NextWave Wireless Inc.
Form S-4/A
October 24, 2006

As filed with the Securities and Exchange Commission on October 24, 2006
Registration No. 333-137388

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

Amendment No. 1
to

FORM S-4
REGISTRATION STATEMENT
Under
The Securities Act of 1933

NEXTWAVE WIRELESS INC.
(Exact name of registrant as specified in its charter)

Delaware	**4899**	**20-5361360**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

12670 High Bluff Drive
San Diego, California 92130
(858) 480-3100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Frank A. Cassou
Executive Vice President - Corporate Development and Chief Legal Counsel
NextWave Wireless Inc.
12670 High Bluff Drive
San Diego, California 92130
(858) 480-3100
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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New York, NY 10153
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this

registration statement becomes effective and upon completion of the merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.
If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.
If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The information in this prospectus is not complete and may be changed. The securities being offered by the use of this prospectus may not be issued until the registration statement filed with the Securities and Exchange Commission, of which this prospectus is a part, is declared effective. This prospectus is not an offer to sell these securities nor a solicitation of any offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 24, 2006

PROSPECTUS

NEXTWAVE WIRELESS INC.

The Board of Managers of NextWave Wireless LLC has unanimously approved the conversion of NextWave Wireless LLC from a Delaware limited liability company to a Delaware corporation. The corporate conversion will be effected through the merger of a wholly-owned subsidiary of NextWave Wireless Inc., a newly formed Delaware corporation with and into NextWave Wireless LLC. A majority in interest of the holders of NextWave Wireless LLC's membership units have also approved the corporate conversion merger.

When the corporate conversion merger is completed, NextWave Wireless LLC will become a wholly-owned subsidiary of NextWave Wireless Inc. The terms of the merger agreement provide for NextWave Wireless Inc. to issue ______ shares of its common stock to holders of NextWave Wireless LLC's membership units in exchange for all of the outstanding membership units of NextWave Wireless LLC, with NextWave Wireless LLC unitholders receiving ______ of a share of NextWave Wireless Inc. common stock for each membership unit of NextWave Wireless LLC that they hold.

NextWave Wireless Inc. anticipates that shortly after the closing of the corporate conversion merger, NextWave Wireless Inc. shares will be listed for trading on the Nasdaq Global Market under the symbol "*WAVE.*" NextWave Wireless Inc. will apply for listing on the Nasdaq Global Market and, in order to be listed, will be required to meet the initial listing requirements established by Nasdaq.

This prospectus provides you with detailed information about NextWave Wireless Inc., NextWave Wireless LLC and the corporate conversion merger. Please see "*Where You Can Find More Information*" on page 103 for additional information about NextWave Wireless Inc. and NextWave Wireless LLC.

Consider carefully the "Risk Factors" beginning on page 12 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or the NextWave common stock to be issued in the merger or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The prospectus is dated October __, 2006.

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IMPORTANT

This document constitutes a prospectus of NextWave Wireless Inc. for the shares of NextWave common stock that NextWave will issue to unitholders of NextWave Wireless LLC in the corporate conversion merger. NextWave has filed a registration statement on Form S-4 to register such shares of NextWave common stock. This prospectus is part of the registration statement, but does not contain all of the information set forth in the registration statement, certain portions of which have been omitted as permitted by the rules and regulations of the Securities and Exchange Commission. Such additional information may be obtained, without charge, from the SEC's principal office in Washington, D.C. or from the website maintained by the SEC at http://www.sec.gov. In accordance with the rules of the SEC, this prospectus incorporates important business and financial information about NextWave Wireless LLC that is contained in documents filed with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information in this prospectus. See the section entitled "Where You Can Find More Information" beginning on page 103 of this prospectus.

We are not incorporating the contents of the websites of the SEC or any other person into this document. We are only providing the information about how you can obtain certain documents that are incorporated by reference into this prospectus at such websites for your convenience.

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The following appendices also constitute part of this prospectus

Appendix A Agreement and Plan of Merger

PROSPECTUS SUMMARY

This summary highlights key aspects of our business that are described in more detail elsewhere in this registration statement. This summary does not contain all of the information that you should consider before making a future investment decision with respect to our securities. You should read this entire registration statement carefully, including the "Risk Factors", the combined audited financial statements and the notes thereto included elsewhere in this registration statement.

Unless the context indicates otherwise, all references in this registration statement to NextWave, the Company, we, us and our refer to NextWave Wireless Inc. and its direct and indirect subsidiaries after giving effect to the corporate conversion merger. References to Old NextWave Wireless refer to our existence as a company conducting a separate line of business prior to April 13, 2005, when we emergenced from Chapter 11 as a new wireless technology company.

Business Overview

We are an early-stage wireless technology company engaged in the development of next-generation mobile broadband and wireless multimedia products, technologies and services. We believe that mobile broadband represents the next logical step in the evolution of the Internet and that demand for mobile broadband will transform the global $500 billion wireless communications industry from one driven primarily by voice to one driven by broadband connectivity. We expect that mobile WiMAX, a wireless broadband system utilizing a cellular architecture to deliver fully mobile and high quality fixed voice and data services, will play a major role in enabling the widespread delivery of mobile broadband services. We intend to focus our business activities on developing WiMAX certified products and other technologies to extend the broadband experience beyond the home or office and allow people to remain connected to the information and content they need wherever they go.

We have organized our product, technology and service development activities into three major initiatives:

WiMAX Technology Development. Led by the Advanced Technology Group, a part of our NextWave Broadband subsidiary, we are developing WiMAX certified chipsets, base station components and terminal device reference designs to enable integrated local communications networks (commonly called local area networks, or LANs) and geographically dispersed communications networks (commonly called wide area networks, or WANs) wireless broadband solutions. A key design objective of our products and technologies is to improve the ability of mobile WiMAX to cost effectively handle the large volume of network traffic that we believe Voice Over Internet Protocol ("VoIP") telephony and next-generation wireless multimedia applications such as high resolution streaming video will generate. By enabling mobile WiMAX networks to simultaneously operate over multiple frequency bands, and by implementing a layered network architecture, we expect that our product line will significantly improve the performance and economics of fixed and mobile WiMAX networks. We intend to sell and/or license our WiMAX certified products and technologies to network infrastructure and device manufacturers and network operators worldwide.

Mobile WiMAX Network Solutions. To stimulate demand for our products, we have accumulated a spectrum footprint across the U.S. covering a population of over 206 million people, or POPs. Led by the Network Solutions Group, which operates within our NextWave Broadband subsidiary, we intend to work with network partners who are interested in funding the deployment of shared mobile WiMAX networks that operate on our licensed spectrum and utilize network and device equipment which incorporate our products and technologies. Potential network partners include wireless service providers, cable operators, Internet service providers, and content distributors. To demonstrate the features and capabilities of our network solutions, we are currently building a 28 site mobile WiMAX trial network in Henderson, Nevada.

Wireless Multimedia Software. Through our PacketVideo subsidiary, we intend to be a leading provider of the next generation of device embedded multimedia software needed to enable the efficient capture, transmission and manipulation of multimedia content by fourth generation (4G) broadband-enabled mobile devices. At present, PacketVideo is a global provider of embedded multimedia software for mobile phones. PacketVideo licenses its multimedia software to some of the largest wireless handset manufacturers and wireless carriers in the world, who use it to transform a mobile phone into a feature-rich multimedia device that provides people with the ability to stream, download and play video and music, receive live TV broadcasts and engage in two-way video telephony. We also expect that global deployments of mobile broadband networks will create a unique opportunity for software developers such as PacketVideo to create innovative multimedia software applications optimized for the mobile environment.

We believe the combination of our products and technologies, our device embedded multimedia software products, and our spectrum assets represent a unique platform to provide advanced wireless broadband solutions to the market.

Competitive Strengths

A highly accomplished team of wireless technology professionals. Our technology development efforts are led by a team of highly skilled senior engineers with an average of 19 years experience in the development of wireless communications technologies and solutions. Team members have led major development initiatives at leading technology companies, such as Intel, Motorola, Nokia, QUALCOMM and Texas Instruments. Together they have been instrumental in developing some of today's dominant wireless technologies. Several members of our team, including our Chief Executive Officer, Allen Salmasi, played key roles at QUALCOMM in the development and successful commercialization of the CDMA wireless technology standard used worldwide today. In addition, our senior team has extensive experience in building and operating wireless networks for companies such as Airtouch, AT&T Wireless, McCaw Cellular, Nextel and SprintPCS.

Significant capital resources. As of July 1, 2006, we had $340.4 million of cash, cash equivalents and short-term investments. While we anticipate that the costs of our research and development activities will increase as we approach the commercial deployment of our wireless broadband products and technologies, we believe our working capital position provides us with significant flexibility to continue funding our research and development activities and our operating losses. In addition, we have recently completed a private placement of senior secured notes that has provided us with net cash proceeds of $295.1 million available for the sole purpose of financing spectrum acquisitions and leases. After giving effect to our recent acquisition of WCS Wireless, Inc. for $160.5 million and the acquisition of two new EBS leases for $22.1 million, the remaining net proceeds of the senior secured notes are approximately $110.0 million. The purchasers were investment funds and other institutional investors, including affiliates of Avenue Capital Group, among others. Robert T. Symington, a member of our Board of Managers, is a Portfolio Manager at Avenue Capital Group. Neither Mr. Symington nor Avenue Capital Group or its affiliates received any compensation in connection with the financing. Concurrently with the notes placement, we paid a $142.8 million deposit to the Federal Communication Commission to qualify for the Advanced Wireless Spectrum auction, of which $110.0 million was funded with the remaining proceeds of the notes placement. On September 20, 2006 we were declared the winning bidder for 154 spectrum licenses for an aggregate bid of $115.5 million. Accordingly, approximately $27.3 million of our initial deposit was not used and was returned to us. To the extent that other attractive opportunities to acquire complimentary businesses or additional spectrum arise, we may need to raise additional funds to capitalize on such opportunities.

Attractive wireless spectrum portfolio, well-suited to support mobile WiMAX. To date, we have acquired licensed spectrum and entered into long-term leases that provide us with exclusive leasehold access to licensed spectrum throughout the U.S. We have compiled a spectrum portfolio covering approximately 206 million persons, or POPs, across the country, with 10MHz or more of spectrum in markets covering 182 million persons. We believe that our spectrum footprint, which will include nine of the top ten and 15 of the top 20 markets in the U.S., makes us attractive to potential network partners. Our spectrum resides in the 2.3GHz and 2.5GHz bands and offers propagation and other characteristics suitable for use with mobile WiMAX.

Acquisitions and Strategic Investments

Since our emergence as a wireless technology company, we have completed several acquisitions and strategic investments, including the acquisition of PacketVideo Corporation for $46.6 million in July 2005, and transactions to acquire licensed spectrum rights, including subsequent lease obligations for amounts totaling $261.7 million, including our recent acquisition of WCS Wireless Inc., which holds spectrum covering 188.8 million persons, or POPs, in the Central, Western, and Northeastern United States, for $160.5 million. Our recent acquisitions and investments are described in this registration statement in greater detail under the heading "Business - Our History".

At the time of our emergence on April 13, 2005, we had cash and investment balances of $555.1 million. As of July 1, 2006, our cash and investment balances were $340.4 million, reflecting the use of $101.2 million for the acquisition of wireless spectrum licenses and subsequent lease obligations, $57.3 million for business acquisitions and a joint venture investment, $14.4 million for the acquisition of property and equipment, and $40.3 million primarily for operating activities, including research and development costs. As noted above, on July 17, 2006, we issued senior secured notes due 2010 in the aggregate principal amount of $350.0 million. The notes were issued at a fifteen percent (15%) original issue discount, resulting in gross proceeds of $297.5 million. We will be obligated to pay the secured notes at their full face value of $350.0 million, and the original issue discount will provide the note purchasers with a yield that is in addition to the coupon rate upon repayment of the notes. In connection with the notes placement, NextWave Wireless Inc. agreed to issue warrants, at an exercise price of $0.01, to purchase an aggregate of 5% of the outstanding shares of common stock of NextWave Wireless Inc. as of the date of the corporate conversion merger and before giving effect to the exercise of any warrant. The notes placement provided us with net cash proceeds of $295.1 million available for the sole purpose of financing spectrum acquisitions and leases, including our recent acquisition of WCS Wireless Inc. for $160.5 million. Concurrently with the notes placement, we paid a $142.8 million deposit to the Federal Communication Commission to qualify for the AWS auction, of which $110.0 million was funded with the remaining proceeds of the notes placement. On September 20, 2006 we were declared the winning bidder for 154 spectrum licenses for an aggregate bid of $115.5 million. Accordingly, approximately $27.3 million of our initial deposit was not used and was returned to us.

Risks Affecting Us

We are an early stage company that recently emerged from Chapter 11 with a new wireless technology business plan and have limited relevant operating history. With the exception of our PacketVideo subsidiary, we have never generated any material revenues and have limited commercial operations. We operate in an extremely competitive environment. If WiMAX technology fails to gain acceptance, we will not be successful in selling WiMAX products and technologies. Our wireless broadband products and technologies are in the early stages of development and will require a substantial investment before they may become commercially viable. We are currently unable to project when our wireless broadband products and technologies will be commercially deployed and generate revenue. We have made numerous acquisitions and investments since our emergence. We must successfully manage our growth and integrate these recent and any future acquisitions and investments. We are subject to a number of other risks of which you should be aware before making a future investment decision with respect to our securities. These risks are discussed more fully under the heading "Risk Factors."

Summary Historical Financial Data

You should read the following summary historical financial data together with the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations," our unaudited condensed consolidated financial statements and our audited consolidated financial statements and the notes to those financial statements included elsewhere in this registration statement.

Set forth below is summary historical financial data, at the dates and for the periods indicated, for NextWave Wireless LLC, which holds all of our operating subsidiaries and will be an indirect subsidiary of NextWave Wireless Inc. following the corporate conversion merger. This prospectus does not include financial statements of NextWave Wireless Inc. because it has only been formed recently for the purpose of effecting the corporate conversion merger, will hold no material assets and will not engage in any operations.

The following summary consolidated statement of operations data for the three and six months ended July 1, 2006 and for the period from the date of our inception as a new wireless technology company pursuant to the plan of reorganization of Old NextWave Wireless (April 13, 2005) to June 30, 2005, and the summary consolidated balance sheet data as of July 1, 2006 was derived from our unaudited condensed consolidated financial statements and should be read in conjunction with our unaudited condensed consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operaations included elsewhere in this registration statement. Our unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and notes thereto, which include, in the opinion of our management, all adjustments (consisting of normal recurring adjustments), necessary for a fair presentation of the information for the unaudited interim period. Our historical results for any prior or interim period are not necessarily indicative of results to be expected for a full fiscal year or for any future period.

The following summary consolidated statement of operations data for the period from the date of our inception (April 13, 2005) to December 31, 2005 and summary consolidated balance sheet data as of December 31, 2005 was derived from our audited consolidated financial statements and should be read in conjunction with our audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this registration statement.

