacketVideo and our wireless spectrum interests. NextWave Broadband is a Delaware corporation. Its principal executive office is located at 12264 El Camino Real, Suite 305, San Diego, California, 92130, and its telephone number is 858-731-5300.

NTT DOCOMO, INC. DOCOMO's parent company is NIPPON TELEGRAPH AND TELEPHONE CORPORATION, or "NTT." NTT, together with its subsidiaries, including DOCOMO, constitutes one of the world's leading telecom operators and providers of advanced telecom services.

DOCOMO is a joint stock corporation incorporated and registered under Japanese Law. Its corporate head office is at Sanno Park Tower, 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan. Its telephone number is 81-3-5156-1111.

THE SALE

The discussion in this proxy statement of the sale of the PacketVideo shares to DOCOMO and the principal terms of the stock purchase agreement is subject to, and is qualified in its entirety by reference to, the stock purchase agreement, a copy of which is attached to this proxy statement as Annex A. You should read the entire stock purchase agreement carefully.

Background of the Sale

In mid-2007 and in early 2008, we held preliminary discussions with DOCOMO regarding a potential investment in PacketVideo. Preliminary discussions did not result in agreement on the proposed terms of the investment and further discussions were discontinued.

In the second half of 2008, we announced the commencement of our global restructuring initiative and initiated significant financing and restructuring activities. In connection with such restructuring activities, we terminated 620 employees, vacated seven leased facilities and filed insolvency for our WiMAX Telecom business in Austria and Croatia, sold a controlling interest in our IPWireless subsidiary and shut down our semiconductor and network infrastructure business. In August 2008, we reported that our current cash position would be sufficient only to meet our working capital requirements into September 2008 and that we were seeking additional financing. We further reported that if we did not obtain further financing in September 2008, we would not be able to meet our financial obligations at the beginning of the fourth quarter of 2008, would not be able to continue our operations in the normal course of business, and may be forced to restructure our obligations. At that time, although we believed that PacketVideo's products were advantageous and well positioned for success, we believed that PacketVideo's business largely depended upon volume-based sales of devices into the market. The economic downturn in the global markets also had affected consumer spending habits as well as PacketVideo's customers and distribution partners, telecommunications companies and consumer electronics device manufacturers. We were also concerned about competitive pressures that could adversely impact PacketVideo's business and were aware of the need to fund the further development and growth of PacketVideo's business in light of these market and competitive dynamics. The need to fund PacketVideo's business and growth and our operating and financial issues led us to contemplate pursuing the potential sale of PacketVideo or a potential outside investment in PacketVideo.

In late 2008 and early 2009, as part of our global restructuring initiatives, we engaged a financial advisor to assist in our restructuring and to evaluate strategic alternatives for PacketVideo, including pursuing a potential investment or sale. In September and November 2008, we received indications of interest for the acquisition of PacketVideo from various private equity firms and strategic buyers, including DOCOMO. We engaged in preliminary discussions with various parties, including DOCOMO, which did not result in terms acceptable to the Board of Directors.

In early 2009, we continued discussions with DOCOMO regarding a potential equity investment in PacketVideo. As part of those discussions, DOCOMO required a comprehensive stockholders' agreement that would include rights of first refusal, preemptive rights and a call option right that would be exercisable under certain conditions, including upon the taking of certain actions by our creditors and upon the satisfaction of an agreed upon PacketVideo technology milestone. We negotiated further to ensure that there would be an appropriate mechanism for appraisal and valuation of the PacketVideo shares in connection with the call option. In April 2009, we and DOCOMO entered into a non-binding term sheet that contemplated that DOCOMO would acquire a 35% equity interest in PacketVideo at an implied valuation of \$130 million.

In July 2009, DOCOMO purchased a 35% noncontrolling interest in our PacketVideo subsidiary. In connection with the approval of the sale of the 35% interest in PacketVideo to DOCOMO, our Board of Directors considered a number of factors in evaluating the sale, in consultation with our legal and financial advisors, including the desire to retire a

portion of our outstanding indebtedness, our challenging financial condition, working capital needs and substantial amount of senior secured indebtedness, the process to evaluate strategic alternatives for the potential sale of PacketVideo, the valuations reflected in the indications of interest received by us, the business and prospects of PacketVideo, the cash needed to further develop and grow PacketVideo's business, the terms and conditions of the proposed stockholders' agreement, including the call option procedures and appraisal provisions, and a written fairness opinion from the financial advisor we previously engaged to assist us in connection with the July 2009 transaction to the effect that, as of June 24, 2009, and based upon and subject to the conditions and limitations set forth in the opinion, the consideration received by us and NextWave Broadband for the sale of the 35% interest in PacketVideo was fair to us and NextWave Broadband from a financial point of view. Pursuant to the stockholders'

agreement we entered into with DOCOMO, NextWave Broadband, and PacketVideo in connection with the July 2009 sale of the 35% interest in PacketVideo to DOCOMO, DOCOMO was granted certain rights in the event of future transfers of PacketVideo stock or assets, preemptive rights in the event of certain issuances of PacketVideo stock, and a call option exercisable under certain conditions, including upon the satisfaction of an agreed upon PacketVideo technology milestone, to purchase the remaining shares of PacketVideo at an appraised value to be determined and agreed upon in accordance with the terms and conditions of the stockholders' agreement.

In late November 2009, PacketVideo achieved the technology milestone that enabled DOCOMO to exercise its call option under the stockholders' agreement.

On December 1, 2009, our Board of Directors received an update on DOCOMO's potential exercise of the call option, including the proposed timeline and process relating to the exercise, valuation determinations and retention of an investment bank to advise our Board of Directors.

On December 2, 2009, PacketVideo sent notice of the completion of the technology milestone to DOCOMO.

On December 9, 2009, our Board of Directors received an update on the call option process and authorized a negotiation committee composed of Carl Vogel, Robert Symington and Frank Cassou to seek to mutually agree with DOCOMO on a price for the remaining shares of PacketVideo common stock owned by NextWave Broadband.

On December 22, 2009, DOCOMO notified us and NextWave Broadband of its intent to exercise the call option and thereby purchase all of the remaining shares of common stock of PacketVideo owned by NextWave Broadband. We and DOCOMO agreed to pursue negotiations between our negotiation committee and DOCOMO to determine the price for the remaining shares of PacketVideo stock owned by NextWave Broadband.

On December 28, 2009, we retained Moelis & Company, or "Moelis," as our financial advisor and to render a fairness opinion in connection with the sale of the PacketVideo shares to DOCOMO pursuant to the call option. Moelis is an internationally recognized investment banking firm providing a full range of financial advisory and other services. Moelis was selected to act as our financial advisor because of its qualifications, experience and reputation in investment banking and mergers and acquisitions, as well as its familiarity with our business. On January 10, 2010, Moelis provided to the negotiating committee a preliminary analysis and certain background valuation materials.

In January through March 2010, our negotiation committee engaged in valuation discussions with DOCOMO. As the parties did not reach agreement on valuation based on these discussions, in April 2010, we and DOCOMO mutually selected and jointly engaged Houlihan Lokey Howard & Zukin Financial Advisors, Inc., or "Houlihan Lokey," to act as the third party valuation firm contemplated by the stockholders' agreement to provide us and DOCOMO with its view, based on methodologies agreed upon between us and DOCOMO, as to the estimated fair market value of the remaining shares of common stock of PacketVideo owned by NextWave Broadband.

On May 19, 2010, we and DOCOMO were informed by Houlihan Lokey of its view to the effect that, as of April 30, 2010 (the valuation date agreed upon by us and DOCOMO) and based on methodologies agreed upon by us and DOCOMO, the estimated fair market value of the remaining shares of common stock of PacketVideo owned by NextWave Broadband was approximately \$111.6 million.