(in thousands)	Three Months Ended July 1, 2006[1]	Inception (April 13, 2005) to June 30, 2005[2]	Six Months Ended July 1, 2006[1]	Inception (April 13, 2005) to December 31, 2005
Consolidated Statement of Operations Data[3]:				
Revenues	$ 8,331	$ 148	$ 14,004	$ 4,144
Loss from operations	(23,795)	(6,137)	(41,146)	(55,687)
Net loss	(20,534)	(2,948)	(34,232)	(45,952)

	July 1, 2006	December 31, 2005
Consolidated Balance Sheet Data[3]:		
Cash, cash equivalents and investments[4]	$ 340,437	$ 459,231
Wireless spectrum licenses, net	130,374	45,467
Goodwill	32,936	24,782
Other intangible assets, net	16,846	18,100
Total assets	557,815	579,774
Long-term obligations, less current portion	15,661	14,934
Total members' equity	511,127	539,364

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(1) Our Board of Managers approved a change, effective January 1, 2006, in our fiscal year end and quarterly reporting periods from quarterly calendar periods ending on December 31 to a 52-53 week fiscal year ending on the Saturday nearest to December 31 of the current calendar year or the following calendar year. The three and six month periods ended July 1, 2006 includes 13 and 26 weeks, respectively.

(2) On April 13, 2005, pursuant to the plan of reorganization of the NextWave Telecom group, the equity securities of NextWave Wireless LLC were distributed to the NTI equity holders and we were reconstituted as a company with a new capitalization and a new wireless technology business plan. A summary of the assets and liabilities contributed to NextWave on April 13, 2005 is provided in the Notes to Consolidated Financial Statements included elsewhere in this registration statement. For more information on our emergence as a new wireless technology company, see "Business-Our History."

(3) The results of operations of PacketVideo Corporation and Inquam Broadband Holding, Inc. are included as of July 19, 2005 and January 6, 2006, the respective dates of the acquisitions, which affects the comparability of the Summary Historical Financial Data. During 2006, we also completed other acquisitions that were not material and their results of operations have been included from their respective dates of acquisition. See Note 3 to the Notes to Condensed Consolidated Financial Statements included elsewhere in this registration statement.

(4) On July 17, 2006, we consummated our secured notes private placement, the terms of which require us to retain $75.0 million of our cash, cash equivalents and investments from funds other than the proceeds of the notes in a restricted collateral account.

Corporate Conversion Merger

To enable our planned listing on The Nasdaq Global Market, NextWave Wireless LLC's board of managers and a majority in interest of NextWave Wireless LLC's members has approved the conversion of the Company from a Delaware limited liability company to a Delaware corporation. The corporate conversion will be effected through the merger of a wholly owned subsidiary of ours with and into NextWave Wireless LLC. We expect to effectuate the corporate conversion merger prior to our planned listing on Nasdaq. In the merger, the holders of NextWave Wireless LLC's membership units will receive a number of shares of our common stock based on an exchange ratio to be determined by the Board of Managers of NextWave Wireless LLC and appoved by our Board of Directors. Each holder of NextWave Wireless LLC's membership units will own the same percentage of the outstanding equity of the Company before and immediately after giving effect to the corporate conversion merger. In addition, we will assume NextWave Wireless LLC's obligations under all equity incentive plans of the Company and its subsidiaries. Upon completion of the corporate conversion merger, we will be a successor of NextWave Wireless LLC for SEC reporting purposes. We are filing this registration statement on Form S-4 to register the issuance of our shares of common stock in the corporate conversion merger.

Material U.S. Federal Income Tax Consequences of the Corporate Conversion Merger

The following discussion sets forth the material U.S. federal income tax consequences of the corporate conversion merger to NextWave Wireless LLC and the United States Holders (as defined below) of LLC interests. The discussion was prepared by Weil, Gotshal & Manges LLP, tax counsel to the Company, and is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury regulations promulgated and proposed thereunder, judicial decisions and published administrative rules and pronouncements of the Internal Revenue Service (the "Service"), all as in effect on the date hereof. Changes in these authorities or new interpretations thereof may have retroactive effect and could significantly affect the federal income tax consequences described below. You should be aware that NextWave Wireless LLC has not requested a ruling from the Service and that no published guidance has been issued with respect to the tax treatment of partnership transactions precisely in the form of the corporate conversion merger. Accordingly, the Service might take a view of the tax consequences of the corporate conversion merger that is contrary to that set forth below.

This discussion does not address all of the federal income tax consequences of the corporate conversion merger that may be applicable to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the Tax Code (such as persons who acquired their interests in compensatory transactions, banks, broker-dealers, insurance companies, other financial institutions, tax-exempt organizations, holders subject to the alternative minimum tax provisions of the Tax Code, holders who hold their LLC interests as part of a hedge, straddle, constructive sale or conversion transaction, persons who are not residents of the United States, foreign corporations or investors in pass-through entities). In addition, the estate, gift, state, local and foreign tax consequences of the corporate conversion merger are not discussed. Further, the discussion is addressed to existing holders of LLC interests that have held their interests as capital assets (*i.e.*, generally as investments).

As used in this section, the term "United States Holder" means a beneficial owner of LLC interests who is a citizen or resident of the United States, a U.S. domestic corporation, any estate the income of which is subject to federal income tax regardless of the source of its income or any trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable Treasury regulations to be treated as a "United States person". If a partnership or other entity taxable as a partnership is a beneficial owner of LLC interests, the federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners in partnerships holding LLC interests should consult their tax advisors.

General

Based upon representations contained in a representation letters provided by NextWave Wireless LLC and NextWave Wireless, Inc. and on certain customary factual assumptions, the corporate conversion merger will be a tax-free incorporation under Section 351 of the Tax Code.

Prior to the corporate conversion merger, holders of LLC interests were taxable on their pro-rata share of the income, gains, losses and deductions of NextWave Wireless LLC -- whether or not distributed -- computed without taking into account any of the income, gains, losses or deductions of NextWave Broadband, Inc. and its subsidiaries. As a result of the corporate conversion merger, holders will cease being partners in a partnership (NextWave Wireless LLC) for federal income tax purposes and become shareholders in a corporation (NextWave Wireless, Inc.). Accordingly, as a shareholder, you will only be taxed on our actual distributions, if any (*e.g.*, distributions to the extent of our earnings and profits for federal income tax purposes will be taxable as dividends).

As a result of the corporate conversion merger, unlike NextWave Wireless LLC, we will be subject to federal income tax. Such tax will be based upon the earnings of us and all of our domestic subsidiaries, as we will be the "common parent" of a consolidated group filing a consolidated federal income tax return.

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Holders of LLC Interests

By reason of the corporate conversion merger qualifying under Section 351 of the Tax Code, holders of LLC interests will not recognize gain or loss in the corporate conversion merger as a result of their deemed contribution of LLC interests to NextWave Wireless, Inc. in exchange for common stock of NextWave Wireless, Inc., except to the extent of any cash received in lieu of a fractional share of NextWave Wireless, Inc. common stock.

The tax basis of the stock of NextWave Wireless, Inc. received by you (including any fractional share that you are deemed to receive and exchange for cash) will equal the tax basis in your Company interest exchanged therefore less your pro-rata share of the Company's liabilities assumed by NextWave Wireless, Inc. Likewise, although no published guidance addresses partnership transactions in the form of the corporate conversion merger, and, therefore, the conclusion is not certain, tax counsel believes that your holding period in your NextWave Wireless, Inc. common stock received in the corporate conversion merger should include your holding period in the Company interest surrendered.

Cash in lieu of Fractional Shares

You will recognize capital gain or loss on any cash received in lieu of a fractional share of NextWave Wireless, Inc.'s common stock equal to the difference between the amount of cash received and the basis allocated to such fractional share. That capital gain or loss should constitute long-term capital gain or loss if your holding period in the LLC interests surrendered in the corporate conversion merger is greater than 12 months as of the date of the corporate conversion merger.

Reporting Requirements

You will be required to retain records pertaining to the corporate conversion merger and to file with your federal income tax return for the year in which the corporate conversion merger occurs a statement setting forth certain facts relating to the corporate conversion merger.

Holders of Warrants

Persons holding unexercised warrants to acquire LLC interests (not including options granted under NextWave Wireless LLC's 2005 Unit Plan) will recognize gain or loss in the corporate conversion merger equal to the difference between the fair market value of the warrants to acquire common stock of NextWave Wireless, Inc. on the date of the corporate conversion merger and their tax basis in NextWave Wireless LLC's warrants. The tax basis in the warrants to acquire common stock in NextWave Wireless, Inc. received in the corporate conversion merger will equal such warrants' fair market value as of the date of the corporate conversion merger and the holding period in such warrants will begin on the day following the date of the corporate conversion merger.

NextWave Wireless, Inc. and NextWave Wireless LLC

Neither NextWave Wireless, Inc. nor NextWave Wireless LLC will recognize gain or loss as a result of the corporate conversion merger.

Our basis in the assets received in the corporate conversion merger will equal the aggregate of the Holders' bases in their LLC interests prior to the corporate conversion merger, allocated among such assets in accordance with the provisions of the Tax Code.

This discussion of the material federal income tax consequences does not address the tax consequences that may vary with, or are contingent upon, the individual circumstances of each holder of LLC interests. Accordingly, it is recommended that you consult your own tax advisors to determine the particular federal,

state, local and other tax consequences to you of the corporate conversion merger.

Appraisal Rights

Pursuant to NextWave Wireless LLC's limited liability company agreement and Delaware law, holders of NextWave Wireless LLC's membership units are not entitled to appraisal rights.

Surrender of LLC Interest Certificates and Issuance of Shares of Common Stock

Following the effective time of the merger, we will cause a letter of transmittal to be mailed to all holders of NextWave Wireless LLC's membership units containing instructions for surrendering their certificates. Certificates should not be surrendered until the letter of transmittal is received, fully completed and returned as instructed in the letter of transmittal. Your shares of NextWave Wireless Inc. will be issued to you in book-entry form, unless you provide a written request to the Company for certificated shares.

Capital Stock

Our authorized capital stock consists of 400,000,000 shares of common stock, par value $0.001 per share and 25,000,000 shares of preferred stock, par value $0.001 per share. The number of shares of our common stock to be outstanding immediately after the corporate conversion merger will depend on the exchange ratio to be determined by our Board of Managers of NextWave Wireless LLC and approved by the Board of Directors.

As of September 12, 2006, NextWave Wireless LLC had 492,064,046 limited liability company interests ("LLC interests") outstanding held by approximately 1,400 holders of record. As of September 12, 2006, there were 77,166,317 LLC interests reserved for future issuance, of which 60,771,661 are granted and outstanding options and warrants and 16,394,656 are available for future option grants. NextWave Wireless LLC's authorized share capital is unlimited.

We have applied to have our common stock quoted on The Nasdaq Global Market under the ticker symbol "WAVE".

Our principal executive offices are located at 12670 High Bluff Drive, San Diego, California 92130, and our telephone number is (858) 480-3100. NextWave's website address is www.nextwave.com. Our website, and the information contained in the website, is not a part of this prospectus.

SELECTED FINANCIAL DATA

Set forth below is selected financial data, at the dates and for the periods indicated, for NextWave Wireless LLC, which holds all of our operating subsidiaries and will be an indirect subsidiary of NextWave Wireless Inc. following the corporate conversion merger. This prospectus does not include financial statements of NextWave Wireless Inc. because it has only been formed recently for the purpose of effecting the corporate conversion merger, will hold no material assets and will not engage in any operations.

The following selected consolidated statement of operations data for the three and six months ended July 1, 2006 and for the period from the date of our inception as a new wireless technology company pursuant to the plan of reorganization of Old NextWave Wireless described below (April 13, 2005) to June 30, 2005 and the selected consolidated balance sheet data as of July 1, 2006 was derived from our unaudited condensed consolidated financial statements and should be read in conjunction with our unaudited condensed consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this registration statement. Our unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and notes thereto, which include, in the opinion of our management, all adjustments (consisting of normal recurring adjustments), necessary for a fair presentation of the information for the unaudited interim period. Our historical results for any prior or interim period are not necessarily indicative of results to be expected for a full fiscal year or for any future period

The following selected consolidated statement of operations data for the period from the date of our inception (April 13, 2005) to December 31, 2005 and selected consolidated balance sheet data as of December 31, 2005 was derived from our audited consolidated financial statements and should be read in conjunction with our audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this registration statement.

(in thousands)	Three Months Ended July 1, 2006[(1)]	Inception (April 13, 2005) to June 30, 2005[(2)]	Six Months Ended July 1, 2006[(1)]	Inception (April 13, 2005) to December 31, 2005
Consolidated Statement of Operations Data[(3)]:				
Revenues	$ 8,331	$ 148	$ 14,004	$ 4,144
Loss from operations	(23,795)	(6,137)	(41,146)	(55,687)
Net loss	(20,534)	(2,948)	(34,232)	(45,952)

	July 1, 2006	December 31, 2005
Consolidated Balance Sheet Data[(3)]:		
Cash, cash equivalents and investments[(4)]	$ 340,437	$ 459,231
Wireless spectrum licenses, net	130,374	45,467
Goodwill	32,936	24,782
Other intangible assets, net	16,846	18,100
Total assets	557,815	579,774
Long-term obligations, less current portion	15,661	14,934
Total members' equity	511,127	539,364

(1) Our Board of Managers approved a change, effective January 1, 2006, in our fiscal year end and quarterly reporting periods from quarterly calendar periods ending on December 31 to a 52-53 week fiscal year ending on the Saturday nearest to December 31 of the current calendar year or the following calendar year. The three and six month periods ended July 1, 2006 includes 13 and 26 weeks, respectively.

(2) On April 13, 2005, pursuant to the plan of reorganization of the NextWave Telecom group, the membership units of NextWave Wireless LLC were distributed to the NTI equity holders and we were reconstituted as a company with a new capitalization and a new wireless technology business plan. A summary of the assets and liabilities contributed to NextWave on April 13, 2005 is provided in the Notes to Consolidated Financial Statements included elsewhere in this registration statement. For more information on our emergence as a new wireless technology company, see "Business-Our History."

(3) The results of operations of PacketVideo Corporation and Inquam Broadband Holding, Inc. are included as of July 19, 2005 and January 6, 2006, the respective dates of the acquisitions, which affects the comparability of the Selected Financial Data. During 2006, we also completed other acquisitions that were not material and their results of operations have been included from their respective dates of acquisition. See Note 3 to the Notes to Condensed Consolidated Financial Statements included elsewhere in this registration statement.

(4) On July 17, 2006, we consummated our secured notes private placement, the terms of which require us to retain $75.0 million of our cash, cash equivalents and investments from funds other than the proceeds of the notes in a restricted collateral account.

MARKET PRICE AND DIVIDEND INFORMATION

Holders

Our authorized capital stock consists of 400,000,000 shares of common stock, par value $0.001 per share and 25,000,000 shares of preferred stock, par value $0.001 per share. The number of shares of our common stock to be outstanding immediately after the corporate conversion merger will depend on the exchange ratio to be determined by the Board of Managers of NextWave Wireless LLC and approved by our Board of Directors. In addition, following our corporate conversion, shares of our common stock may become issuable pursuant to the CYGNUS Plan and the PacketVideo Corporation 2005 Equity Incentive Plan.

As of September 12, 2006, NextWave Wireless LLC had approximately 1,400 record holders of its LLC interests. This number does not include the number of persons whose LLC interests are held in nominee or in "street name" accounts through brokers. As of such date, 492,064,046 LLC interests were issued and outstanding, and an additional 77,166,317 LLC interests were reserved for future issuance, of which 3,000,000 and 57,771,661 are granted and outstanding warrants and options, respectively, and 16,394,656 are available for future option grants.

Historical Market Price Data

NextWave Wireless LLC is required to file periodic reports with the SEC. NextWave Wireless LLC's membership interests are not listed for trading on any securities exchange. Our common stock is not listed for trading on any securities exchange, and we do not currently file reports with the SEC. Upon completion of the corporate conversion merger, it is anticipated that our common stock will be listed for trading on the Nasdaq Global Market and we will be required to file periodic reports with the SEC.