On May 27, 2010, we and DOCOMO agreed to extend the dates provided under the stockholder' agreement (i) by which we could object to the estimated fair market value provided to us and DOCOMO by Houlihan Lokey for the remaining shares of common stock of PacketVideo owned by NextWave Broadband, (ii) by which DOCOMO would have to confirm its intent to exercise its call option, and (iii) the date by which the stock purchase agreement would

have to be signed.

On June 4, 2010, our Board of Directors considered, with Moelis's assistance, the process and procedures for determining the fair market value of the remaining common stock of PacketVideo owned by NextWave Broadband, including the estimated fair market value provided by Houlihan Lokey. The Board of Directors decided to accept the estimated fair market value of \$111.6 million derived for such remaining shares. At that same meeting, our Board of Directors discussed with our senior management and our advisors the sale process to DOCOMO, DOCOMO's rights under the 2009 stockholders' agreement and our limited ability, in light of DOCOMO's rights under the stockholders agreement, to sell the remaining shares of common stock of PacketVideo owned by NextWave Broadband to other potential buyers.

On June 28, 2010, DOCOMO confirmed in writing to the Company and NextWave Broadband that DOCOMO

still intended to exercise the call option and acquire all of the shares of common stock of PacketVideo owned by NextWave Broadband in accordance with the procedures set forth in the stockholders' agreement. During July 2010, the parties negotiated the terms of the stock purchase agreement relating to the sale to DOCOMO.

On July 19, 2010, our Board of Directors was presented with a summary of, and carefully considered, a draft of the stock purchase agreement. Our Board of Directors discussed in detail the terms and conditions of the proposed transaction and the process leading up to the proposed transaction.

On July 28, 2010, our Board of Directors was presented with, and carefully considered, a revised draft of the stock purchase agreement. At the same meeting, Moelis delivered its oral opinion to our Board of Directors, which opinion was subsequently confirmed in writing, that, as of July 28, 2010, and based upon and subject to the conditions and limitations set forth in the written opinion, the consideration to be paid to us and NextWave Broadband in the sale was fair, from a financial point of view, to NextWave Broadband and us. Our Board of Directors further discussed in detail the terms and conditions of the stock purchase agreement and the process leading up to the proposed transaction. In the course of its deliberations, our Board of Directors carefully considered a number of factors that are described under "Reasons for the Sale" below. After due consideration, our Board of Directors unanimously determined that the stock purchase agreement, the sale of the PacketVideo shares to DOCOMO contemplated thereby and the other transactions contemplated by the stock purchase agreement are fair to, and in the best interests of, the Company and our stockholders, and unanimously adopted and approved and declared advisable the stock purchase agreement and authorized the transactions contemplated by the stock purchase agreement.

On July 30, 2010, the parties executed and delivered the stock purchase agreement in the form attached hereto as Annex A. In connection with the execution of the stock purchase agreement, James C. Brailean, Ph.D. tendered his resignation as a member of our Board of Directors and as our Chief Executive Officer, Chief Operating Officer and President, effective immediately. Dr. Brailean continues to serve as the President and Chief Executive Officer and as a member of the Board of Directors of PacketVideo. Our Board of Directors called a special meeting of the stockholders of the Company to consider the proposed sale of the remaining shares of common stock of PacketVideo owned by NextWave Broadband pursuant to the stock purchase agreement.

Reasons for the Sale

The following describes material reasons, factors and information taken into account by our Board of Directors in deciding to adopt and approve the stock purchase agreement, authorize the transactions contemplated by the stock purchase agreement, and recommend that our stockholders adopt and approve the stock purchase agreement and authorize the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO.

- The financial performance of and prospects for PacketVideo's multimedia business;
- The resources required to fund the further development and growth of PacketVideo's business in order to preserve or increase its value;
- The current and future competitive environment for PacketVideo's multimedia business and related risks associated with its business;
 - Our global restructuring initiative, which was commenced in 2008;
- The amount of our current cash reserves and cash generated from operations and our significant outstanding secured indebtedness;

- The amount of the consideration to be paid in connection with the sale of the PacketVideo stock to DOCOMO which will be used to pay down a portion of the First Lien Notes and provide us with working capital;
- The maturity dates of our outstanding indebtedness and the cash required to satisfy the interest payments on such indebtedness prior to the respective maturity dates;
- The value of our wireless spectrum assets and cash required to continue to manage and operate and pursue the sales and licensing of our wireless spectrum assets;

- The market for and recent market developments with respect to our spectrum assets;
- The challenging public market to raise necessary capital to further develop our multimedia business;
- The contractual obligations set forth in the stockholders' agreement with DOCOMO and DOCOMO's right to exercise its option to acquire all of the shares of common stock of PacketVideo owned by NextWave Broadband in accordance with the terms and conditions of the stockholders' agreement; and
- Limitations on our ability to sell the remaining shares of PacketVideo to a third party set forth in the stockholders' agreement.

Our Board of Directors considered the reasons, factors and information described above in reaching its recommendation and determination and believes such reasons, factors and information are positive and support the proposed sale. In addition, our Board of Directors believes that sufficient procedural safeguards were and are present to ensure the fairness of the sale consideration and to permit our Board of Directors to represent effectively the interests of our stockholders and our executive officers and directors. These procedural safeguards include the following:

- The process and procedures to determine and agree upon the fair market value of the PacketVideo shares owned by NextWave Broadband;
- The fact that neither PacketVideo nor the Company has received any third-party bids or in-bound expressions of interest to acquire the remaining shares of PacketVideo owned by NextWave Broadband following the closing of the July 2009 sale of the 35% interest in PacketVideo to DOCOMO;
- The fact that Moelis was retained as financial advisor to advise our Board of Directors with respect to the sale of the PacketVideo shares to DOCOMO and to render an opinion as to the fairness from a financial point of view to NextWave Broadband and us of the consideration to be paid for the PacketVideo shares; and
- The fact that our Board of Directors consulted with its legal and financial advisors regarding the negotiation of the terms of the stock purchase agreement, including the amount of the sale consideration.

In the course of its deliberations, our Board of Directors also considered a variety of risks and other potentially negative factors, including the following:

- The risks and contingencies related to the announcement and pendency of the sale of the PacketVideo stock to DOCOMO, including the impact of the sale on our customers and our relationships with other third parties;
 - The loss of future revenue as a result of the sale of our multimedia business;
- The effect the sale of the PacketVideo shares to DOCOMO will have on the value of our stock and our ability to remain a publicly traded corporation;
- The possibility that the sale of the PacketVideo shares to DOCOMO might not be consummated and we will have expended extensive resources and time during the pendency of the transaction; and
- The fact that, after the sale of the PacketVideo shares to DOCOMO, our business will consist solely of our wireless spectrum interests.

Our Board of Directors carefully considered these factors as a whole in reaching its determination and recommendation. Our Board of Directors concluded that, overall, the risks, uncertainties, restrictions and potentially negative factors associated with the sale of the PacketVideo stock to DOCOMO were outweighed by the potential benefits of the sale. In addition, our Board of Directors considered the interests that certain of our directors and executive officers may have with respect to the sale, in addition to their interests as stockholders of the Company generally.

The foregoing discussion of factors considered by our Board of Directors is not meant to be exhaustive but includes the material factors considered by our Board of Directors (i) in declaring that the stock purchase agreement,

the sale of the PacketVideo shares owned by NextWave Broadband to DOCOMO contemplated thereby and the other transactions contemplated by the stock purchase agreement are advisable and fair to, and in the best interests of, the Company and its stockholders, (ii) in adopting and approving the stock purchase agreement and authorizing the sale of the PacketVideo shares to DOCOMO contemplated thereby and the other transactions contemplated by the stock purchase agreement, and (iii) in recommending that our stockholders adopt and approve the stock purchase agreement and authorize the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO. In view of the wide variety of factors considered by our Board of Directors in connection with the evaluation of the sale of the PacketVideo shares to DOCOMO and the complexity of these matters, our Board of Directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. Rather, the directors made their determinations and recommendations based on the totality of the information presented to them, and the judgments of individual members of our Board of Directors may have been influenced to a greater or lesser degree by different factors.

Recommendation of our Board of Directors

In connection with the exercise by DOCOMO of its call option to purchase the remaining shares of PacketVideo stock held by NextWave Broadband, and after careful consideration, including consultation with our legal and financial advisors, our Board of Directors determined that the stock purchase agreement, the sale of the PacketVideo shares owned by NextWave Broadband to DOCOMO and the other transactions contemplated by the stock purchase agreement are fair to, and in the best interests of, the Company and our stockholders and unanimously adopted and approved the stock purchase agreement and authorized the sale of the PacketVideo shares to DOCOMO contemplated thereby and the other transactions contemplated by the stock purchase agreement. Accordingly, our Board of Directors unanimously recommends that you vote "FOR" the adoption and approval of the stock purchase agreement and authorization of the transactions contemplated thereby, including the sale by NextWave Broadband of all of the shares of common stock of PacketVideo owned by it to DOCOMO.

Opinion of the Company's Financial Advisor

At the meeting of our Board of Directors on July 28, 2010, Moelis delivered its oral opinion, which was later confirmed in writing, that based upon and subject to the conditions and limitations set forth in its written opinion, as of July 28, 2010, the consideration to be received by NextWave Broadband in the sale is fair, from a financial point of view, to NextWave Broadband and the Company.

The full text of Moelis' written opinion dated July 28, 2010, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this proxy statement and is incorporated herein by reference. Stockholders are urged to read Moelis' written opinion carefully and in its entirety. The following summary describes the material analyses underlying Moelis' opinion, but does not purport to be a complete description of the analyses performed by Moelis in connection with its opinion. Moelis' opinion is limited solely to the fairness of the sale consideration from a financial point of view as of the date of the opinion and does not address the underlying business decision of the Company, NextWave Broadband or PacketVideo to effect the sale or the relative merits of the sale as compared to any alternative business strategies or transactions that might be available to the Company, NextWave Broadband or PacketVideo. Moelis' opinion does not constitute a recommendation to any stockholder of PacketVideo (including NextWave Broadband), NextWave Broadband (including us) or the Company as to how such stockholder should vote with respect to the sale or whether NextWave Broadband should sell shares in the sale or any other matter. Moelis' opinion was approved by a Moelis fairness opinion committee.

In arriving at its opinion, Moelis, among other things:

- reviewed certain publicly available business and financial information relating to PacketVideo that Moelis deemed relevant;

- reviewed certain internal information relating to the business, including financial forecasts, earnings, cash flow, assets, liabilities and prospects of PacketVideo furnished to Moelis by PacketVideo and the Company;
- reviewed the stock purchase agreement, dated as of July 2, 2009, or the “2009 stock purchase agreement,” and the stockholders’ agreement, dated as of July 2, 2009, or the “stockholders’ agreement,” each by and among the Company, NextWave Broadband, PacketVideo and DOCOMO;
- reviewed the valuation materials related to the determination of the consideration to be received by NextWave Broadband in the sale pursuant to the stockholders’ agreement provided to Moelis by the Company;
- conducted discussions with members of senior management and representatives of PacketVideo and the Company concerning the matters described in the foregoing, as well as the business and prospects of PacketVideo generally;
- compared certain financial information for PacketVideo furnished to Moelis by PacketVideo and the Company to publicly available financial and stock market data, including valuation multiples, for certain other companies in lines of business that Moelis deemed relevant;
- compared the proposed financial terms of the sale with the financial terms of certain other transactions that Moelis deemed relevant;
 - reviewed a draft of the stock purchase agreement, dated July 27, 2010;
 - participated in certain discussions and negotiations among representatives of the Company, NextWave Broadband, PacketVideo and DOCOMO and their financial and legal advisors; and
- conducted such other financial studies and analyses and took into account such other information as Moelis deemed appropriate.

In connection with its review, Moelis did not assume any responsibility for independent verification of any of the information supplied to, discussed with, or reviewed by Moelis for the purpose of its opinion and has, with our consent, relied on such information being complete and accurate in all material respects. In addition, at the direction of our Board of Directors, Moelis did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet, or otherwise) of PacketVideo, nor has Moelis evaluated the solvency of the Company, NextWave Broadband, PacketVideo or DOCOMO under any state or federal laws relating to bankruptcy. With respect to the forecasted financial information referred to above, Moelis assumed, with our consent, that such financial information was reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of PacketVideo, NextWave Broadband and the Company as to the future performance of PacketVideo including the technology, products and services of PacketVideo and the validity of, and risks associated with, the technology, products and services of PacketVideo. Moelis expressed no view as to such forecasts or the assumptions on which they were based. Moelis is not a legal, regulatory or tax expert and has relied on the assessments made by advisors to the Company, NextWave Broadband and PacketVideo with respect to such issues. Moelis further assumed, with our consent, that all material governmental, regulatory or other consents and approvals necessary for the consummation of the sale will be obtained without any adverse effect on the Company, NextWave Broadband or PacketVideo.

Moelis’ opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Moelis as of, the date of its opinion. It should be understood that subsequent developments may affect the opinion and that Moelis does not have any obligation to update, revise or reaffirm its opinion.

The following is a summary of the material financial analyses utilized by Moelis in connection with providing its opinion. The summary set forth below does not purport to be a complete description of the analyses performed and factors considered by Moelis in arriving at its opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations and subjective judgments and is not necessarily susceptible to partial analysis or summary description. Some of the summaries of the financial analyses below include information presented in tabular format. In order to fully understand Moelis' analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses. Considering the

data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Moelis' analyses. Selecting portions of the analyses or summary set forth below, without considering the analyses as a whole, could create an incomplete view of the processes underlying Moelis' opinion. With respect to the comparable public companies analysis and the precedent transactions analysis summarized below, no company, business or transaction used in such analyses as a comparison is either identical or directly comparable to PacketVideo or the sale, nor is an evaluation of such analyses entirely mathematical. These analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics and other factors. In arriving at its fairness determination, Moelis considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis. Rather, Moelis made its fairness determination on the basis of its experience and professional judgment after considering the results of all of its analyses.

In addition, such analyses do not purport to be appraisals, nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by such analyses. Because the analyses described above are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, neither the Company, nor Moelis or any other person assumes responsibility if future results are materially different from those forecast.

Public Trading Multiples. Using publicly available information, Moelis compared selected financial data of PacketVideo with similar data for six publicly traded companies engaged in businesses that Moelis judged to be generally comparable to PacketVideo:

- Rovi Corporation;
- DTS, Inc.;
- RealNetworks, Inc.;
- Smith Micro Software, Inc.;
- Sonic Solutions; and
- Openwave Systems, Inc.

Moelis evaluated PacketVideo relative to the comparable companies based on financial metrics including revenue, revenue growth and EBITDA margin. In all instances, multiples were based on closing stock prices on July 23, 2010. For each of the following analyses performed by Moelis, estimated financial data for the selected companies other than PacketVideo were based on publicly available Wall Street research analysts' estimates and estimated financial data for PacketVideo was based on the financial information and forecasts prepared by management of PacketVideo and provided to Moelis by the Company.