Dividends

We have never paid any cash dividends on our equity securities. We anticipate that we will retain earnings, if any, to finance the growth and development of our business. In addition, the terms of our senior secured notes do not permit us to pay dividends. Therefore, we do not expect to pay cash dividends on our equity securities for the foreseeable future. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will depend upon our financial condition, operating results, capital requirements and whatever other factors that our Board of Directors may deem relevant.

Shares Eligible for Future Sale

After the corporate conversion merger, an aggregate of ______ shares of our common stock, or ___% of shares outstanding, will be freely tradable without restriction in the public market unless the shares are held by "affiliates," as that term is defined in Rule 144(a)(1) under the Securities Act of 1933, as amended (the "Securities Act"). For purposes of Rule 144, an "affiliate" of an issuer is a person that, directly or indirectly through one or more intermediaries, controls, or is controlled by or is under common control with, the issuer.

The remaining shares of common stock outstanding will be "restricted securities" under the Securities Act of 1933 and may be sold in the public market upon the expiration of the holding periods under Rule 144, described below, subject to the volume, manner of sale and other limitations of Rule 144, as applicable.

In general, under Rule 144 as currently in effect, a person who has beneficially owned shares for at least one year, including an "affiliate," is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the then outstanding shares of common stock; or
- the average weekly trading volume during the four calendar weeks preceding filing of notice of the sale of shares of common stock.

Sales under Rule 144 are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about the Company. A stockholder who is deemed not to have been an “affiliate” of the Company at any time during the 90 days preceding a sale, and who has beneficially owned restricted shares for at least two years, would be entitled to sell shares under Rule 144(k) without regard to the volume limitations, manner of sale provisions or public information requirements.

RISK FACTORS

Our business involves a high degree of risk. You should carefully consider the following risks together with all of the other information contained in this registration statement before making a future investment decision with respect to our securities. If any of the following risks actually occurs, our business, financial condition and results of operations could be materially adversely affected, and the value of our securities could decline.

Risks Relating to Our Business

We are an early-stage company and have limited relevant operating history and history of losses.

We emerged from our reorganization in April 2005 with a new business plan and have made several recent acquisitions and investments. As a result, we are at an early stage of our development and have had a limited relevant operating history and, consequently, limited historical financial information. Other than through our PacketVideo business, which we acquired in July 2005, we have never generated any material revenues and have limited commercial operations. We are currently unable to project when our wireless broadband products and technologies will be commercially deployed and generate revenue. In addition, we, along with the companies we have acquired, have a history of losses. Other than our PacketVideo business, we will not have the benefit of any meaningful operations, and we will incur significant expenses in advance of generating significant revenues, particularly from our WiMAX products and network solutions, and are expected to realize significant operating losses for the next few years. We are therefore subject to all risks typically associated with a start-up entity.

We are in the early stages of the implementation of our business plan. If we are not able to successfully implement all key aspects of our business plan, including licensing, developing and deploying the technologies required to provide WiMAX services to network operators, we may not be able to provide the type and quality of services required to achieve our business objectives. In addition, we may not be able to develop a customer base sufficient to generate adequate revenues. If we are unable to successfully implement our business plan and grow our business, either as a result of the risks identified in this section or for any other reason, we may never achieve profitability, in which event our business would fail.

If we fail to effectively manage growth in our business, our ability to develop and commercialize our products will be adversely affected.

Our business and operations have expanded rapidly since the completion of our reorganization in April 2005. For example, from April 13, 2005 through September 13, 2006, the number of our employees has increased from 50 to 424 as a result of organic growth and acquisitions. We acquired PacketVideo in July 2005 and CYGNUS Communications in February 2006 and we are still in the process of integrating these businesses. To support our expanded research and development activities for our mobile WiMAX business and the growth in our PacketVideo business, we must continue to successfully hire, train, motivate and retain our employees. We expect that significant further expansion of our operations and employee base will be necessary. In addition, in order to manage our expanded operations, we will need to continue to expand our management, operational and financial controls and our reporting systems and procedures. We will also need to retain management, key employees and business partners of PacketVideo and CYGNUS. All of these measures will require significant expenditures and will demand the attention of management. Failure to fulfill any of the foregoing requirements could result in our failure to successfully manage our intended growth and development, and successfully integrate PacketVideo and CYGNUS, which would adversely affect our ability to develop and commercialize our products and achieve profitability.

We operate in an extremely competitive environment which could materially adversely affect our ability to win market acceptance of our products and achieve profitability.

We operate in an extremely competitive market and we expect such competition to increase in the future. Set forth below is a brief description of the competitive environment for each of our divisions and PacketVideo:

Advanced Technology Group - As providers of mobile WiMAX product and technologies, we will be competing with well established, international companies that are engaged in the development, manufacture and sale of products and technologies that support alternative wireless standards such as GSM, CDMA2000 and UMTS. Companies that support these alternative wireless technologies include well established industry leaders such as Alcatel, Ericsson, Huawei, LGE, Lucent, Motorola, Nokia, Nortel, QUALCOMM, Samsung and Siemens.

In addition, we will be competing with numerous companies that are currently developing or marketing WiMAX products and technologies including Beceem, Fujitsu, Intel, Motorola, Nortel, RunCom, Samsung, Sequans and WaveSat. Some of these companies have significantly greater financial, technical development, and marketing resources than we do, are already marketing commercial WiMAX semiconductor products, and have established a significant time to market advantage. These companies are also our potential customers and partners and may not be available to us if they develop competing products. In addition, we expect additional competition to emerge in the WiMAX semiconductor and components market including well-established companies such as Samsung and Broadcom.

Network Solutions Group - The mobile WiMAX networks that we intend to build in partnership with service providers will be designed to provide end-user services that directly compete with some of the largest incumbent wireless operators in the world. These operators have already achieved high levels of market penetration, have established broad product and service distribution networks, and have developed high levels of brand recognition. Our shared network partners will also have to compete with commercial 802.11 Wi-Fi networks as well the growing number of municipal wireless broadband networks being sponsored by some major cities across the country such as San Francisco and Philadelphia. These municipal networks, which are often based on the popular 802.11 Wi-Fi standard, are expected to offer individuals with low-cost, nomadic Internet access that would compete with the fully mobile wireless broadband services our networks are intended to provide. Finally, our shared network partners may need to compete against emerging wireless multimedia broadcast networks such as Crown Castle’s Modeo and QUALCOMM’s Media Flow networks.

In addition, a growing number of incumbent wireless network operators, such as Sprint Nextel, are developing MVNO business relationships with service provider companies such as Internet service providers and cable operators. These pre-existing MVNO relationships could prevent some of these service provider companies from entering into shared network arrangements.

PacketVideo - At present, the primary competitors for PacketVideo’s multimedia software products are the internal multimedia design teams at the OEM handset manufacturers to whom PacketVideo markets its products and services. Importantly, these OEMs represent some of PacketVideo’s largest customers. In addition several companies, including Flextronics/Emuzed, Hantro, Nextreaming, Philips Software, Sasken and Thin Multimedia also currently provide software products and services that directly or indirectly compete with PacketVideo. As the market for embedded multimedia software evolves, we anticipate that additional competitors may emerge including Apple Computer, Real Networks and OpenWave.

Some of our competitors have significantly greater financial, technological development, marketing and other resources than we do, are already marketing commercial products and technologies and have established a significant time to market advantage. Our ability to generate earnings will depend, in part, upon our ability to effectively compete with these competitors.

We intend to expand our business through additional acquisitions that could result in diversion of resources and extra expenses, which could disrupt our business and increase our expenses.

Part of our strategy is to pursue acquisitions of and investments in businesses and technologies to expand our business and enhance our technology development capabilities. In addition to our CYGNUS and PacketVideo acquisitions, we have made investments in a number of companies including Hughes Systique and Inquam Broadband. The negotiation of potential acquisitions and investments, as well as the integration of acquired businesses or technologies, could divert our management’s time and resources. Acquired businesses and technologies may not be successfully integrated with our products and operations. In addition, our investments, particularly minority investments, may not give us access to new technologies or provide us with business relationships with the other company. We may not realize the intended benefit of any acquisition or investment. Our acquisitions could result in substantial cash expenditures, potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities, a decrease in our profit margins and amortization of intangibles and potential impairment of goodwill. In addition, our investments could result in substantial cash expenditures, fluctuations in our results of operations resulting from changes in the value of the investments and diversion of management's time and attention. If acquisitions disrupt our operations or if our investments are not successful, our business, financial condition and results of operations may suffer.

If WiMAX technology fails to gain acceptance, we will not be successful in selling WiMAX products and technologies.

Our business plan is reliant on the deployment and market acceptance of mobile WiMAX networks and WiMAX enabled handsets and devices. WiMAX and the market for WiMAX networks and services have only recently begun to develop and is continuing to evolve. We plan to generate most of our revenue from the sale of WiMAX products and the licensing of mobile WiMAX broadband technologies. There are currently no mobile WiMAX networks in commercial operation and there can be no assurance that commercial mobile WiMAX networks will prove to be commercially viable. Mobile WiMAX will compete with several third generation (3G) and fourth generation (4G) wireless air interface technologies that are currently being deployed or developed to enable the delivery of mobile broadband services to the market, including CDMA2000 and UMTS. In order for WiMAX to gain significant market acceptance among consumers, network operators and telecommunications service providers will need to deploy WiMAX networks. However, many of the largest wireless telecommunications providers have made significant expenditures in technologies that have the potential to be competitive with WiMAX and may choose to continue to develop these technologies rather than utilize WiMAX. Certification standards for WiMAX are controlled by the WiMAX Forum, an industry group. Accordingly, standard setting for WiMAX is beyond our control. If standards for WiMAX change, the commercial viability of mobile WiMAX may be delayed or impaired and our development efforts may also be delayed or impaired or become more costly. The development of mobile WiMAX networks is also dependent on the availability of spectrum. Access to spectrum suitable for mobile WiMAX is highly competitive. We currently contemplate using multiple frequencies for our mobile WiMAX networks. This multi-spectrum approach is technologically challenging and will require the development of new software, integrated circuits and equipment, which will be time consuming and expensive and may not be successful. In order for our business to continue to grow and to become profitable, mobile WiMAX technology and related services must gain acceptance among consumers, who tend to be less technically knowledgeable and more resistant to new technology or unfamiliar services. If consumers choose not to adopt mobile WiMAX technology, we will not be successful in selling WiMAX products and technologies and our ability to grow our business will be limited.

Our wireless broadband products and technologies are in the early stages of development and will require a substantial investment before they may become commercially viable.

Our wireless broadband products and technologies are in the early stages of development and will require a substantial investment before they may become commercially viable. We are currently unable to project when our wireless broadband products and technologies will be commercially deployed and generate revenue. While we intend to continue to make substantial investments in development for the foreseeable future, it is possible that our development efforts will not be successful and that our wireless broadband products and technologies will not result in meaningful revenues. In addition, unexpected expenses and delays in development could adversely affect our liquidity. Our wireless broadband products and technologies have not been tested, even on a pre-commercial basis. Even if our products and technologies function when tested, they may not produce sufficient performance and economic benefits to justify full commercial development efforts, or to ultimately attract customers. Failure to commercially deploy our wireless broadband products and technologies will adversely affect our ability to achieve profitability.

Our future WiMAX products may not receive the certification we expect, which may affect our ability to sell our WiMAX products and services.

If our mobile WiMAX technologies and products do not receive WiMAX industry certification, we may not be able to successfully market, license or sell our mobile WiMAX products or technologies. Our WiMAX-based products may not receive the necessary certification in the time frame we expect, or at all, and may therefore not achieve the wide acceptance that we are seeking. In addition, we expect industry standards for WiMAX to evolve and if we are not able to adapt our products and technologies to any such changes, our ability to license or sell our products and technologies would be impaired.

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The launch of our WiMAX network in Henderson, Nevada may be delayed or may not be successful, which could harm our business.

We are in the process of building an 802.16e WiMAX compliant trial network in Henderson, Nevada. We expect this trial network to be operational in late 2006 and intend to utilize the network to showcase our advanced IP core network, next generation IP backhaul, NMS and back office system capabilities and to provide potential network partners an opportunity to evaluate the performance of mobile WiMAX technology. We plan to seek network partners to expand this network into a commercial mobile WiMAX network that will cover the greater Las Vegas metropolitan region and serve as a platform to support the initial deployment of our products. The trial network and the commercial network development may not be successful or may be delayed or more costly than anticipated. If either launch is delayed or not successful, the commercial roll-out of our wireless broadband technologies and products may be delayed, sales and licenses of our WiMAX network technologies and products may be harmed and our ability to attract a network partner could be adversely affected. In addition, we may need to dedicate substantial additional resources and management time and attention to the launch of the trial and commercial networks, which could limit or delay our ability to execute other aspects of our business plan.

The business plan of our Network Solutions Group is dependent on entering into or maintaining network partner relationships.

Our Network Solutions Group intends to build and operate WiMAX compliant networks in partnership with wireless service providers, cable operators, multimedia content distributors, applications service providers and Internet service providers. We have not entered into any of these strategic relationships to date and we may not be able to negotiate these relationships on acceptable terms, or at all. If we are unable to establish and maintain these strategic relationships, we may have to modify our plans for the Network Solutions Group and seek another source of value for our spectrum licenses.

The dependence of our Network Solutions Group on future strategic relationships is subject to a number of risks, including:

- the inability to control the amount and timing of resources that our strategic partners devote to their activities;
- the possibility that our strategic relationship partners could separately move forward with competing products and services developed either independently or with one of our competitors;
- the possibility that our strategic relationship partners may experience financial or technical difficulties;
- business combinations or other changes in our strategic relationship partners business strategy may impact their willingness or ability to complete its obligations under any such relationship; and
- changes in regulations could negatively impact the business environment in which such strategic relationship partners operate.

We may require significant capital to implement our business plan, but we may not be able to obtain additional financing on favorable terms or at all.

While we estimate that our working capital will be sufficient to fund our research and development activities and our operating losses at least through 2007, we may need to secure significant additional capital in the future to implement changes to, or expansions of, our business plan and to become cash flow positive. We may also require additional cash resources to pursue investments or acquisitions, including investments in or acquisitions of other technologies, businesses or spectrum licenses. Sources of additional capital may include public or private debt and equity financings. In addition, we have recently completed a private placement of senior secured notes that has provided us with net cash proceeds of $295.1 million available for the sole purpose of financing spectrum acquisitions and leases. After giving effect to our recent acquisition of WCS Wireless, Inc. for $160.5 million and the acquisition of two new EBS leases for $22.1 million, the remaining net proceeds of the senior secured notes are approximately $110.0 million. Concurrently with the notes placement, we paid a $142.8 million deposit to the Federal Communication Commission to qualify for the Advanced Wireless Spectrum auction, of which $110.0 million was funded with the remaining proceeds of the notes placement. On September 20, 2006 we were declared the winning bidder for 154 spectrum licenses for an aggregate bid of $115.5 million. Accordingly, approximately $27.3 million of our initial deposit was not used and was returned to us. To the extent that other attractive opportunities to acquire complimentary businesses or additional spectrum arise, we may need to raise additional funds to capitalize on such opportunities.

Risks Related to Our PacketVideo Business.