In conducting its analysis, Moelis reviewed publicly available estimates of financial performance, including revenue, revenue growth and EBITDA margin, through each company's most recently reported twelve-month period, which is referred to as "LTM" (for "Last Twelve Months"), as well as for the calendar years ending December 31, 2010 and December 31, 2011. Moelis reviewed the selected companies' trading multiples based on enterprise value (calculated as diluted market value, plus total debt, plus minority interest, plus capital leases, plus preferred stock, less cash and cash equivalents) to estimated revenues for projected calendar years 2010 and 2011. Moelis applied a reference range of selected multiples of estimated revenue for the LTM period and the fiscal years ending December 31, 2010 and

December 31, 2011 derived from its analysis of the selected companies to PacketVideo's corresponding financial data. Specifically, the reference range was 2.0x to 2.8x for the LTM estimated revenues, 1.9x to 2.4x for the fiscal year ended December 31, 2010 estimated revenues, and 1.6x to 2.1x for the fiscal year ended December 31, 2011 estimated revenues yielding a range of enterprise values of \$122.4 million to \$174.3 million for all of PacketVideo.

Selected Transaction Analysis. Using publicly available information, Moelis compared selected financial data of the sale with similar data for selected transactions deemed by Moelis to be generally comparable to the sale. Specifically, Moelis reviewed the following transactions:

Date	Target	Acquiror
06/02/10	DivX	Sonic Solutions
01/06/10	On2 Technologies	Google
01/05/10	Quattro Wireless	Apple
12/04/09	La La Media	Apple
11/09/09	AdMob	Google
10/24/09	VeriSign Messaging Business	Syniverse Technologies
10/07/09	Open TV	Kudelski Group
09/14/08	Napster	Best Buy
06/24/08	Symbian Limited	Nokia
02/11/08	Danger	Microsoft
01/28/08	Trolltech	Nokia
01/02/08	Apertio	Nokia Siemens
06/21/07	Tegic Communications	Nuance Communications
05/15/07	VoiceSignal Technologies	Nuance Communications
03/15/07	TellMe	Microsoft
03/14/07	MapInfo	Pitney Bowes
02/22/07	BeVocal	Nuance Communications
11/10/06	Good Technology	Motorola
11/05/06	Mobile 365	Sybase
10/23/06	MetaSolv Software	Oracle
04/17/06	Qpass	Amdocs
04/12/06	Portal Software	Oracle
03/20/06	m-Qube	Verisign

For each of the selected transactions, Moelis calculated and, to the extent information was publicly available, compared the target's enterprise value divided by the target's estimated revenues for the LTM and for the forward twelve months as estimated based on publicly available Wall Street research analysts' estimates, press releases or publicly available other research analysts' estimates.

Moelis applied a reference range of estimated revenue multiples for the LTM period and the year ended December 31, 2010 derived from its analysis of the selected transactions to PacketVideo's corresponding financial data based on the financial information and forecasts for PacketVideo provided to Moelis by management of PacketVideo and the Company. Specifically, the reference range for estimated revenues for the twelve months ended March 31, 2010 was 2.3x to 3.5x yielding a range of enterprise values between \$140.8 million and \$214.2 million for all of PacketVideo, and the reference range for estimated revenues for the twelve months ended December 31, 2010 was 2.0x to 2.8x yielding a range of enterprise values of \$132.8 million to \$186.0 million for all of PacketVideo.

Discounted Cash Flow Analysis. Moelis performed a discounted cash flow analysis using the after-tax unlevered free cash flows that PacketVideo is expected to generate during fiscal years 2010 through 2012 based upon the financial forecasts from management of PacketVideo and the Company. After-tax unlevered free cash flows and terminal values were discounted to present value as of July 23, 2010 using discount rates ranging from 14% to 18%, which were derived taking into account the estimated weighted average cost of capital, which we refer to as "WACC," of PacketVideo. The WACC was calculated as PacketVideo's derived cost of equity which was in turn calculated per the capital asset pricing model, using the median of the unlevered betas observed for the universe of selected comparable companies identified in the comparable public companies analysis, multiplied by the equity risk premium per the 2010 Ibbotson Risk Premia Report plus the risk free rate of return (using a 10-year U.S. Treasury interpolated yield curve as of July 23, 2010), plus a small cap risk premium based on 2010 Ibbotson Risk Premia Report. Moelis computed a terminal value based on the EBITDA exit multiple method, and selected an EBITDA exit multiple range of 7.0x to

11.0x. In calculating the terminal value, Moelis applied a 50% growth rate as provided by management of PacketVideo to the EBITDA metric for the calendar year ending December 31, 2012 and multiplied the estimated EBITDA metric by the selected EBITDA exit multiple range of 7.0x to 11.0x . Using the projections, the selected ranges of discount rates and the selected EBITDA exit multiples range, Moelis calculated a range of enterprise values of \$141.9 million to \$228.7 million for all of PacketVideo.

These value ranges compare to the sale consideration of \$111.6 million for approximately 65% of the issued and outstanding shares of common stock of PacketVideo, which implies an enterprise value of approximately \$173 million for all of PacketVideo.

The sale consideration was determined and agreed upon by the Company and DOCOMO in accordance with the procedures set forth in the stockholders' agreement and was approved by our Board of Directors and the Board of Directors of NextWave Broadband. Moelis provided advice to the Company during these negotiations. Moelis did not, however recommend any amount of consideration to the Company or NextWave Broadband or their respective Boards of Directors, or that any specific amount or type of consideration constituted the only appropriate consideration for the sale.

Moelis' opinion was prepared for the use and benefit of our Board of Directors in its evaluation of the sale. Moelis was not asked to address, and its opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Company, NextWave Broadband (other than the Company) or PacketVideo (other than NextWave Broadband). The Company advised Moelis that the sale consideration to be paid to NextWave Broadband will be transferred by NextWave Broadband to or as directed by the Company. In addition, Moelis' opinion does not express any opinion as to the fairness of the amount or nature of any compensation to be received by any of PacketVideo's officers, directors or employees, or any class of such persons, relative to the sale consideration. Moelis expressed no opinion as to the prices at which the common stock of the Company will trade at any time. At the direction of our Board of Directors, Moelis was not asked to, nor did it, offer any opinion as to the material terms of the stock purchase agreement or the form of the sale. In rendering its opinion, Moelis assumed, with our consent, that the final executed form of the stock purchase agreement would not differ in any material respect from the draft that Moelis examined, and that DOCOMO, PacketVideo, NextWave Broadband and the Company would comply with all the material terms of the stock purchase agreement. Moelis was not authorized to and did not solicit indications of interest in a possible transaction with PacketVideo, or with respect to NextWave Broadband's or the Company's interest in PacketVideo from any party.

Moelis acted as financial advisor to the Company in connection with the sale and will receive a fee for its services, a significant portion of which is contingent upon the consummation of the sale. Moelis also received a fee upon delivery of its opinion. In addition, the Company has agreed to indemnify Moelis for certain liabilities arising out of its engagement. In the past, Moelis provided investment banking and other services to the Company and its affiliates, and Moelis is currently providing investment banking services to the Company and its affiliates on other matters, and Moelis received, or may receive, compensation for the rendering of such services.

NextWave After the Sale

We anticipate that the management, operation, marketing and selling of our portfolio of licensed wireless spectrum assets will, following the closing of the sale, make up the entirety of our business, which we refer to as our "Strategic Initiatives" business. Our total domestic spectrum holdings consist of approximately ten billion MHz POPs (the term "MHz-POPs" is defined as the product derived from multiplying the number of megahertz associated with a license by the population of the license's service area), covering approximately 215.9 million total POPs, with 106.9 million POPs covered by 20 MHz or more of spectrum, and an additional 90.6 million POPs covered by at least 10 MHz of spectrum. In addition, a number of markets, including much of the New York City metropolitan region, are covered by 30 MHz or more of spectrum. Our domestic spectrum resides in the 2.3 GHz Wireless Communication Services, 2.5 GHz Broadband Radio Service/Educational Broadband Service and 1.7/2.1 GHz Advanced Wireless Service or "AWS." Our domestic spectrum resides in the 2.3 GHz WCS, 2.5 GHz BRS/ EBS and 1.7/2.1 GHz AWS bands and offers propagation and other characteristics suitable to support high-capacity, mobile broadband services. Our international spectrum held for continuing operations include 2.3 GHz licenses in Canada, covering 15 million

POPs. Following the sale, we will continue to manage and operate and pursue the sale and license of our wireless spectrum holdings over time to repay our significant secured indebtedness. In order to retire our debt, we will need to successfully monetize a substantial portion of our wireless spectrum assets for net proceeds substantially in excess of our cost basis. There is no guarantee that we will be able to successfully monetize our wireless spectrum assets or successfully retire our outstanding indebtedness.

Effects on NextWave if the Sale Is Not Completed

If the sale of the PacketVideo stock to DOCOMO is not completed, we will continue to hold our multimedia business, and PacketVideo will continue to be a majority-owned subsidiary of ours. We may pursue alternative transactions regarding the sale of our equity interest in PacketVideo. We will also continue to manage and operate our wireless spectrum assets and pursue the sale and license our wireless spectrum holdings over time to repay our significant secured indebtedness. We would continue to seek to sell our wireless spectrum holdings over time to repay our significant secured indebtedness.

Financing

The total amount of funds required by DOCOMO to pay all the sale consideration and related fees and expenses in connection with the sale of the PacketVideo stock to DOCOMO and the related transactions is estimated to be approximately \$111,600,000. DOCOMO expects to finance the sale with cash on hand.

Interests of Certain Persons in the Sale

When considering the recommendation of our Board of Directors with respect to the adoption and approval of the stock purchase agreement and the authorization of the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO, you should be aware that some of our directors and executive officers have interests in the sale that may be different from, and in addition to, the interests of our stockholders generally. Approximately \$95 million of the net proceeds from the sale will be used to pay down a portion of principal and interest on our First Lien Notes, with priority given to holders other than those affiliated with Avenue Capital Group and Solus Core Opportunities Master Fund Ltd., or "Solus." As of July 3, 2010, funds managed by Avenue Capital Group held approximately \$116.8 million in principal amount of the First Lien Notes, representing approximately 55.5% of such indebtedness. Robert Symington, a portfolio manager with Avenue Capital, is a member of our Board of Directors. As a result of the transactions contemplated by the stock purchase agreement, the Company anticipates that affiliates of Avenue Capital Group will receive approximately \$30.5 million in redemption of their senior secured notes pursuant to the terms of our secured note agreements. In addition, Navation, Inc., an affiliate of Allen Salmasi, our Chairman and member of the Board of Directors, held approximately \$79.5 million in principal amount of our Third Lien Notes, representing approximately 14.1% of such indebtedness as of July 3, 2010, and Douglas Manchester, a member of our Board of Directors, held approximately \$79.5 million in principal amount of our Third Lien Notes, representing approximately 14.1% of such indebtedness as of July 3, 2010. The holders of the Third Lien Notes will not receive any proceeds as a result of the stock purchase agreement but will receive an indirect benefit as a result of the reduction in our senior secured debt that is senior to the Third Lien Notes. As of July 30, 2010, our directors and executive officers as a group were the beneficial owners of 26.9% of our outstanding common stock, Navation, Inc. was the beneficial owner of 13.5% of our outstanding common stock, and affiliates of Avenue Capital Group were the beneficial owners of 34.8% of our outstanding common stock.

In connection with the signing of the stock purchase agreement, we have established cash retention bonuses for certain officers and employees of PacketVideo in the aggregate amount of \$2 million. The cash retention bonuses are anticipated to be paid in connection with the closing of the sale, subject to such persons' continued employment with PacketVideo. Dr. James Brailean, who served as our Chief Executive Officer, Chief Operating Officer and President and a member of our Board of Directors prior to June 30, 2010, the signing date of the stock purchase agreement, would be eligible to receive a cash retention bonus of \$280,000 at the closing of the sale of the PacketVideo shares to DOCOMO.

In addition, DOCOMO and PacketVideo have agreed that promptly after the closing of the sale (but no later than six months after such closing), PacketVideo will diligently prepare proposed forms of written agreements, amendments,

plans, policies and other documents as may be necessary to (i) implement 2010 merit increases for PacketVideo's senior executives, (ii) establish a cash bonus program, (iii) amend PacketVideo's 2009 Equity Incentive Plan, (iv) establish a severance pay program for PacketVideo's senior executives, (v) establish long-term incentive and retention bonus programs, (vi) adopt policies pertaining to DOCOMO's rules and procedures for internal reporting and consultation, and (vii) enter into a management agreement with DOCOMO, in each case as contemplated by and containing the applicable terms and conditions set forth in that certain term sheet dated July 30, 2010 and entitled "PacketVideo Proposed Management and Employee Retention Plan," as executed by DOCOMO

and PacketVideo. The agreements, amendments, plans, policies and documents to be prepared by PacketVideo will be subject to the review and approval of DOCOMO.

The members of our Board of Directors are aware of and considered the interests of our directors and executive officers, among other matters, when they considered and approved the stock purchase agreement, the sale of the PacketVideo shares to DOCOMO contemplated thereby and the other transactions and determined to recommend to our stockholders that they vote for the proposal to adopt and approve the stock purchase agreement and authorize the sale contemplated thereby. Dr. Brailean recused himself from such discussions and the decision of our Board of Directors because of his interest in the sale and submitted his resignations from the our Board of Directors and from his position as our Chief Executive Officer, Chief Operating Officer and President in connection with the signing of the stock purchase agreement on July 30, 2010. Dr. Brailean continues to serve as the President and Chief Executive Officer and as a member of the Board of Directors of PacketVideo following his resignations. For a more information on these interests, see "Transactions with Related Persons."

Accounting Treatment

The disposition of the PacketVideo shares pursuant to the stock purchase agreement will be accounted for by the Company in accordance with generally accepted accounting principles in the United States.

Certain United States Federal Income Tax Consequences to the Company

The sale of the PacketVideo shares to DOCOMO likely will not result in any material United States federal or California state corporate income tax liability (including any alternative minimum tax liability) to the Company because we anticipate using our net operating losses to offset any taxable gain from the sale of the PacketVideo shares to DOCOMO.

No United States Federal Income Tax Consequences to Our Stockholders

The sale of the PacketVideo shares to DOCOMO will not result in any United States federal income tax liability to our stockholders.

Governmental and Regulatory Matters

Completion of the sale of the PacketVideo shares to DOCOMO is subject to the termination or expiration of the waiting period under the HSR Act. The Company and DOCOMO filed their respective notification and report forms pursuant to the HSR Act with the Antitrust Division of the United States Department of Justice, or "DOJ," or the United States Federal Trade Commission, or "FTC", on August 3, 2010. Under the HSR Act, the sale of the PacketVideo shares to DOCOMO may not be consummated until 30 days after the latter of the initial filings (unless early termination of this waiting period is granted) or, if the Antitrust Division of the DOJ or the FTC issues a request for additional information, 30 days after the Company and DOCOMO each have substantially complied with such request for additional information (unless this period is shortened pursuant to a grant of earlier termination).

As of the date of this proxy statement, we and DOCOMO have not yet obtained any governmental or regulatory clearances that may be required to complete the sale of the PacketVideo stock to DOCOMO. There can be no assurance that the governmental reviewing authorities will terminate or permit any applicable waiting periods to expire, or approve or clear the sale of the PacketVideo stock to DOCOMO at all or without restrictions or conditions. We and DOCOMO have agreed to use reasonable best efforts to take such actions as are necessary or advisable to obtain prompt approval of the transactions contemplated by the stock purchase agreement.