Since our inception in April 2005, substantially all of our revenues have been generated by our PacketVideo subsidiary, which we acquired in July 2005, and we believe that PacketVideo will account for a substantial portion of our revenues until we complete the development and commercialization of our wireless broadband products and technologies. Our PacketVideo business is subject to a number of risks, including:

Reliance on a limited number of mobile phone and device manufacturers and wireless carriers. For the six months ended July 1, 2006, PacketVideo's sales to Verizon Wireless, Nokia and Mitsubishi accounted for 45%, 12% and 10%, respectively, of our revenues. For the period from our inception (April 13, 2005) through December 31, 2005 PacketVideo's sales to Verizon Wireless, Fujitsu and Nokia accounted for 22%, 14% and 11%, respectively, of our revenues. Aggregated accounts receivable from SEMC, Nokia and Alcatel accounted for 23%, 18% and 10%, respectively, of total gross accounts receivable at July 1, 2006. We expect that our PacketVideo subsidiary will continue to generate a significant portion of its revenues through a limited number of mobile phone and device manufacturers and wireless carriers for the foreseeable future, although these amounts may vary from period-to-period. If any of these customers decides not to embed PacketVideo software into their mobile phones and devices or otherwise reduces the amount of PacketVideo software they embed in their mobile phones or devices generally, our PacketVideo revenues and results of operations could be materially adversely affected.

Our agreements with mobile phone and device manufacturers are not exclusive and many contain no minimum purchase requirements. Accordingly, mobile phone and device manufacturers may effectively terminate these agreements by no longer embedding PacketVideo's software into their products. In addition, PacketVideo has indemnified these manufacturers from certain claims that PacketVideo's software infringes third-party intellectual property rights. Our carrier agreements are not exclusive and generally have a limited term of one or two years with evergreen, or automatic renewal, provisions upon expiration of the initial term. These agreements set out the terms of our distribution relationships with the carriers but generally do not obligate the carriers to market or distribute any of our applications. In addition, the carriers can terminate these agreements early, and in some instances, at any time, without cause.

Many factors outside our control could impair PacketVideo's ability to generate revenues from mobile phone and device manufacturers and wireless carriers, including the following:

- a preference for embedded software licensed by one of PacketVideo's competitors;
- competing applications;
- a decision to discontinue embedding our PacketVideo software, or mobile broadband embedded software altogether;
- a carrier's decision not to provide mobile broadband applications or content thereby reducing the need for PacketVideo's applications;

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- a carrier's network encountering technical problems that disrupt the delivery of content for our applications;
- a manufacturer's decision to increase the cost of mobile phones and devices embedded with PacketVideo's software;
- a manufacturer's decision to reduce the price it is willing to pay for embedded software such as PacketVideo's; and
- consolidation among manufacturers or wireless carriers or the emergence of new manufacturers or wireless carriers that do not license PacketVideo software.

If wireless subscribers do not increase their use of their mobile phones to access multimedia content, our PacketVideo business may suffer. Our PacketVideo business is reliant on the continued and increased use of mobile phones to access multimedia content by consumers. The market for multimedia content delivery through mobile phones is relatively new. If the market does not continue to develop or develops more slowly than anticipated, mobile phone manufacturers may cease to embed PacketVideo's software in their handsets and wireless carriers may limit or stop the delivery of multimedia content and the demand for mobile phones with embedded multimedia software may decline. If this occurs, our PacketVideo business would be harmed and our revenues would decline.

If we fail to deliver our PacketVideo applications to correspond with the commercial introduction of new mobile phone models, our sales may suffer. PacketVideo's business is tied, in part, to the commercial introduction of new mobile phones with enhanced features. Many new mobile phone models are released in the final quarter of the year to coincide with the holiday shopping season. We cannot control the timing of these mobile phone launches. Our PacketVideo software must be modified for each new mobile phone model. If we are unable to release new versions of our PacketVideo software to coincide with these new mobile phone launches, our sales of our PacketVideo software may suffer. In addition, if new mobile phone launches are delayed or if we miss the key holiday selling season, our sales may suffer.

PacketVideo may experience difficulties in the introduction of new or enhanced products, which could result in reduced sales, unexpected expenses or delays in the launch of new or enhanced products. The development of new or enhanced embedded multimedia software products is a complex and uncertain process. We may experience design, manufacturing, marketing and other difficulties that could delay or prevent our development, introduction, commercialization or marketing of new products or product enhancements. The difficulties could result in reduced sales, unexpected expenses or delays in the launch of new or enhanced products, which may adversely affect our results or operations.

We do not have any manufacturing capabilities and will depend on third-party manufacturers and suppliers to manufacture, assemble and package our semiconductor products.

We are currently designing and developing semiconductor products including digital baseband ASICs and multi-band RFICs. If we are successful in our design and development activities and a market for these products develops, these products will need to be manufactured. Due to the expense and complexity associated with the manufacturer of digital baseband ASICs and multi-band RFICs, we intend to depend on third-party manufacturers to manufacture these products. The dependence on third-parties to manufacture, assemble and package these products involves a number of risks, including:

- a potential lack of capacity to meet demand;
- reduced control over quality and delivery schedules;
- risks of inadequate manufacturing yield or excessive costs;

- difficulties in selecting and integrating subcontractors;

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- limited warranties in products supplied to us;
- price increases; and
- potential misappropriation of our intellectual property.

We may not be able to establish manufacturing relationships on reasonable terms or at all. The failure to establish these relationships on a timely basis and on attractive terms could delay our ability to launch these products or reduce our revenues and profitability.

Defects or errors in our products and services or in products made by our suppliers could harm our relations with our customers and expose us to liability. Similar problems related to the products of our customers or licensees could harm our business.

Our WiMAX products and technologies that we are developing will be inherently complex and may contain defects and errors that are detected only when the products are in use. Further, because our products and technologies that we are developing will be responsible for critical functions in our customers' products and/or networks, such defects or errors could have a serious impact on our customers, which could damage our reputation, harm our customer relationships and expose us to liability. Defects in our products and technologies or those used by our customers or licensees, equipment failures or other difficulties could adversely affect our ability and that of our customers and licensees to ship products on a timely basis as well as customer or licensee demand for our products. Any such shipment delays or declines in demand could reduce our revenues and harm our ability to achieve or sustain desired levels of profitability. We and our customers or licensees may also experience component or software failures or defects which could require significant product recalls, reworks and/or repairs which are not covered by warranty reserves and which could consume a substantial portion of the capacity of our third-party manufacturers or those of our customers or licensees. Resolving any defect or failure related issues could consume financial and/or engineering resources that could affect future product release schedules. Additionally, a defect or failure in our products and technologies that we are developing or the products of our customers or licensees could harm our reputation and/or adversely affect the growth of mobile WiMAX markets.

Because mobile WiMAX is an emerging technology that is not fully developed, there is a risk that still unknown persons or companies may assert proprietary rights to the various technology components that will be necessary to operate a WiMAX network.

As a technology company, we expect to incur expenditures to create and protect our intellectual property and, possibly, to assert infringement by others of our intellectual property. We also expect to incur expenditures to defend against claims by other persons asserting that the technology that will be used and sold by our Company infringes upon the right of such other persons. Because mobile WiMAX is an emerging technology that is not fully developed, there may be a greater risk that persons or entities unknown to us will assert proprietary rights to technology components that are necessary to operate WiMAX networks or products. More than 20 companies have submitted letters of assurance related to IEEE 802.16 and amendments stating that they may hold or control patents or patent applications, the use of which would be unavoidable to create a compliant implementation of either mandatory or optional portions of the standard. In such letters, the patent holder typically asserts that it is prepared to grant a license to its essential IP to an unrestricted number of applicants on a worldwide, non-discriminatory basis and on reasonable terms and conditions. If any companies asserting that they hold or control patents or patent applications necessary to implement mobile WiMAX do not submit letters of assurance, or state in such letters that they do not expect to grant licenses, this could have an adverse effect on the implementation of mobile WiMAX networks and the sale of our mobile WiMAX products and technologies. In addition, we can not be certain of the validity of the patents or patent applications asserted in the letters of assurance submitted to date, or the terms of any licenses which may be demanded by the holders of such patents or patent applications. If we were required to pay substantial license fees to implement our mobile WiMAX products and technologies, this could adversely affect the profitability of these products and technologies.

As the number of competitors in our market increases and the functionality of our products is enhanced, we may become subject to claims of infringement or misappropriation of the intellectual property rights of others. Any claims, with or without merit, could be time consuming to address, result in costly litigation, divert the efforts of our technical and management personnel or cause product release or shipment delays, any of which could have a material adverse effect upon our ability to commercially launch our products and technologies and on our ability to achieve profitability. If any of our products were found to infringe on another company's intellectual property rights or if we were found to have misappropriated technology, we could be required to redesign our products or license such rights and/or pay damages or other compensation to such other company. If we were unable to redesign our products or license such intellectual property rights used in our products, we could be prohibited from making and selling such products. In any potential dispute involving other companies' patents or other intellectual property, our customers could also become the targets of litigation. Any such litigation could severely disrupt the business of our customers, which in turn could hurt our relations with our customers and cause our revenues to decrease.

We anticipate that we will develop a patent portfolio related to our WiMAX products and technologies. However, there is no assurance that we will be able to obtain patents covering WiMAX products. Litigation may be required to enforce or protect our intellectual property rights. As a result of any such litigation, we could lose our proprietary rights or incur substantial unexpected operating costs. Any action we take to license, protect or enforce our intellectual property rights could be costly and could absorb significant management time and attention, which, in turn, could negatively impact our operating results. In addition, failure to protect our trademark rights could impair our brand identity.

Other companies or entities also may commence actions or respond to an infringement action that we initiate by seeking to establish the invalidity or unenforceability of one or more of our patents or to dispute the patentability of one or more of our pending patent applications. In the event that one or more of our patents or applications are challenged, a court may invalidate the patent or determine that the patent is not enforceable or deny issuance of the application, which could harm our competitive position. If any of our key patent claims are invalidated or deemed unenforceable, or if the scope of the claims in any of these patents is limited by court decision, we could be prevented from licensing such patent claims. Even if such a patent challenge is not successful, it could be expensive and time consuming to address, divert management attention from our business and harm our reputation.

We are dependent on a small number of individuals, and if we lose key personnel upon whom we are dependent, our business will be adversely affected.

Our future success depends largely upon the continued service of our board members, executive officers and other key management and technical personnel, particularly Allen Salmasi, our Chairman and Chief Executive Officer. Mr. Salmasi has been a prominent executive and investor in the technology industry for over 20 years, and the Company has benefited from his industry relationships in attracting key personnel and in implementing acquisitions and strategic plans. In addition, in order to develop and achieve commercial deployment of our WiMAX products and technologies in competition with well-established companies such as Intel, QUALCOMM and others, we must rely on highly specialized engineering and other talent. Our key employees represent a significant asset, and the competition for these employees is intense in the wireless communications industry. We continue to anticipate significant increases in human resources, particularly in engineering resources, through the remainder of 2006. If we are unable to attract and retain the qualified employees that we need, our business may be harmed.

As a start-up company, we may have particular difficulty attracting and retaining key personnel in periods of poor operating performance given the significant use of incentive compensation by well-established competitors. We do not have employment agreements with our key management personnel and do not maintain key person life insurance on any of our personnel. We also have no covenants against competition or nonsolicitation agreements with certain of our key employees. The loss of one or more of our key employees or our inability to attract, retain and motivate qualified personnel could negatively impact our ability to design, develop and commercialize our products and technology.

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We may be liable for certain indemnification payments pursuant to the Plan of Reorganization.

In connection with the sale of NTI and its subsidiaries other than Old NextWave Wireless to Verizon Wireless, we agreed to indemnify NTI and its subsidiaries against all pre-closing liabilities of NTI and its subsidiaries and against any violation of the Bankruptcy Court injunction against persons having claims against NTI and its subsidiaries, with no limit on the amount of such indemnity. We are not currently aware of any such liabilities that remain following the plan of reorganization and Verizon Wireless has not made any indemnity claims. To the extent that we are required to fund amounts under the indemnification, our results of operations and our liquidity and capital resources could be materially adversely affected. In addition, we may not have sufficient cash reserves to pay the amounts required under the indemnification if any amounts were to become due.

Risks Relating to Government Regulation

Government regulation could adversely impact our development of wireless broadband products and services, our offering of products and services to consumers, and our business prospects.

The regulatory environment in which we operate is subject to significant change, the results and timing of which are uncertain. The FCC has jurisdiction over the grant, renewal, lease, assignment and sale of our wireless licenses, the use of wireless spectrum to provide communications services, and the resolution of interference between users of various spectrum bands. Other aspects of our business, including construction and operation of our wireless systems, and the offering of communications services, are regulated by the FCC and other federal, state and local governmental authorities. States may exercise authority over such things as billing practices and consumer-related issues.

Various governmental authorities could adopt regulations or take other actions that would adversely affect the value of our assets, increase our costs of doing business, and impact our business prospects. Changes in the regulation of our activities, including changes in how wireless, mobile, IP-enabled services are regulated, changes in the allocation of available spectrum by the United States and/or exclusion or limitation of our technology or products by a government or standards body, could have a material adverse effect on our business, operating results, liquidity and financial position.

Changes in legislation or regulations may affect our ability to conduct our business or reduce our profitability.

Future legislative, judicial or other regulatory actions could have a negative effect on our business. Some legislation and regulations applicable to the wireless broadband business, including how wireless, mobile, IP-enabled services are regulated, are the subject of ongoing judicial proceedings, legislative hearings and administrative proceedings that could change the manner in which our industry is regulated and the manner in which we operate. We cannot predict the outcome of any of these matters or their potential impact on our business.

If, as a result of regulatory changes, we become subject to the rules and regulations applicable to telecommunications providers, commercial mobile service providers or common carriers at the federal level or in individual states, we may incur significant litigation and compliance costs, or we may have to restructure our service offerings, exit certain markets or raise the price of our services, any of which could cause our services to be less attractive to customers. In addition, future regulatory developments could increase our cost of doing business and limit our growth.

We may not have complete control over our transition of EBS and BRS spectrum, which could impact compliance with FCC rules.

The FCC's rules require transition of EBS and BRS spectrum to the new band plan on a Basic Trading Area ("BTA") basis. See "Government Regulation-BRS-EBS License Conditions." We do not hold all of the EBS and BRS spectrum in the BTAs in which we hold spectrum. Consequently, we will need to coordinate with other EBS and BRS licensees in order to transition spectrum we hold or lease. Disagreements with other EBS or BRS licensees about how the spectrum should be transitioned may delay our efforts to transition spectrum, could result in increased costs to transition the spectrum, and could impact our efforts to comply with applicable FCC rules. On April 27, 2006, the FCC implemented new, amended rules related to transition of the spectrum, and it adopted rules that will permit us to self-transition to the reconfigured band plan if other spectrum holders in our BTAs do not timely transition their spectrum.

Our use of EBS spectrum is subject to privately negotiated lease agreements. Changes in FCC rules governing such lease agreements, contractual disputes with EBS licensees, or failures by EBS licensees to comply with FCC rules could impact our use of the spectrum.