THE STOCK PURCHASE AGREEMENT

The following description sets forth the material provisions of the stock purchase agreement but does not purport to describe all of the terms of the stock purchase agreement. The full text of the stock purchase agreement is attached to this proxy statement as Annex A. You are urged to read the stock purchase agreement in its entirety because it is the legal document that governs the sale of the PacketVideo stock to DOCOMO. The stock purchase agreement should be read in conjunction with the disclosures in our filings with the SEC available at the SEC's website, www.sec.gov. The provisions contained in the stock purchase agreement are intended to govern the contractual rights and relationships, and to allocate risks, between us, NextWave Broadband, PacketVideo and DOCOMO with respect to the sale of the PacketVideo shares to DOCOMO.

General

On July 30, 2010, the Company, NextWave Broadband and PacketVideo entered into a stock purchase agreement with DOCOMO pursuant to which the Company and NextWave Broadband agreed to sell to DOCOMO all of the issued and outstanding shares of common stock of PacketVideo owned by NextWave Broadband, representing 65% of the issued and outstanding common stock of PacketVideo, for an aggregate purchase price of \$111.6 million. We expect to receive approximately \$107.5 million of net proceeds from the sale, after deduction of estimated expenses for the transaction, of which we expect to apply approximately \$95 million to retire principal and accrued interest of our First Lien Notes pursuant to our secured note agreements, and we expect to retain approximately \$12.5 million to fund our working capital needs.

DOCOMO acquired 35% of the issued and outstanding common stock of PacketVideo in July 2009. In connection with the July 2009 transaction, the Company, NextWave Broadband, PacketVideo and DOCOMO entered into a Stockholders' Agreement dated July 2, 2009, pursuant to which DOCOMO was granted a call option exercisable under certain conditions to purchase all (but not less than all) of the shares of common stock of PacketVideo owned by NextWave Broadband. In November 2009, PacketVideo achieved the milestone which enabled DOCOMO to exercise its call option under the stockholders' agreement. In December 2009, DOCOMO notified us and NextWave Broadband of its intent to exercise the call option and thereby purchase all of the remaining shares of common stock of PacketVideo held by NextWave Broadband. Between January and June 2010, DOCOMO and the Company followed the process and procedures set forth in the stockholders' agreement to determine and agree upon the fair market value of the PacketVideo shares owned by NextWave Broadband. On June 28, 2010, after the completion and finalization of the valuation of the PacketVideo shares held by NextWave Broadband, DOCOMO confirmed in writing to the Company and NextWave Broadband that DOCOMO still intended to exercise the call option and acquire all of the shares of common stock of PacketVideo owned by NextWave Broadband in accordance with the procedures set forth in the stockholders' agreement. The current transaction pursuant to the stock purchase agreement represents DOCOMO's exercise of the call option.

Under the terms of the stock purchase agreement, the Company and NextWave Broadband have agreed to sell to DOCOMO all of the issued and outstanding shares of common stock of PacketVideo owned by NextWave Broadband, for an aggregate purchase price of \$111.6 million.

In connection with the signing of the stock purchase agreement, we have established cash retention bonuses for certain officers and employees of PacketVideo in the aggregate amount of \$2 million. The cash retention bonuses are anticipated to be paid in connection with the closing of the sale, subject to such persons' continued employment with PacketVideo. Dr. Brailean, who served as our Chief Executive Officer, Chief Operating Officer and President and a member of our Board of Directors prior to July 30, 2010, the signing date of the stock purchase agreement, would be

eligible to receive a cash retention bonus of \$280,000 at the closing of the sale of the PacketVideo shares to DOCOMO. Dr. Brailean continues to serve as the President and Chief Executive Officer and as a member of the Board of Directors of PacketVideo.

Closing

Closing of the sale of the PacketVideo shares to DOCOMO under the stock purchase agreement will occur within five business days following the satisfaction or waiver of the conditions to the obligations of the parties to consummate the transactions contemplated thereby, including the adoption and approval of the stock purchase agreement and the authorization of the sale of the PacketVideo shares to DOCOMO contemplated thereby by the holders of a majority of the issued and outstanding shares of our common stock.

Representations and Warranties

The stock purchase agreement contains customary representations and warranties that the Company, NextWave Broadband and PacketVideo, on the one hand, and DOCOMO, on the other hand, made to, and solely for the benefit of, each other. Our representations and warranties to DOCOMO relate to, among other things:

- the organization, good standing and qualification of PacketVideo, NextWave Broadband and us;
 - the capital structure of PacketVideo;
 - authority to enter into the stock purchase agreement;
 - conflicts or violations under charter documents, contracts and instruments or law;
 - due authorization and issuance of PacketVideo common stock;
- required consents to consummate the sale of the PacketVideo stock to DOCOMO;
 - the financial statements of PacketVideo;
- the use of brokers or other advisors in connection with the sale of the PacketVideo stock to DOCOMO;
 - absence of certain changes or events;
 - legal proceedings;
 - compliance with applicable laws;
- compliance with securities laws in connection with the sale of the PacketVideo stock to DOCOMO;
 - PacketVideo's subsidiaries;
 - corporate records of PacketVideo;
 - tax matters related to PacketVideo;
 - PacketVideo's title to assets;
 - intellectual property related to PacketVideo;
 - insurance matters related to PacketVideo;

- material contracts related to PacketVideo;
- labor and employment matters related to PacketVideo;
 - related party transactions;
- environmental, health and safety matters related to PacketVideo;
 - PacketVideo's customers;
- information supplied for inclusion in this proxy statement;
 - our SEC filings;
 - the solvency of NextWave Broadband and us; and
 - the absence of other representations and warranties.

DOCOMO's representations and warranties to us and NextWave Broadband relate to, among other things:

- the organization, good standing and qualification of DOCOMO;
 - authority to enter into the stock purchase agreement;
 - conflict with applicable laws;
- DOCOMO's investment intent, experience and "accredited investor" status;
- compliance with securities laws in connection with the sale of the PacketVideo stock to DOCOMO;
- receipt of information in connection with the sale of the PacketVideo stock to DOCOMO; and
 - receipt of restricted securities and associated stock legend requirements.

The representations and warranties expire eight months after the closing of the sale of the PacketVideo shares to DOCOMO. The assertions embodied in the representations and warranties are qualified by information in confidential disclosure schedules that we delivered to DOCOMO in connection with the execution and delivery of the stock purchase agreement. Accordingly, you should not rely on the representations and warranties as unqualified characterizations of the actual state of facts or circumstances, since they were made only as of the date of the stock purchase agreement and are modified in important part by the underlying disclosure schedules. Moreover, information concerning the subject matter of such representations and warranties may change after the date of the stock purchase agreement, which subsequent information may or may not be fully reflected in our public disclosures.

Certain representations and warranties in the stock purchase agreement provide exceptions for items that are not reasonably likely to have be "material" or have a "Material Adverse Effect." For purposes of the stock purchase agreement, a "Material Adverse Effect" means any condition, change, situation or set of circumstances that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on (i) PacketVideo and its subsidiaries, taken as a whole, or the business, assets, properties, liabilities, financial condition, operations, or results of operations of PacketVideo and its subsidiaries, taken as a whole, or (ii) the ability of NextWave Broadband to consummate the transactions contemplated by the stock purchase agreement or perform its material obligations under the stock purchase agreement; excluding, however, any condition, change, situation or set of circumstances or effect that directly and primarily results from (A) changes adversely affecting the United States or global economy as a whole (so long as PacketVideo and its subsidiaries, taken as a whole, are not disproportionately affected thereby), (B) changes adversely affecting the industry in which PacketVideo and its subsidiaries operate (so long as PacketVideo and its subsidiaries, taken as a whole, are not disproportionately affected thereby), (C) acts of terrorism or war, (D) changes in applicable laws or in United States generally accepted accounting principals, (E) public or industry knowledge of the sale of the PacketVideo shares to DOCOMO, or (F) the consummation of the sale of the PacketVideo shares to DOCOMO or any action by any party required to be taken pursuant to the stock purchase agreement or reasonably necessary to consummate the sale.