All commercial enterprises are restricted from holding licenses for EBS spectrum. Eligibility for EBS spectrum is limited to accredited educational institutions, governmental organizations engaged in the formal education of enrolled students (e.g. school districts), and nonprofit organizations whose purposes are educational. Access to EBS spectrum can only be gained by commercial enterprises through privately-negotiated EBS lease agreements. FCC regulation of EBS leases, private interpretation of EBS lease terms, private contractual disputes, and failure of an EBS licensee to comply with FCC regulations all could impact our use of EBS spectrum and the value of our leased EBS spectrum. On April 27, 2006, the FCC released new rules governing EBS lease terms. EBS licensees are now permitted to enter into lease agreements with a maximum term of 30 years; lease agreements with terms longer than 15 years must contain a "right of review" by the EBS licensee every five years beginning in year 15. The right of review must afford the EBS licensee with an opportunity to review its educational use requirements in light of changes in educational needs, technology, and other relevant factors and to obtain access to such additional services, capacity, support, and/or equipment as the parties shall agree upon in the spectrum leasing arrangement to advance the EBS licensee's educational mission. A spectrum leasing arrangement may include any mutually agreeable terms designed to accommodate changes in the EBS licensee's educational use requirements and the commercial lessee's wireless broadband operations. In addition, the terms of EBS lease agreements are subject to contract interpretation and disputes could arise with EBS licensees. There can be no assurance that EBS leases will continue for the full lease term, or be renewed, or be extended beyond the current term, on terms that are satisfactory to us. Similarly, since we are not eligible to hold EBS licenses, we must rely on EBS licensees with whom we contract to comply with FCC rules. The failure of an EBS licensee from whom we lease spectrum to comply with the terms of their FCC authorization or FCC rules could result in termination, forfeiture or non-renewal of their authorization, which would negatively impact the amount of spectrum available for our use.

If we do not comply with FCC build- out requirements relating to our spectrum licenses, such licenses could be subject to forfeiture.

Certain build-out or "substantial service" requirements apply to our licensed wireless spectrum, which generally must be satisfied as a condition of license renewal. In particular, the renewal deadline and the substantial service build-out deadline for our WCS spectrum is July 21, 2007. Failure to make the substantial service demonstration, without seeking and obtaining an extension from the FCC, would result in license forfeiture.

We are participating with other WCS band license holders in a waiver process with the FCC to move the substantial service dates for this license band from July 2007 to the later of July 2010 or three years from FCC adoption of certain technical rules for the WCS band. Extensions of time to meet substantial service demonstrations are not routinely granted by the FCC. If the substantial service dates are not extended, in order to meet the current substantial service date of July 2007, we estimate that an expenditure of approximately $40 million would be required over the next 12 months. The expenditure of this amount would reduce the amount of our cash and cash equivalents available for research and development unless we obtain additional financing.

We have no guarantee that the licenses we hold or lease will be renewed.

The FCC generally grants wireless licenses for terms of ten years which are subject to renewal and revocation. FCC rules require all wireless licensees to comply with applicable FCC rules and policies and the Communications Act of 1934 in order to retain their licenses. For example, licensees must meet certain construction requirements, including making substantial service demonstrations, in order to retain and renew FCC licenses. Failure to comply with FCC requirements with respect to any license could result in revocation or non-renewal of a license. There is no guarantee that licenses we hold or lease will remain in full force and effect or be renewed.

New FCC concepts impacting spectrum use could affect our use of wireless spectrum.

The FCC has initiated a number of proceedings to evaluate its rules and policies regarding spectrum licensing and usage. For example, it is considering new concepts that might permit unlicensed users to “share” our licensed spectrum to the extent the FCC believes harmful interference will not occur. These new uses could adversely impact our utilization of our licensed spectrum and our operational costs.

Interference could negatively impact our use of wireless spectrum we hold, lease or use.

Under applicable FCC rules, users of wireless spectrum must comply with technical rules that are intended to eliminate or diminish harmful electrical interference between wireless users. Licensed spectrum is generally entitled to interference protection, subject to technical rules applicable to the radio service, while unlicensed spectrum has no interference protection rights and must accept interference caused by other users.

Wireless devices utilizing WCS, BRS and EBS spectrum may be susceptible to interference from Satellite Digital Audio Radio Services ("SDARS").

Since 1997, the FCC has considered a proposal to permanently authorize terrestrial repeaters for SDARS adjacent to the C and D blocks of the WCS band; the FCC has permitted a large number of these SDARS terrestrial repeaters to operate on a special temporary authorization since 2001. Permanently authorizing SDARS repeaters adjacent to the WCS band could cause interference to WCS, BRS and EBS receivers. The extent of the interference from SDARS repeaters is unclear and is subject to the FCC's final resolution of pending proceedings. Because WCS C and D block licenses are adjacent to the SDARS spectrum, the potential for interference to this spectrum is of greatest concern. There is a lesser magnitude concern regarding interference from SDARS to WCS A and B block licenses, and EBS and BRS licenses. Central to the FCC's evaluation of this proposal has been the technical specification for the operation of such repeaters. Final technical rules will determine the potential interference conditions and requirements for mitigation. If SDARS repeaters result in interference certain portions of our network coverage may become unserviceable with our WCS spectrum and consequently, our ability to offer that licensed spectrum to potential network partners could be adversely affected and our ability to realize value from this spectrum may be impaired.

Increasing regulation of the tower industry may make it difficult to deploy new towers and antenna facilities.

The FCC, together with the FAA, regulates tower marking and lighting. In addition, tower construction and deployment of antenna facilities is impacted by federal, state and local statutes addressing zoning, environmental protection and historic preservation. The FCC adopted significant changes to its rules governing historic preservation review of new tower projects, which makes it more difficult and expensive to deploy towers and antenna facilities. The FCC is also considering changes to its rules regarding when routine environmental evaluations will be required to determine compliance of antenna facilities with its RF radiation exposure limits. If adopted, these regulations could make it more difficult to deploy facilities. In addition, the FAA has proposed modifications to its rules that would impose certain notification requirements upon entities seeking to (i) construct or modify any tower or transmitting structure located within certain proximity parameters of any airport or heliport, and/or (ii) contruct or modify transmission facilities using the 2500-2700 MHz radio frequency band, which encompasses virtually all of the BRS/EBS frequency band. If adopted, these requirements could impose new administrative burdens upon use of BRS/EBS spectrum.

Risks Relating to An Investment in Our Common Stock

Our operating results are subject to substantial quarterly and annual fluctuations and to market downturns.

We believe that our future operating results over both the short- and long-term will be subject to annual and quarterly fluctuations due to several factors, some of which are outside management's control. These factors include:

- significant research and development costs;
- research and development issues and delays;
- the timing and costs of our Las Vegas launch;
- the financial results of our PacketVideo subsidiary;
- the timing of entering into network partner arrangements and the success of these partnerships;
- spectrum acquisition costs;
- manufacturing issues and delays;
- fluctuating market demand for WiMAX services;
- impact of competitive products, services and technologies;
- changes in the regulatory environment;
- the cost and availability of network infrastructure; and
- general economic conditions.

These factors affecting our future operating results are difficult to forecast and could harm our quarterly or annual operating results and the prevailing market price of our securities. If our operating results fail to meet the financial guidance we provide to investors or the expectations of investment analysts or investors in any period, securities class action litigation could be brought against us and/or the market price of our securities could decline.

There has been no prior market for our common stock and you may not be able to resell your stock, or may have to sell it at a discount.

There is no public market for our common stock. Although we intend for our common stock to be quoted on The Nasdaq Global Market, we cannot predict the timing of the commencement of such quotation or the extent to which a trading market will develop or how liquid that market may become. If an active trading market does not develop or is not sustained, holders of our common stock may have difficulty selling any of their shares of our common stock.

Substantially all of our stock is or will be eligible for future sale which could depress the price of our stock.

Sales of substantial amounts of our common stock, or the perception that a large number of shares will be sold, could depress the market price of our common stock. Most of our stockholders are former stockholders of NextWave Telecom Inc. that received shares of our stock in connection with our emergence from bankruptcy. Accordingly, these stockholders may wish to sell their shares of stock upon receipt or shortly thereafter and may not be long-term investors in the company. After the effectiveness of this registration statement, ______ shares, representing ___% of the issued and outstanding shares as of September 12, 2006, will be freely tradeable, subject to the volume and other restrictions of Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”) imposed upon stockholders deemed to be our affiliates.

If the ownership of our common stock continues to be highly concentrated, it may prevent you and other stockholders from influencing significant corporate decisions and may result in conflicts of interest that could cause the price of our common stock to decline.

Allen Salmasi, our executive officers and others members of our Board of Directors will beneficially own or control approximately [51.4]% of our common stock. Accordingly, Mr. Salmasi and the other members of the Board of Directors will be able to significantly influence matters that require stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets or other significant corporate transactions. Our controlling stockholders may have interests that differ from your interests and may vote in a way with which you may disagree and which may be adverse to your interests. Corporate action may be taken even if other stockholders oppose them. These stockholders may also delay or prevent a change of control of us, even if that change of control would benefit our other stockholders, which could deprive our stockholders of the opportunity to receive a premium for their shares. The significant concentration of ownership of our common stock may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

If securities or industry analysts do not publish research or reports about our business, if they change their recommendations regarding our shares adversely or if our operating results to not meet their expectations, the price of our common stock could decline.

The trading market for our common stock will be influenced by the research and reports that industry and securities analysts publish about us or our business. If these analysts fail to publish reports about us or if one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause the price of our common stock to decline. Moreover, if one or more analysts who cover us downgrade our common stock or if our operating results do not meet their expectations, the price of our common stock could decline.

The market price for our common stock may be volatile, which could cause the value of your investment to decline.

The stock market in general, and the stock prices of technology and wireless communications companies in particular, have experienced volatility that often has been unrelated to the operating performance of any specific public company. Factors that may have a significant impact on the market price of our common stock include:

- announcements concerning us or our competitors, including the selection of mobile WiMAX wireless communications technology by telecommunications providers and the timing of the roll-out of those systems;
- receipt of substantial orders or order cancellations for integrated circuits and system software products for mobile WiMAX networks by us or our competitors;
- quality deficiencies in technologies, products or services;
- announcements regarding financial developments or technological innovations;
- international developments, such as technology mandates, political developments or changes in economic policies;
- lack of capital to invest in WiMAX networks;
- new commercial products;

- changes in recommendations of securities analysts;
- government regulations, including FCC regulations governing spectrum licenses;
- earnings announcements;
- proprietary rights or product or patent litigation;
- strategic transactions, such as acquisitions and divestitures; or
- rumors or allegations regarding our financial disclosures or practices.

Our share price may be subject to volatility, particularly on a quarterly basis. Shortfalls in our revenues or earnings in any given period relative to the levels expected by securities analysts could immediately, significantly and adversely affect the trading price of our common stock.

From time to time, we may repurchase our common stock at prices that may later be higher than the market value of the share on the repurchase date. This could result in a loss of value for stockholders if new shares are issued at lower prices.

In the past, securities class action litigation has often been brought against a company following periods of volatility in the market price of its securities. Due to changes in the volatility of the price of our common stock, we may be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources.

Provisions of our charter documents could delay or prevent an acquisition of our company, even if the acquisition would be beneficial to holders of our common stock, and could make it more difficult for you to change management.

Our Certificate of Incorporation and Bylaws contain provisions that could depress the trading price of our common stock by acting to discourage, delay or prevent a change of control of our company or changes in management that holders of our common stock might deem advantageous. Specific provisions in our Certificate of Incorporation and Bylaws include:

- our directors serve staggered, three-year terms;
- no action can be taken by stockholders except at an annual or special meeting of the stockholders called in accordance with our bylaws, and stockholders may not act by written consent;
- our board of directors will be expressly authorized to make, alter or repeal our bylaws, and our stockholders will be able to make, alter or repeal our bylaws by a vote of 66-2/3% of the issued and outstanding voting shares;
- any vacancies on the board of directors would be filled by a majority vote of the board;
- our board of directors will be authorized to issue preferred stock without stockholder approval; and
- we will indemnify officers and directors against losses that they may incur in investigations and legal proceedings resulting from their services to us, which may include services in connection with takeover defense measures.

As a result of the provisions of our Certificate of Incorporation and Bylaws, the price investors may be willing to pay in the future for our common stock may be limited.

The issuance of a significant amount of additional common stock would result in dilution to our existing stockholders and could reduce our earnings per share, which in turn could negatively affect the market price of our common stock.

We may need to raise additional funds to fund our operations, to pay for an acquisition or to enter into a strategic alliance, and we might use equity securities, debt, cash, or a combination of the foregoing. If we use equity securities, our stockholders may experience dilution. A significant amount of our common stock coming on the market at any given time could result in a decline in the price of our common stock or increased volatility.

Once we become a public company, we will need to comply with Section 404 of the Sarbanes-Oxley Act of 2002, and if we fail to achieve and maintain adequate internal controls over financial reporting, our business, results of operations and financial condition could be materially adversely affected.

As a public company, our systems of internal controls over financial reporting will be required to comply with the standards adopted by the Public Company Accounting Oversight Board. We are presently evaluating our internal controls for compliance. During the course of our evaluation, we may identify areas requiring improvement and may be required to design enhanced processes and controls to address issues identified through this review. This could result in significant delays and cost to us and require us to divert substantial resources, including management time, from other activities. We have commenced a review of our existing internal control structure and plan to hire additional personnel. Although our review is not complete, we have taken steps to improve our internal control structure by hiring dedicated, internal Sarbanes-Oxley Act compliance personnel to analyze and improve our internal controls, to be supplemented periodically with outside consultants as needed. However, we cannot be certain regarding when we will be able to successfully complete the procedures, certification and attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002. If we fail to achieve and maintain the adequacy of our internal controls, we may not be able to conclude that we have effective internal controls over financial reporting in accordance with the Sarbanes-Oxley Act. Moreover, effective internal controls are necessary for us to produce reliable financial reports and are important to help prevent fraud. As a result, our failure to satisfy the requirements of Section 404 on a timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm the market value of our common stock. Any failure to maintain effective internal controls also could impair our ability to manage our business and harm our financial results.

As a result of being a public company, we will incur increased costs that may place a strain on our resources or divert our management's attention from other business concerns.

As a public company, we will incur additional legal, accounting and other expenses that we do not incur as a private company. The Exchange Act will require us to file annual, quarterly and current reports with respect to our business and financial condition, which will require us to incur legal and accounting expenses. The Sarbanes-Oxley Act will require us to maintain effective disclosure controls and procedures and internal controls for financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. We expect the corporate governance rules and regulations of the SEC will increase our legal and financial compliance costs and make some activities more costly and time consuming. These requirements may place a strain on our systems and resources and may divert our management's attention from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations. In addition, we are hiring and will continue to hire additional legal, accounting and financial staff with appropriate public company experience and technical accounting knowledge, which will increase our operating expenses in future periods.

We also expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers.

If the price of our common stock declines significantly, then our common stock may be deemed to be penny stock, which could adversely affect the liquidity of, and market for, our shares.

If our shares are considered penny stock, they would be subject to rules that impose additional sales practices on broker-dealers who sell our securities. Penny stocks generally are equity securities with a price of less than $5.00, other than securities registered on some national securities exchanges or quoted on Nasdaq. In this event, some brokers may be unwilling to effect transactions in our shares because of the additional obligations imposed. This could adversely affect the liquidity of our common stock and the ability of investors to sell our common stock. For instance, broker-dealers must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to the sale. Also, a disclosure schedule must be prepared prior to any transaction involving a penny stock, and disclosure is required about sales commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Furthermore, monthly statements are required to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stock.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This registration statement and other reports, documents and materials we will file with the Securities and Exchange Commission (the “SEC”) contain, or will contain, disclosures that are forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These statements, which represent our expectations or beliefs concerning various future events, may contain words such as “may,” “will,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” or other words of similar meaning in co with any discussion of the timing and value of future results or future performance. These forward-looking statements are based on the current plans and expectations of our management and are subject to certain risks, uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from historical results or those anticipated. These risks include, but are not limited to:

- our limited relevant operating history;
- our ability to manage growth or integrate recent or future acquisitions;
- competition from alternative wireless technologies and other technology companies;
- our ability to develop and commercialize mobile broadband products and technologies;
- the ability of vendors to manufacture commercial WiMAX equipment and devices;
- consumer acceptance of WiMAX technology;
- the success of our WiMAX network launch in Henderson, Nevada;
- our ability to enter into and maintain network partner relationships;
- PacketVideo’s reliance on a limited number of mobile phone and device manufacturers and wireless carriers as customers;
- changes in government regulations;
- changes in capital requirements;
- any loss of our key executive officers; and
- the other risks described under “Risk Factors.”

There may also be other factors that cause our actual results to differ materially from the forward looking statements.

Because of these factors, we caution you that you should not place any undue reliance on any of our forward-looking statements. These forward-looking statements speak only as of the date of this registration statement and you should understand that those statements are not guarantees of future performance or results. New risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. Except as required by law, we have no duty to, and do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

EXPLANATORY NOTE

NextWave Wireless Inc. (“Old NextWave Wireless”) was formed in 1996 as a wholly owned operating subsidiary of NextWave Telecom, Inc. (“NTI”), which sought to develop a nationwide CDMA-based personal communication services (“PCS”) network. In 1998, Old NextWave Wireless, together with NTI and its other subsidiaries (the “NextWave Telecom group”), filed for protection under Chapter 11 of the United States Bankruptcy Code. In December 2004, Old NextWave Wireless was converted from a corporation to a limited liability company.

On March 1, 2005, the Bankruptcy Court confirmed the plan of reorganization of the NextWave Telecom group. The cornerstone of the plan was the sale of NTI and its subsidiaries, excluding Old NextWave Wireless, to Verizon Wireless for approximately $3.0 billion. With the proceeds of the Verizon Wireless sale, as well as proceeds of prior PCS spectrum license sales to Cingular Wireless, Verizon Wireless and MetroPCS, all creditors of the NextWave Telecom group were paid in full and the NTI equity holders received an aggregate cash distribution of approximately $2.6 billion. In addition, the plan provided for the capitalization and distribution to the NTI equity holders of a new wireless technology company that would bear the NextWave name. Pursuant to the plan, on April 13, 2005, the NextWave Telecom group abandoned substantially all of its PCS assets other than the spectrum licenses, all remaining non-PCS assets and liabilities were contributed to Old NextWave Wireless, and Old NextWave Wireless was capitalized with $550 million in cash. Immediately thereafter, membership interests in our company were distributed to the NTI equity holders. Through this process, Old NextWave Wireless was reconstituted as a company with a new capitalization and a new wireless technology business plan.

Unless the context indicates otherwise, all references in this registration statement to NextWave, the Company, we, us and our refer to NextWave Wireless Inc. and its direct and indirect subsidiaries after giving effect to the corporate conversion merger. References to Old NextWave Wireless refer to our existence as a company conducting a separate line of business prior to April 13, 2005.

Since our emergence as a new wireless technology company, we have made several strategic investments and acquisitions, most significantly the acquisition of PacketVideo Corporation, a developer of embedded multimedia software products for mobile phones. We have also consummated transactions to acquire licensed spectrum rights and have accumulated a spectrum footprint across the U.S. covering a population of over 206 million people, or POPs.

To enable our planned listing on The Nasdaq Global Market, NextWave Wireless LLC’s board of managers and a majority in interest of NextWave Wireless LLC’s members have approved the conversion of the Company from a Delaware limited liability company to a Delaware corporation. The corporate conversion will be effected through the merger of a wholly-owned subsidiary of ours with and into NextWave Wireless LLC. We expect to effectuate the corporate conversion merger prior to our planned listing on Nasdaq. The terms of the merger agreement provide for us to issue ____ shares of our common stock to holders of NextWave Wireless LLC’s membership units in exchange for all of the outstanding membership units of NextWave Wireless LLC, with NextWave Wireless LLC unitholders receiving ____ of a share of our common stock for each membership unit of NextWave Wireless LLC that they hold. Each holder of NextWave Wireless LLC’s limited liability interests will own the same percentage of the outstanding equity of the Company before and immediately after giving effect to the corporate conversion merger.

The organizational chart below provides a summary depiction of our structure after giving effect to the reorganization, our organizational activities and acquisitions and the corporate conversion merger. For more information on the history of our company see “Business-Our History.”

This registration statement contains certain technical terms relating to the wireless industry. For an explanation of such technical terms, see “Glossary of Selected Wireless Terminology” beginning on page 104.

An investment in our securities involves risks. See “Risk Factors” beginning on page 12.

“NextWave Wireless”, “PacketVideo”, “CYGNUS Communications”, “IBridge” and the NextWave, CYGNUS and PacketVideo logos are our trademarks. Other service marks, trademarks and trade names referred to in this registration statement are the property of their respective owners. As indicated in this registration statement, we have included market data and industry information and forecasts that were obtained from industry publications.

INDUSTRY AND MARKET DATA

In this registration statement, we rely on and refer to information regarding market data obtained from internal surveys, market research, publicly available information and industry publications. Unless otherwise noted, data relating to persons of population, or POPs, is derived from information provided by Applied Geographic Solutions Inc. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although we believe the information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified it.

THE CORPORATE CONVERSION MERGER

This section of the prospectus describes material aspects of the corporate conversion merger. While we believe that the description covers the material terms of the corporate conversion merger, this summary may not contain all of the information that is important to you. For a more complete understanding of the corporate conversion merger, you should carefully read this entire prospectus, the attached appendixes, including the merger agreement attached hereto as Appendix A, and the other documents referred to in this prospectus.

General Description of the Corporate Conversion Merger

To enable our planned listing on The Nasdaq Global Market, NextWave Wireless LLC's board of managers and a majority in interest of NextWave Wireless LLC's members has approved the conversion of NextWave Wireless LLC from a Delaware limited liability company to a Delaware corporation. The corporate conversion will be effected through the merger of a wholly owned subsidiary of ours with and into NextWave Wireless LLC. We expect to effectuate the corporate conversion merger prior to our planned listing on Nasdaq. In the merger, unitholders of the LLC interests will receive a number of shares of our common stock based on an exchange ratio to be determined by the board of managers of NextWave Wireless LLC. Each holder of LLC interests will own the same percentage of the outstanding equity of the company before and immediately after giving effect to the corporate conversion merger. In addition, we will assume NextWave Wireless LLC's obligations under its stock option plan and the plans of its subsidiaries.

Reasons for the Corporate Conversion Merger

In approving and authorizing the corporate conversion merger and the merger agreement, the Board of Managers of NextWave Wireless LLC considered a number of factors, including, among others, the Company's desire to list its equity securities on The Nasdaq Global Market. In reaching its decision, NextWave's board consulted with NextWave's management with respect to strategic and operational matters and with NextWave's legal counsel with respect to the merger agreement, the transactions contemplated thereby and the planned listing on The Nasdaq Global Market.

The Board's decision to approve the corporate conversion merger was based on its belief that the corporate conversion merger and the planned listing on The Nasdaq Global Market would contribute to the Company's future success through the following positive factors:

- by providing our equityholders, who currently hold LLC interests in a limited liability company with significant restrictions on transferability and no active trading market, with shares of common stock in a publicly traded company, which would provide greater liquidity to our equityholders;
- by increasing our visibility and credibility within the global investing public; and
- by making available an additional currency we can use for any future acquisitions or investments we may pursue, including investments or acquisitions of other business or technologies.

The Board also identified and considered a number of uncertainties and risks, including the following:

- the costs and resource commitments required to complete the corporate conversion merger; and
- additional corporate governance and other requirements necessary to comply with the Nasdaq listing requirements.

After taking into account these and other factors, the Board of Managers of NextWave Wireless LLC concluded that the potential benefits significantly outweighed the potential risks of completing the corporate conversion merger and unanimously approved and authorized the corporate conversion merger and the merger agreement.

Accounting Treatment

At the time of the corporate conversion merger, members' equity will be reclassified into common stock and additional paid-in-capital, and the retained deficit as of that date will also be reclassified into additional paid-in-capital. The conversion of all outstanding stock options under the CYGNUS 2004 Stock Option Plan to our stock options will be accounted for as a modification under Statement of Financial Accounting Standards No. 123 (Revised 2004), "Share-Based Payment," which could result in additional compensation expense.

Material U.S. Federal Income Tax Consequences of the Corporate Conversion Merger

The following discussion sets forth the material U.S. federal income tax consequences of the corporate conversion merger to the Company and the United States Holders (as defined below) of Company interests. The discussion was prepared by Weil, Gotshal & Manges LLP, tax counsel to the Company, and is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury regulations promulgated and proposed thereunder, judicial decisions and published administrative rules and pronouncements of the Internal Revenue Service (the "Service"), all as in effect on the date hereof. Changes in these authorities or new interpretations thereof may have retroactive effect and could significantly affect the federal income tax consequences described below. You should be aware that the Company has not requested a ruling from the Service and that no published guidance has been issued with respect to the tax treatment of partnership transactions precisely in the form of the corporate conversion merger. Accordingly, the Service might take a view of the tax consequences of the corporate conversion merger that is contrary to that set forth below.

This discussion does not address all of the federal income tax consequences of the corporate conversion merger that may be applicable to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the Tax Code (such as persons who acquired their interests in compensatory transactions, banks, broker-dealers, insurance companies, other financial institutions, tax-exempt organizations, holders subject to the alternative minimum tax provisions of the Tax Code, holders who hold their Company interests as part of a hedge, straddle, constructive sale or conversion transaction, persons who are not residents of the United States, foreign corporations or investors in pass-through entities). In addition, the estate, gift, state, local and foreign tax consequences of the corporate conversion merger are not discussed. Further, the discussion is addressed to existing holders of Company interests that have held their interests as capital assets (*i.e.*, generally as investments).

As used in this section, the term "United States Holder" means a beneficial owner of Company interests who is a citizen or resident of the United States, a U.S. domestic corporation, any estate the income of which is subject to federal income tax regardless of the source of its income or any trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable Treasury regulations to be treated as a "United States person". If a partnership or other entity taxable as a partnership is a beneficial owner of Company interests, the federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners in partnerships holding Company interests should consult their tax advisors.

General

Based upon representations contained in a representation letters provided by the Company and NextWave Wireless, Inc. and on certain customary factual assumptions, the corporate conversion merger will be a tax-free incorporation under Section 351 of the Tax Code.

Prior to the corporate conversion merger, holders of Company interests were taxable on their pro-rata share of the income, gains, losses and deductions of the Company -- whether or not distributed -- computed without taking into account any of the income, gains, losses or deductions of NextWave Broadband, Inc. and its subsidiaries. As a result of the corporate conversion merger, holders will cease being partners in a partnership (the Company) for federal income tax purposes and become shareholders in a corporation (NextWave Wireless, Inc.). Accordingly, as a shareholder, you will only be taxed on actual distributions, if any, by NextWave Wireless, Inc. (*e.g.*, distributions to the extent of NextWave Wireless, Inc.'s earnings and profits for federal income tax purposes will be taxable as dividends).

As a result of the corporate conversion merger, NextWave Wireless, Inc., unlike the Company, will itself be subject to federal income tax. Such tax will be based upon the earnings of NextWave Wireless, Inc. and all of its domestic subsidiaries, as NextWave Wireless, Inc. will be the "common parent" of a consolidated group filing a consolidated federal income tax return.

Holders of Company Interests

By reason of the corporate conversion merger qualifying under Section 351 of the Tax Code, holders of Company interests will not recognize gain or loss in the corporate conversion merger as a result of their deemed contribution of Company interests to NextWave Wireless, Inc. in exchange for common stock of NextWave Wireless, Inc., except to the extent of any cash received in lieu of a fractional share of NextWave Wireless, Inc. common stock.

The tax basis of the stock of NextWave Wireless, Inc. received by you (including any fractional share that you are deemed to receive and exchange for cash) will equal the tax basis in your Company interest exchanged therefore less your pro-rata share of the Company's liabilities assumed by NextWave Wireless, Inc. Likewise, although no published guidance addresses partnership transactions in the form of the corporate conversion merger, and, therefore, the conclusion is not certain, tax counsel believes that your holding period in your NextWave Wireless, Inc. common stock received in the corporate conversion merger should include your holding period in the Company interest surrendered.

Cash in lieu of Fractional Shares

You will recognize capital gain or loss on any cash received in lieu of a fractional share of NextWave Wireless, Inc.'s common stock equal to the difference between the amount of cash received and the basis allocated to such fractional share. That capital gain or loss will constitute long-term capital gain or loss if your holding period in the Company interests surrendered in the corporate conversion merger is greater than 12 months as of the date of the corporate conversion merger.

Reporting Requirements

You will be required to retain records pertaining to the corporate conversion merger and to file with your federal income tax return for the year in which the corporate conversion merger occurs a statement setting forth certain facts relating to the corporate conversion merger.

Holders of Warrants

Persons holding unexercised warrants to acquire Company interests (not including options granted under the Company's 2005 Unit Plan) will recognize gain or loss in the corporate conversion merger equal to the difference between the fair market value of the warrants to acquire common stock of NextWave Wireless, Inc. on the date of the corporate conversion merger and their tax basis in the Company's warrants. The tax basis in the warrants to acquire common stock in NextWave Wireless, Inc. received in the corporate conversion merger will equal such warrants' fair market value as of the date of the corporate conversion merger and the holding period in such warrants will begin on the day following the date of the corporate conversion merger.

NextWave Wireless, Inc. and the Company

Neither NextWave Wireless, Inc. nor the Company will recognize gain or loss as a result of the corporate conversion merger.

NextWave Wireless, Inc.'s basis in the assets received in the corporate conversion merger will equal the aggregate of the Holders' bases in their Company interests prior to the corporate conversion merger, allocated among such assets in accordance with the provisions of the Tax Code.

This discussion of the material federal income tax consequences does not address the tax consequences that may vary with, or are contingent upon, the individual circumstances of each holder of Company interests. Accordingly, it is recommended that you consult your own tax advisors to determine the particular federal, state, local and other tax consequences to you of the corporate conversion merger.

Appraisal Rights

Pursuant to NextWave Wireless LLC's limited liability company agreement and Delaware law, holders of NextWave Wireless LLC's membership units are not entitled to appraisal rights.

Federal Securities Laws Consequences

This prospectus does not cover any resales of the our common stock received in the merger, and no person is authorized to make any use of this prospectus in connection with any such resale.

All shares of our common stock received by unitholders of NextWave Wireless LLC in the corporate conversion merger should be freely transferable, except that if a stockholder is deemed to be an "affiliate" of NextWave Wireless LLC under the Securities Act at the time of the conversion, the stockholder may resell those shares only in transactions permitted by Rule 145 under the Securities Act or as otherwise permitted under the Securities Act. Persons who may be considered "affiliates" under the Securities Act generally include individuals or entities that control, are controlled by, or are under common control with, NextWave Wireless LLC, and generally would not include stockholders who are not our officers, directors or principal stockholders.

THE MERGER AGREEMENT

The following summary describes certain material provisions of the merger agreement. The full text of the merger agreement is attached as Appendix A to this prospectus and is incorporated herein by reference. This summary may not contain all of the information that is important to you, and you are encouraged to read carefully the entire merger agreement. The following description is subject to, and is qualified in its entirety by reference to, the merger agreement.

The merger agreement has been included to provide you with information regarding its terms. Additional information relating to NextWave Wireless LLC and NextWave Wireless Inc. can be found elsewhere in this document and in the other public filings NextWave Wireless LLC makes with the SEC, which are available without charge at www.sec.gov. Upon completion of the corporate conversion merger, we will be a successor of NextWave Wireless LLC for SEC reporting purposes.