Conduct of Our Business Prior to the Sale

Until the closing of the sale of the PacketVideo shares to DOCOMO, except as otherwise provided in the stock purchase agreement or consented to in writing by DOCOMO, PacketVideo has agreed to, and the Company and NextWave Broadband have agreed to use reasonable best efforts to cause PacketVideo to, (x) conduct the business of PacketVideo in the ordinary course of business; and (y) use reasonable best efforts to maintain and preserve intact the current organization, business and franchise of PacketVideo and to preserve the rights, franchises, goodwill and

relationships of its employees, customers, lenders, suppliers, regulators and others having business relationships with PacketVideo, except for any failure to so preserve or maintain such organization, business or franchise of PacketVideo or otherwise preserve such rights and other matters that would not be reasonably expected to have a Material Adverse Effect . Without limiting the foregoing, until the closing of the sale of the PacketVideo stock to DOCOMO, PacketVideo has agreed to, and the Company and NextWave Broadband have agreed to use reasonable best efforts to cause PacketVideo to:

- preserve and maintain all of PacketVideo's material permits;

- pay PacketVideo's debts, taxes and other material obligations when due;
- maintain the properties and assets owned, operated or used by PacketVideo in the same condition as they were on the date of the stock purchase agreement, subject to reasonable wear and tear;
- continue without material modification all fire and casualty insurance policies that PacketVideo maintains on the date of the stock purchase agreement, except as required by applicable law;
- defend and protect PacketVideo's material properties and assets from infringement or usurpation in substantially the same manner as PacketVideo has defended and protected such properties and assets prior to the date of the stock purchase agreement;
- perform in all material respects all of PacketVideo's obligations under all material contracts relating to or affecting PacketVideo's properties, assets or business;
 - maintain PacketVideo's books and records in accordance with past practice;
 - comply in all material respects with all applicable laws; and
 - not agree or commit to do any of the foregoing.

Access to Information

Until the closing of the sale of the PacketVideo shares to DOCOMO, PacketVideo and its subsidiaries have agreed to, and the Company and NextWave Broadband have agreed to use reasonable best efforts to cause PacketVideo and its subsidiaries to, (i) afford DOCOMO and its representatives full and free access to and the right to inspect all of the properties, assets, premises, books and records, contracts and other documents and data related to PacketVideo and its subsidiaries; (ii) furnish DOCOMO and its representatives with such financial, operating and other data and information related to PacketVideo and its subsidiaries as DOCOMO or any of its representatives may reasonably request; and (iii) instruct the representatives of NextWave Broadband, PacketVideo and its subsidiaries to cooperate with DOCOMO in DOCOMO's investigation of PacketVideo and its subsidiaries.

Notification of Certain Matters

Until the closing of the sale of the PacketVideo stock to DOCOMO, NextWave Broadband has agreed to promptly notify DOCOMO in writing of:

- any fact, circumstance, event or action the existence, occurrence or taking of which (1) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (2) has resulted in, or could reasonably be expected to result in, any material inaccuracy in any representation or warranty made by the Company, NextWave Broadband or PacketVideo hereunder or (3) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions to DOCOMO's obligation to close to be satisfied;
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any notice or other communication from any governmental authority in connection with the sale of the PacketVideo shares to DOCOMO; and

- any proceeding commenced or, to the knowledge of the Company, NextWave Broadband or PacketVideo, threatened against, relating to or involving or otherwise affecting us, NextWave Broadband or PacketVideo that, if pending on the date of the stock purchase agreement, would have been required to have been disclosed pursuant to the representations and warranties we made in the stock purchase agreement or that relates to the consummation of the sale of the PacketVideo shares to DOCOMO.

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Governmental Approvals and Consents

The Company, NextWave Broadband, PacketVideo and DOCOMO each have agreed to use our respective commercially reasonable efforts to take all appropriate actions necessary or advisable to consummate the transaction, including obtaining appropriate consents from governmental authorities and promptly making all necessary filings required to be made under the HSR Act. In addition, the Company and NextWave Broadband each have agreed to use reasonable best efforts to give certain notices and obtain certain consents from third parties.

Indemnification; Survival of Indemnification Obligations

Under the stock purchase agreement, the Company and NextWave Broadband have agreed to indemnify and hold DOCOMO and its affiliates harmless from any loss arising out of any inaccuracy or breach of any representations or warranties of the Company, NextWave Broadband or PacketVideo or any breach of any covenant or agreement by the Company, NextWave Broadband or PacketVideo. The Company and NextWave Broadband are not obligated to indemnify DOCOMO for any losses until DOCOMO suffers losses in excess of \$200,000, at which point we are obligated to indemnify DOCOMO only for such losses in excess of \$200,000. In addition, the Company's and NextWave Broadband's indemnification obligations are limited to \$8,000,000, unless such claim is based upon, arises out of or relates to any matter constituting fraud, in which case there is no limit.

Under the stock purchase agreement, DOCOMO has also agreed to indemnify and hold the Company, NextWave Broadband and each of our respective affiliates harmless from any loss arising out of any inaccuracy or breach of representations and warranties of DOCOMO contained in the stock purchase agreement.

All representations and warranties of the Company, NextWave Broadband, PacketVideo, and DOCOMO in the stock purchase agreement survive for a period of eight months following the closing of the sale of the PacketVideo shares to DOCOMO and, except in the case of fraud, breaches of certain post-closing covenants and agreements, the indemnitees and the conditions thereon in the stock purchase agreement are the sole and exclusive remedy for any breach of the stock purchase agreement.

Proxy Statement; Stockholders Meeting

We agreed to file this proxy statement with the SEC as promptly as reasonably practicable following the date of the stock purchase agreement, use commercially reasonable efforts to resolve comments made by the SEC with respect to this proxy statement as promptly as practicable and cause this proxy statement and form of proxy to be mailed to our stockholders as promptly as reasonably practicable after its clearance by the SEC. Under the stock purchase agreement, as soon as practicable following the date of the stock purchase agreement we are required to call and hold a meeting of our stockholders, for the purpose of obtaining the stockholder approval for the stock purchase agreement and the transactions contemplated thereby, including the sale of the PacketVideo shares to DOCOMO, as soon as practicable.

Conditions to the Sale

The obligation of DOCOMO to complete the sale of the PacketVideo shares to DOCOMO is subject to the satisfaction or waiver of the following additional conditions:

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subject to certain conditions and limitations set forth in the stock purchase agreement, the representations and warranties of the Company, NextWave Broadband and PacketVideo in the stock purchase agreement must be true and correct in all material respects as of the closing date;

- the Company, NextWave Broadband and PacketVideo must perform in all material respects all covenants, obligations and conditions in the stock purchase agreement;
- DOCOMO's receipt of certain certificates executed by certain officers of NextWave Broadband, PacketVideo and the Company;

- the receipt of all authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the sale of the PacketVideo shares to DOCOMO;
 - termination or expiration of the waiting period under the HSR Act;
- the receipt of certain third-party consents required in connection with the sale of the PacketVideo shares to DOCOMO;
- the absence of an injunction or other binding order, decree or ruling issued by a court or government agency which shall have the effect of preventing the consummation of the sale of the PacketVideo shares to DOCOMO;
- receipt of evidence reasonably satisfactory to DOCOMO that PacketVideo has repaid all outstanding indebtedness, if any, to the Company or NextWave Broadband;
 - Francis Harding shall have resigned from the Board of Directors of PacketVideo;
- James C. Brailean shall have resigned from each and every position he holds with the Company, including as an employee;
- receipt of evidence reasonably satisfactory to DOCOMO that all liens on the assets of PacketVideo securing obligations of us or our affiliates and the delivery of certain certificates required under each purchase agreement, as amended, under which any notes evidencing our indebtedness were issued;
 - delivery to DOCOMO of an opinion from our legal counsel;
- delivery to DOCOMO of a duly executed certificate of non-foreign status meeting the requirements of Treasury Regulation Section 1.1445-2(b)(2); and
- adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo stock to DOCOMO by the holders of a majority of the issued and outstanding shares of our common stock at the special meeting;