Structure of the Corporate Conversion Merger

In accordance with the merger agreement and Delaware law, NextWave Wireless LLC will merge with and into NW Merger LLC, a wholly-owned subsidiary of NextWave Wireless Inc. As a result of the corporate conversion merger, the separate corporate existence of NW Merger LLC will cease, and NextWave Wireless LLC will survive as a wholly owned subsidiary of us.

Upon completion of the corporate conversion merger, each outstanding LLC interest of NextWave Wireless LLC, other than LLC interests held by NextWave Wireless LLC as treasury securities or by subsidiaries of NextWave Wireless LLC, will be canceled and converted into the right to receive ____ shares of our common stock. We refer to this ratio herein as the exchange ratio. In addition, each outstanding share of common stock of CYGNUS not held by NextWave Wireless LLC will be exchanged for _____ shares of common stock of NextWave Wireless Inc.

No fractional shares of our common stock will be issued in connection with the corporate conversion merger. Instead, holders of LLC interests will receive an amount of cash (rounded to the nearest whole cent) in lieu of a fraction of a share of our common stock equal to $1.00 per fractional share to which such holder would otherwise be entitled.

Upon completion of the corporate conversion merger, all options, warrants and similar rights to purchase NextWave Wireless LLC membership units will be assumed by us and will be converted into the right to purchase shares of our common stock, preserving the economics of the award effective immediately prior to the completion of the corporate conversion merger. Each substitute option or warrant will be exercisable for, and represent the right to acquire, that whole number of shares of our common stock (rounded down to the next whole share) equal to the number of LLC interests subject to such award multiplied by exchange ratio. The per share exercise price of each substitute option will be determined by dividing the per share exercise price (being rounded up to the next 100th of a cent) applicable to the option to purchase LLC interests immediately prior to the merger by the exchange ratio. The per share exercise price of each substitute warrant will be determined in accordance with the terms of the applicable warrant agreement.

In addition, upon completion of the merger, we have agreed to assume all rights and obligations of NextWave Wireless LLC in respect of the 2004 Stock Option Plan of CYGNUS and the 2005 Equity Incentive Plan of PacketVideo.

Effective Time of the Transaction

The merger will become effective at the time at which the certificate of merger has been duly filed with the Secretary of State of the State of Delaware, or at such other time as specified in the certificate of merger. We expect to file the merger certificate promptly after this registration statement is declared effective by the Securities and Exchange

Commission.

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Officers and Directors

Following the corporate conversion merger, the officers and directors of NextWave Wireless Inc. will be the same persons as the current officers and managers of NextWave Wireless LLC.

Conversion of NextWave Wireless LLC Membership Units

Each LLC interest issued and outstanding immediately prior to the effective time will be automatically converted into the right to receive a number of shares of our common stock equal to the exchange ratio and cash in lieu of fractional shares.

The Exchange Ratio

The exchange ratio is _______.

Fractional Shares

No fractional shares of our common stock will be issued in connection with the corporate conversion merger. Instead, holders of LLC interests will receive an amount of cash (rounded to the nearest whole cent) in lieu of a fraction of a share of our common stock equal to $1.00 per fractional share to which such holder would otherwise be entitled.

Surrender of NextWave Wireless LLC Certificates

Following the effective time of the corporate conversion merger, the exchange agent, Computershare Trust Company, N.A., will mail to each unitholder of NextWave Wireless LLC a letter of transmittal and instructions regarding the details of the exchange. The holders will use the letter of transmittal to exchange LLC interests for the shares of our common stock and cash in lieu of fractional shares to which the unitholders of NextWave Wireless LLC are entitled to receive in connection with the corporate conversion merger. Your shares of NextWave Wireless Inc. will be issued to you in book-entry form, unless you provide a written request to the Company for certificated shares.

After the effective time of the corporate conversion merger and until so surrendered, outstanding certificates representing LLC interests will be deemed to be evidence of the right to receive our common stock, and the right to receive an amount of cash in lieu of the issuance of any fractional shares to which the record unitholders of NextWave Wireless LLC are entitled to receive in connection with the corporate conversion merger. No interest will be payable on cash distributed to unitholders in lieu of any fractional shares of our common stock.

BUSINESS

We are an early-stage wireless technology company engaged in the development of next-generation mobile broadband and wireless multimedia products, technologies and services. For a description of our formation, our emergence from Chapter 11 and our recent investments and acquisitions please see the section entitled "Our History."

We are developing proprietary chipsets and related network and device products based on the Institute of Electronical and Electronic Engineers 802.16e mobile WiMAX standards. Mobile WiMAX is a wireless broadband system utilizing a cellular architecture to deliver fully mobile and high quality fixed voice and data services. WiMAX, an earlier generation of standards from the Institute of Electronical and Electronic Engineers, refers to a wireless broadband system designed to support fixed terminals. For more information about the fixed and mobile WiMAX standards please see "IEEE 802.16 WiMAX Standard" below.

A key design objective of our products and technologies is to improve the ability of mobile WiMAX to cost effectively handle the large volume of network traffic that we believe Voice Over Internet Protocol ("VoIP") telephony, high speed web-surfing and next-generation wireless multimedia applications such as high resolution streaming video, high fidelity streaming audio and interactive real-time gaming will generate. We intend to market our 802.16e WiMAX compliant products and technologies to network infrastructure and device manufacturers as well as network operators worldwide. To stimulate demand for our products, we plan to partner with service providers to build and operate 802.16e WiMAX compliant networks that operate on our licensed spectrum and utilize network and device equipment which incorporate our products and technologies. In addition, through our PacketVideo subsidiary, we are a global provider of embedded multimedia software for mobile phones. We believe our enhanced network and subscriber solutions, combined with our wireless multimedia software products and our spectrum assets, will offer wireless service providers, cable operators, multimedia content distributors, applications service providers and Internet service providers a platform to provide advanced wireless broadband services to their customers. To stimulate demand for our products, we have accumulated a spectrum footprint across the U.S. covering a population of over 206 million people, or POPs.

Mobile Broadband Market

The Internet has evolved into a global system that over one billion people depend on every day. For many, the Internet has become an essential part of their business and personal lives and is the primary means in which they communicate and access information. We believe that a major driver of Internet usage is the rapidly growing adoption of DSL and cable/satellite broadband services that enable people to access the Internet at very high data speeds. Due to broadband connectivity, dependency on the Internet is increasing rapidly. Millions of people now use the Internet as a primary source for multimedia content such as music and movies, as a virtual store to purchase products and services, as a social networking tool, and to engage in bandwidth intensive activities such as high-speed web surfing, VoIP telephony, and interactive real-time gaming. However, while dependency on the Internet continues to grow, these types of critical Internet services and applications often become inaccessible to most people whenever they leave their home or business. This is because widespread deployment of wireless networks capable of providing mobile or nomadic broadband service, with data rates and connection quality comparable to DSL and cable, has not yet occurred.

We believe that market demand for mobile broadband services will transform the global $500 billion wireless communications industry from one driven primarily by voice to one driven by broadband connectivity. This transformation is already starting to occur and according to Yankee Group, an independent market research firm, by 2009, 63% of all wireless phones globally will be used for some sort of mobile data with data revenue accounting for 22% of total wireless revenue.

We believe that mobile broadband will do for the Internet what cellular technology did for wireline telephony -- extend high-speed connectivity outside the home or office and enable people to remain connected to the information and content they need, wherever they go. We call this the “Living in Motion” lifestyle. We are developing our products and technologies to help make “Living in Motion” a reality and to provide people the ability to use a next-generation mobile device to:

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- Find, purchase, download and listen to their favorite music or audio titles;
- View high resolution broadcasts of their favorite TV shows;
- Participate in interactive, real-time gaming;
- Easily access the full richness of the World Wide Web, including Mobile Web 2.0 services;
- Remotely access their personal Digital Video Recorders and watch recorded television;
- Remotely view real-time images from home or office security cameras;
- Conduct two-way video conferences;
- Capture and transmit high resolution digital photos or video to friends, family members, and business associates;
- Download and view movies and other types of video content;
- Engage in a wide-range of multimedia shopping services customized via location based services;
- Conduct a broad range of financial transactions; and
- Make “landline quality”, VoIP telephone calls.

While the mobile broadband transformation of the wireless communications market is still in an early stage of development, we believe it is already having a profound effect on service providers, network infrastructure manufacturers, device manufacturers and content distributors who will need to adapt their businesses to an industry model based on delivering mobile broadband services. Such adaptations will require network operators to make major investments in new wireless broadband network infrastructure equipment and technologies, will require the introduction of new classes of mobile broadband handsets, the development of next-generation device embedded multimedia software, and new techniques to maximize the use of available spectrum. We intend to focus our business activities to capitalize on these market trends.

We believe that several factors are already beginning to drive global market demand for fourth generation (4G) mobile broadband services like mobile WiMAX:

- Increased demand by cellular phone users around the world for the ability to easily access the Internet and multimedia content on a fully mobile basis;
- A growing awareness of the limitations of 802.11 Wi-Fi and existing third generation (3G) wireless networks;
- Broader availability of high-quality, multimedia content optimized for mobile/portable devices;
- Mandates by public safety agencies for reliable mobile broadband services;
- The deployment of wireless technologies such as WiMAX to serve as a cost-effective way to deliver broadband to millions of homes in the U.S. and abroad with no or limited (e.g., dial-up) Internet connectivity; and
- Market demand for fully integrated wireless local area network (LAN) and wide area network (WAN) solutions that utilize both 802.11 Wi-Fi and 802.16e WiMAX technologies.

To complement WiMAX’s ability to provide fully mobile broadband service, we believe that WiMAX can also serve as a cost-effective “last mile” technology suitable to provide stationary broadband service to millions of homes in the U.S. and abroad that have no or limited (e.g., dial-up) Internet connectivity. According to Gartner, an independent market research firm, in the United States alone, there were close to 31 million households that still used a dial-up connection to reach the Internet and nearly 45 million households that had no Internet connection at all in 2005 (“Forecast: Consumer Telecommunications and Internet Access, United States, 2004-2010,” June 2006). We believe that WiMAX may provide a cost-effective option for such households.

The introduction of affordable, high-speed Internet service via DSL and cable broadband provided software developers with a unique opportunity to develop entire new categories of software applications. Many of these applications focused on the capture, manipulation, and transmission of multimedia content such as music, images, and video. Several, such as iTunes, Windows Media Player, Google Video, and peer-to-peer applications such as Napster and BitTorrent have achieved extremely high levels of popularity and, in some cases, spawned businesses with market valuations that exceed those of the companies that actually provide broadband connections to end-users. We expect a similar software opportunity to arise with the wide-scale introduction of affordable mobile broadband services and believe that PacketVideo is well positioned to help develop the next generation of innovative mobile software.

IEEE 802.16 WiMAX Standard

WiMAX is an acronym that stands for Worldwide Interoperability for Microwave Access and is a certification mark established by the WiMAX Forum for products that are compliant with the Institute of Electronical and Electronic Engineers ("IEEE") 802.16 set of standards. WiMAX, which has now become synonymous with the set of IEEE 802.16 standards, specifies an air interface for wireless Metropolitan Area Networks (MANs). Published in April of 2002, the original 802.16 standard specified equipment operating in the 10-66 GHz frequency band which required tall transmission towers and line-of-sight connectivity making the standard most suitable to provide high-bandwidth wireless backhaul services. Subsequently, the IEEE published a series of amendments to the standard to support lower radio frequencies in the 2-11 GHz range, to allow non line-of-sight connectivity, and to address interoperability issues. In 2004, the IEEE consolidated these amendments into a new standard called IEEE 802.16-2004 which is often referred to as IEEE 802.16d.

In December of 2005, the IEEE published the 802.16e standard, often referred to as mobile WiMAX, which specified a system to support mobile broadband services via portable devices such as laptops, personal digital assistants (PDA), mobile phones, and other converged devices. The 802.16e standard includes several enhancements to improve mobile system performance including support for inter-cell handoff, sleep modes to support low-power mobile devices and support for broadcast/multicast services. In parallel, in a coordinated effort with the IEEE and the WiMAX Forum, the Telecommunications Technology Association (TTA) in Korea developed WiBro, an 802.16-based standard, which includes support for mobility based on the 802.16e amendment. Efforts supported by TTA and IEEE 802.16 to harmonize the WiBro standard with the IEEE 802.16e standard were successful.

Mobile WiMAX is one of several wireless air interface technologies that are currently being deployed or developed to enable the delivery of mobile broadband services to the market. These alternative technologies include CDMA2000, UMTS (Universal Mobile Telecommunications System) and 802.20 (Mobile-Fi). Some of these technologies, such as CDMA 2000 and UMTS, have already been deployed by major wireless carriers and have achieved significant levels of market penetration. We believe that mobile WiMAX will also become a major, global wireless broadband standard and will achieve a significant level of global adoption for the following reasons:

- Mobile WiMAX enjoys broad support from wireless industry leaders. Members of the WiMAX Forum, an industry organization dedicated to promoting and certifying WiMAX products, include Alcatel, AT&T, Bell Canada, British Telecom, Broadcom, Cisco, Deutsche Telekom, Ericsson, Intel, Korea Telecom, LG Electronics, Lucent, Motorola, NEC, Nokia, Nortel, Samsung, Siemens, Sprint Nextel and Texas Instruments.

- Companies such as Intel, who are interested in seeing mobile WiMAX integrated into laptops and other mobile computing platforms, are actively working to drive the market adoption of WiMAX and the deployment of WiMAX networks.

- International support by network operators for WiMAX is growing. At present, numerous WiMAX networks based on the 802.16-2004 standard are currently being deployed by numerous operators in Europe, Asia, South America, and the Middle East.

- Deployments of 802.16e compliant mobile broadband networks by companies such as Korea Telecom who expect to launch commercial service in 2006 using the WiBro derivative of mobile WiMAX.

- Mobile WiMAX economics, including network construction and operating costs, are expected to be competitive with those of alternative mobile broadband technologies.

- Mobile WiMAX incorporates quality of service capabilities that are required to efficiently handle quality of service dependent applications such as VoIP telephony, video conferencing and real-time, interactive gaming.

- Mobile WiMAX network performance, including the ability to handle the high volumes of traffic associated with VoIP, high speed web-surfing and next-generation wireless multimedia applications, is expected to be competitive with alternative mobile broadband technologies.

Competitive Strengths

Accomplished team of wireless technology development professionals. Our technology development efforts are led by a team of highly skilled senior engineers with an average of 19 years experience in the development of wireless communications technologies and solutions. Team members have led major development initiatives at leading technology companies, such as Intel, Motorola, Nokia, QUALCOMM and Texas Instruments. Together they have been instrumental in developing some of today's dominant wireless technologies. Our founder and Chief Executive Officer, Allen Salmasi, was a member of the original QUALCOMM executive team and played a key role in the development and successful commercialization of the CDMA wireless technology standard used worldwide today. Many members of our development team worked with Mr. Salmasi at QUALCOMM on this technology initiative and have re-joined him at NextWave to pursue the development of mobile WiMAX technologies and products.