The obligation of NextWave Broadband to complete the sale of the PacketVideo stock to DOCOMO is also subject to the satisfaction or waiver of the following additional conditions:

- the representations and warranties of DOCOMO in the stock purchase agreement must be true and correct in all material respects as of the closing date;
- DOCOMO must perform in all material respects all covenants, obligations and conditions in the stock purchase agreement;
- the absence of an injunction or other binding order, decree or ruling issued by a court or government agency which shall have the effect of preventing the consummation of the sale of the PacketVideo stock to DOCOMO;
- the receipt of all authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the sale of the PacketVideo shares to DOCOMO;

- termination or expiration of the waiting period under the HSR Act;
- adoption and approval of the stock purchase agreement and authorization of the sale of the PacketVideo shares to DOCOMO by the holders of a majority of the issued and outstanding shares of our common stock at the special meeting;

- receipt by the Company of payment for any indebtedness owed to the Company by PacketVideo or any of its subsidiaries; and
- the July 2009 stockholders' agreement, by and among the Company, NextWave Broadband, PacketVideo and DOCOMO shall have been terminated, and the Registration Rights Agreement, dated as of July 2, 2009, by and between NextWave Broadband and DOCOMO shall have been amended to remove NextWave Broadband as a party thereto and to extinguish all rights and obligations of NextWave Broadband thereunder.

Termination

The stock purchase agreement may be terminated and the sale of the PacketVideo shares to DOCOMO may be abandoned by any of the following means, at any time prior to the closing of the sale, whether before or after the stock purchase agreement has been adopted and approved by the holders of a majority of the issued and outstanding shares of our common stock at the special meeting:

- by mutual written consent of us and DOCOMO;
- by DOCOMO if it is not in material breach of any provision of the stock purchase agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Company, NextWave Broadband or PacketVideo that would give rise to the failure of any of the conditions to DOCOMO's obligation to close under the stock purchase agreement that has not been cured within 20 days of such our receiving notice of such breach;
- by DOCOMO if any of the conditions to DOCOMO's obligation to close under the stock purchase agreement have not been met or it becomes apparent will not be met by September 28, 2010 (or such later date as is specified in the stock purchase agreement), unless DOCOMO has caused such condition not to be fulfilled;
- by the Company if neither we nor NextWave Broadband are in material breach of any provision of the stock purchase agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by DOCOMO that would give rise to the failure of any of the conditions to the Company's or NextWave Broadband's obligation to close under the stock purchase agreement that has not been cured within 20 days of such our receiving notice of such breach;
- by the Company if any of the conditions to NextWave Broadband's obligation to close under the stock purchase agreement, other than our having received stockholder approval, have not been met or it becomes apparent will not be met by a specified end date, unless the Company, NextWave Broadband or PacketVideo have caused such condition not to be fulfilled; or
- by the Company or DOCOMO, subject to certain limitations set forth in the stock purchase agreement, if any law makes consummation of the sale of the PacketVideo shares to DOCOMO illegal or otherwise prohibited, if any governmental authority shall have issued an order, writ, judgment, injunction, decree or determination restraining or enjoining the sale and such order, writ, judgment, injunction, decree or determination shall have become final and non-appealable, or if the stock purchase agreement is submitted for adoption and approval to our stockholders at the special meeting and the required stockholder vote is not obtained.

Effect of Termination; Termination Fee

Upon the termination of the stock purchase agreement, the stock purchase agreement will become null and void and there will be no liability or obligation on the part of any party thereto; provided, however, that certain confidentiality

obligations will survive the termination of the stock purchase agreement and shall remain in full force and effect. If the Company or DOCOMO terminates the stock purchase agreement due to failure to obtain the required stockholder approval at a duly convened meeting of our stockholders, the Company and NextWave Broadband, jointly and severally, will be required to pay DOCOMO up to \$700,000 in cash as reimbursement for its expenses in connection with the sale of the PacketVideo shares to DOCOMO.

Public Statements

The Company, DOCOMO, NextWave Broadband and PacketVideo each have agreed to not issue any public release or announcement concerning the sale of the PacketVideo shares to DOCOMO without the Company's prior written consent and the prior written consent of DOCOMO, unless such release or announcement is permitted by the stock purchase agreement or required by law or the rules or regulations of any applicable governmental authority.

Non-Competition; Non-Solicitation

For a period of two years commencing on the closing of the sale of the PacketVideo shares to DOCOMO, or the restricted period, the Company and NextWave Broadband have agreed not to, and will not permit any of our respective subsidiaries to, directly or indirectly, anywhere in the world, compete with PacketVideo with respect to the business of development, distribution, sale, license and maintenance of multimedia software and related technology and equipment for home and/or mobile devices as currently conducted by PacketVideo and its subsidiaries.

During the restricted period, the Company and NextWave Broadband have agreed not to, and will not permit any of our respective subsidiaries to, directly or indirectly, hire or solicit any employee of PacketVideo or any of its subsidiaries or encourage any such employee to leave such employment or hire any such employee who has left such employment, except pursuant to a general solicitation which is not directed specifically to any such employees, except for certain exceptions as set forth in the stock purchase agreement.

During the restricted period, the Company and NextWave Broadband have agreed not to, and will not permit any of our respective subsidiaries to, directly or indirectly, solicit or entice, or attempt to solicit or entice, any client or customer of PacketVideo to terminate or materially modify its relationship with PacketVideo with respect to the business of development, distribution, sale, license and maintenance of multimedia software and related technology and equipment for home and/or mobile devices as currently conducted by PacketVideo and its subsidiaries.

The stock purchase agreement clarifies that none of the foregoing covenants will be deemed to restrict the Company or NextWave Broadband or our respective subsidiaries from managing, operating, marketing or selling our wireless spectrum assets or from otherwise engaging in any activity related to the provision of wireless services utilizing such wireless spectrum assets.

Expenses

Except as otherwise expressly provided in the stock purchase agreement, each party to the stock purchase agreement will bear its respective expenses incurred in connection with the negotiation, preparation, execution, delivery and performance of the stock purchase agreement and the consummation of the sale of the PacketVideo shares to DOCOMO, including all fees and expenses of agents, representatives, counsel, financial advisors and accountants, and other professional fees and expenses.

Amendment

The stock purchase agreement may be amended only with the written consent of the Company, PacketVideo, NextWave Broadband and DOCOMO, which will be binding upon the Company, DOCOMO, NextWave Broadband, PacketVideo and their respective successors and assigns.

PacketVideo Retention Plan

PacketVideo and DOCOMO have agreed that promptly after the closing of the sale (but no later than six months after such closing), PacketVideo will diligently prepare proposed forms of written agreements, amendments, plans, policies and other documents as may be necessary to (i) implement 2010 merit increases for PacketVideo's senior executives, (ii) establish a cash bonus program, (iii) amend PacketVideo's 2009 Equity Incentive Plan, (iv) establish a severance pay program for PacketVideo's senior executives, (v) establish long-term incentive and retention bonus programs, (vi) adopt policies pertaining to DOCOMO's rules and procedures for internal reporting

and consultation, and (vii) enter into a management agreement with DOCOMO, in each case as contemplated by and containing the applicable terms and conditions set forth in that certain term sheet dated July 30, 2010 and entitled “PacketVideo Proposed Management and Employee Retention Plan,” as executed by DOCOMO and PacketVideo. The agreements, amendments, plans, policies and documents to be prepared by PacketVideo will be subject to the review and approval of DOCOMO.