Significant capital resources. As of July 1, 2006, we had $340.4 million of cash, cash equivalents and short-term investments. While we anticipate that the costs of our research and development activities will increase as we approach the commercial deployment of our wireless broadband products and technologies, we believe our working capital position provides us with significant flexibility to continue funding our research and development activities and our operating losses. In addition, we have recently completed a private placement of senior secured notes that has provided us with net cash proceeds of $295.1 million available for the sole purpose of financing spectrum acquisitions and leases. After giving effect to our recent acquisition of WCS Wireless, Inc. for $160.5 million and the acquisition of two new EBS leases for $22.1 million, the remaining net proceeds of the senior secured notes are approximately $110.0 million. Concurrently with the notes placement, we paid a $142.8 million deposit to the Federal Communication Commission to qualify for the Advanced Wireless Spectrum auction, of which $110.0 million was funded with the remaining proceeds of the notes placement. On September 20, 2006 we were declared the winning bidder for 154 spectrum licenses for an aggregate bid of $115.5 million. Accordingly, approximately $27.3 million of our initial deposit was not used and was returned to us. To the extent that other attractive opportunities to acquire complimentary businesses or additional spectrum arise, we may need to raise additional funds to capitalize on such opportunities.

Atractive wireless spectrum portfolio, well-suited to support mobile WiMAX. To date, we have acquired licensed spectrum and entered into long-term leases that provide us with exclusive leasehold access to licensed spectrum throughout the U.S. We have compiled a spectrum portfolio covering approximately 206 million persons, or POPs, across the country, with 10MHz or more of spectrum in markets covering 182 million persons. We believe that our spectrum footprint, which will include nine of the top ten and 15 of the top 20 markets in the U.S., makes us attractive to potential network partners. Our spectrum resides in the 2.3GHz and 2.5GHz bands and offers propagation and other characteristics suitable for use with mobile WiMAX.

Unique combination of silicon, software, systems engineering and spectrum. Unlike most other wireless technology development companies, we have assembled a unique combination of assets, including a world class semiconductor design and wireless technology development team, one of the world's leading providers of device embedded multimedia software, an experienced network design and operations team, and an attractive portfolio of licensed spectrum. We believe that the combination of these assets will enable us to efficiently develop and market mobile broadband products and positions us well to deliver fully integrated, mobile WiMAX network solutions to potential network partners.

Integrated business model. We believe that our technology development business, our network solutions business and our multimedia software business each represent standalone business opportunities. We expect these initiatives to be mutually supportive and highly complementary to each other and believe that our multi-initiative business model will provide us with the ability to adapt our business and allocate resources to address rapidly evolving industry trends.

Well established industry position. Our PacketVideo subsidiary has established strong commercial relationships with the wireless industry's leading device manufacturers, infrastructure manufacturers and network operators. Its customers include leading handset manufacturers such as LGE, Motorola, Nokia and Samsung as well as some of the world's largest network operators including NTT DoCoMo, Orange, T-Mobile and Verizon Wireless. While some of these customers are also some of PacketVideo's competitors, we believe that these relationships will be highly valuable as we pursue strategic partnerships and begin to market our products, technologies and network solutions.

Extensive experience in building and operating wireless networks. Our senior team has extensive experience in building and operating wireless networks for companies such as Airtouch, AT&T Wireless, McCaw Cellular, Nextel and SprintPCS. Members of our Network Solutions Group have spent the last several years conducting extensive field trials of numerous wireless broadband technologies, including 1xEV-DO, TD-CDMA, and Flash-OFDM. In addition, our team has led the development of a next-generation IP core network and back office system ("BOSS") designed specifically to enable the delivery of highly-differentiated mobile broadband network services.

Business Strategy

Our strategy is focused on the rapid development of our mobile broadband technologies and solutions, and includes:

Develop the key elements of an end-to-end mobile WiMAX system. In order to achieve our network performance improvement objectives, we intend to develop the key elements of an end-to-end mobile WiMAX network solution that includes proprietary chipsets and related network and device products compliant with the 802.16e WiMAX standard. We anticipate that by incorporating our proprietary technologies on both sides of the radio connection, we will be better positioned to commercialize our network performance technologies. To date, we have made significant progress in our development efforts and we anticipate that we will begin field testing elements of our product line in 2007. These field testing activities will be part of a comprehensive technical field trial of 802.16e WiMAX technology in Henderson, Nevada, that will combine our advanced IP core and back-office systems with a 28 site mobile WiMAX network. We expect to implement this trial with vendor partners who are interested in working with us to develop our end-to-end WiMAX system, and believe that the trial will be a critical step towards successful commercialization of our end-to-end WiMAX system solution and the development of our wireless broadband products and technologies.

Market our products and technologies to third parties. We intend to market our products and technologies worldwide to network equipment and device manufacturers and to wireless broadband service providers. We expect that our marketing efforts will benefit from growing worldwide demand for fully-mobile access to the Internet and the delivery of rich-media content to mobile devices. Similar to other proprietary wireless technologies, we believe that the sale or licensing of our chipsets, network components and device technologies will generate a long-term, recurring revenue stream for our company.

Form strategic relationships with network partners interested in offering wireless broadband services. We intend to implement a shared network model under which NextWave will seek network partners to fund the cost of building and operating a mobile WiMAX network utilizing our licensed spectrum and our products and technologies. Potential network partners include wireless service providers, cable operators, multimedia content distributors, applications service providers and Internet service providers that wish to provide advanced wireless broadband services to their customers. We believe that our shared network model will be attractive to potential network partners as it will allow them to operate as facility-based service providers at a lower cost than building and operating a network on their own.

Grow and extend PacketVideo's multimedia software business. We believe that the number of multimedia enabled smartphones as a percentage of global handsets shipped annually will rise significantly over the next several years. We will seek to maintain PacketVideo's strong position in this growing market through the growth and extension of its existing multimedia software business. At present, the primary competitors for PacketVideo's multimedia software products are the internal multimedia design teams at the OEM handset manufacturers to whom PacketVideo markets its products and services. Furthermore, we believe that the deployment of mobile broadband networks will spawn the development of entire new categories of software applications that can take full advantage of the distinctive mobility features inherent in mobile broadband systems. While we expect the competition from the OEM internal multimedia design teams and other independent multimedia software providers to increase in the next few years, we expect PacketVideo will be able to leverage its industry position and help develop these types of next-generation mobile broadband software applications.

Identify and pursue acquisitions and investments to accelerate and improve the development of our end-to-end wireless broadband solutions. We believe there are a number of companies participating in the WiMAX technology, wireless broadband and wireless multimedia sectors that could be attractive acquisition or investment candidates. We continue to monitor these opportunities and may pursue those which we believe will enhance our capabilities and product offerings.

Acquire additional wireless spectrum to complement our existing portfolio. We believe that expanding our spectrum footprint will make us more attractive to potential network partners. As such, we are actively evaluating spectrum acquisition and leasing opportunities and will pursue those which allow us to obtain complementary spectrum at prices that we believe to be attractive. We also believe that there may exist opportunities to obtain spectrum internationally which we will continue to monitor.

Our Technologies and Products

WiMAX Products and Technologies

Based in San Diego, California, our Advanced Technology Group, a part of our NextWave Broadband subsidiary, is developing 802.16e WiMAX compliant chipsets, network components and device technologies designed to enhance the capabilities and economics of fixed and mobile WiMAX networks. NextWave Broadband was formed as a Delaware corporation in 2004 and did not have any significant operating history prior to our emergence as a new wireless technology company in April 2005. Our Advanced Technology Group includes the historical operations of CYGNUS Communications Inc., a company we acquired in February 2006. CYGNUS was formed as a Delaware corporation in 2004 and operated as a research and development company. We owned approximately 50% of the outstanding equity of CYGNUS from its formation until the 2006 acquisition.

Our Advanced Technology Group's 802.16e compliant products are expected to reduce network capital and spectrum costs by enabling fixed and mobile WiMAX to more efficiently handle bandwidth-intensive and quality of service dependent applications such as VoIP telephony, streaming audio and video, video conferencing and real-time gaming. Our Advanced Technology Group's products and technologies are intended to enhance the scalability and performance of WiMAX networks by enabling managed quality of service on multiple frequency bands. We believe that enabling WiMAX to operate over multiple frequency bands will significantly improve the economics of WiMAX network deployments for the following reasons:

- WiMAX network operators will have the ability to assemble a licensed spectrum footprint using multiple frequency bands as opposed to having to acquire scarce spectrum in a single frequency band;

- carriers will have the ability to address network coverage and capacity issues via the acquisition of low-cost spectrum as opposed to costly cell splitting; and

- the ability of frequency-agile WiMAX devices to roam between multiple WiMAX networks will be facilitated.

We believe that to fully optimize mobile WiMAX for the efficient delivery of bandwidth intensive multimedia applications requires a total system development strategy that includes all of the key elements of the 802.16e WiMAX air interface. By adopting this approach, we expect to offer network infrastructure and device manufacturers a comprehensive suite of products including low-power 802.16e compliant digital baseband ASICs and RFICs, software defined radio platforms, base station channel card reference designs and innovative terminal device reference designs.

Our Advanced Technology Group, which now includes the employees of our recently merged CYGNUS subsidiary, is comprised of over 173 employees and is led by a highly accomplished team of senior engineers with an average of 19 years experience in the development of advanced wireless communications technologies and products, such as digital baseband ASICs, radio frequency technologies including multi-band RFICs, advanced antenna systems, SDR, mobile terminal designs and device enabled application software. Our Advanced Technology Group team members have led major technology development initiatives at companies such as Intel, Motorola, Nokia, QUALCOMM and Texas Instruments and have been instrumental in developing some of today’s dominant wireless technologies. Our founder and Chief Executive Officer, Allen Salmasi, was a member of the original QUALCOMM executive team and played a key role in the development and successful commercialization of the CDMA wireless technology standard used worldwide today. Many members of our development team worked with Mr. Salmasi at QUALCOMM on the CDMA technology development and have re-joined him at NextWave to pursue the development of next-generation wireless broadband technologies based on WiMAX.

Our wireless broadband products and technologies are in the early stages of development and will require a substantial investment before they may become commercially viable. We are currently unable to project when our wireless broadband products and technologies will be commercially deployed and generate revenue. Our wireless broadband products currently under development include:

WiMAX Semiconductor Products

Digital Baseband Application Specific Integrated Circuits (ASICs): An ASIC is an integrated circuit or chip customized for a specific purpose. Our family of 802.16e compliant digital baseband ASICs represent the core of our system architecture and product line. All of our 802.16e compliant, low-power mobile subscriber station (MSS) ASICs are being designed to perform physical layer (PHY) and media access control (MAC) functions and will include optimized scheduling and the ability to support multiple frequency bands.

Radio Frequency Integrated Circuits (RFICs): An RFIC is part of the front-end of a radio system that receives a radio frequency signal, converts it to a lower frequency and modifies it for further processing. Designed to utilize multiple spectral bands to achieve high throughput performance, our RFICs are part of an advanced radio frequency subsystem that is matched to our family of baseband ASICs and is expected to enable a mobile device to operate over a wide range of operational frequencies without sacrificing overall performance.

WiMAX Network Products

Software Defined Radio (SDR): A SDR system is a radio communication system which uses software to modulate and demodulate radio signals. In a wireless radio network, the design goal of an SDR is to provide for a capability to improve the performance of the baseband portion of the radio sub-system, incorporated into a Base Transceiver Station (BTS) by simply upgrading the SDR's software. This eliminates the need for costly and time-consuming hardware upgrades. Designed to complement our planned line of ASICs, our SDR platform will include 802.16e compliant MAC and PHY layer software suitable for both macro and microcell base station deployments and is intended to provide improved operational flexibility and cost-effectiveness by leveraging a design platform that combines programmability as well as ASIC-level performance.

Channel Card: Our channel card reference designs will specify a complete WiMAX base station transceiver unit that can be easily installed in third party base station platforms. We intend to incorporate leading-edge architecture and algorithms throughout our channel card design to enable the most cost-effective and high-performance mobile WiMAX network deployment.

Microcell Base Transceiver Station (BTS): A BTS, also known as a wireless base station, includes equipment needed to transmit and receive radio signals (transceiver), antennas, and the electronics required to communicate with other network elements. Unlike a conventional BTS which can provide radio coverage over a radius of several miles, a microcell BTS is much smaller in size and is designed to serve very small geographic areas such as a street corner or a building complex. Our microcell BTS is an important component of our multi-tiered system architecture. Designed to complement macro-base station deployments, our microcell BTS is intended to provide low-cost capacity and coverage relief where required. We are designing our microcell BTS to operate as a fully functional single-sector base station that can be installed on utility poles, side-mounted on buildings, or installed in other unconventional locations.

WiMAX Subscriber Products

Mobile Terminal Reference Designs and Software Development Kits (SDK): Our reference designs and SDKs are intended to accelerate volume sales of our semiconductor products by enabling mobile device manufacturers to reduce the time required to develop and launch compliant products including handsets and portable computing platforms.

Other Systems Initiatives

Home Gateway Reference Designs: Our 802.16e compliant home gateway reference designs are intended to provide gateway manufacturers with a specification for an integrated WAN/LAN platform that can simplify the management of and enable multi-platform access to personal multimedia content such as music and audio files.

Advanced Antenna Systems: To improve spectral efficiency and network performance, we are developing an advanced antenna system incorporating technologies such as beamforming and MIMO. These technologies are being designed to work on both the infrastructure and mobile device side of our network solution.

***WiMAX* Network Solutions**

Based in Henderson, Nevada, our Network Solutions Group, a part of our NextWave Broadband subsidiary, intends to build and operate WiMAX compliant networks in partnership with wireless service providers, cable operators, multimedia content distributors, applications service providers and Internet service providers that wish to provide advanced wireless broadband products and services to their customers. We expect these networks to be deployed over our licensed spectrum, to take advantage of our advanced back-office systems, to utilize third party network infrastructure equipment that incorporate our products and technologies, and to be compatible with mobile devices that utilize the family of chipsets that we are currently developing.

Our Network Solutions Group's 37 employees have extensive backgrounds in building and operating wireless networks and in designing and implementing back-office systems. Since 2003, our Network Solutions Group's engineers have been operating a test-bed facility in Henderson, Nevada, to evaluate the capabilities of various wireless technologies including lxEV-DO, TD-CDMA and Flash-OFDM. These technical evaluations included in-depth assessments of key performance criteria including link budgets, spectral efficiencies, service quality, data rates, connection reliability, mobile capabilities, data link security and cost-per-bit economics.

In parallel to its technology assessment initiatives, our Network Solutions Group has also developed and implemented an advanced IP core network designed to support end-to-end IP connectivity, reduce IP core network costs, quickly enable new services and facilitate easy interconnection between a Network Solutions Group operated network and the existing network infrastructure of our network partners. During the same period, our Network Solutions Group also completed the design and has begun implementation of an advanced back-office system architecture consisting of billing, operational support systems (e.g., Mediation, LDAP and RADIUS) and customer care systems and has implemented a network operations center that will enable our Network Solutions Group to efficiently monitor the performance of its managed networks.

We intend to implement a shared network model under which NextWave will seek network partners to fund the cost of building and operating a mobile WiMAX network utilizing our licensed spectrum and our products and technologies. We believe that this model will be attractive to potential network partners as it will allow them to operate as facility-based service providers at a lower cost than building and operating a network on their own.

To support our shared network business, our Network Solutions Group will be responsible for providing the following services:

- RF design;
- Network construction;
- Network optimization;
- Network operations center implementation;
- IP core network including security integration;
- Core network integration;
- Billing and operational support systems;
- Customer support systems; and
- Network operations and maintenance, including Network Management Systems (NMS).

Las Vegas Trial Network

To demonstrate the features and capabilities of our end-to-end network solutions, our Network Solutions Group is currently building an 802.16e WiMAX compliant trial network in Henderson, Nevada, that will utilize our licensed frequencies and is expected to become operational in 2006. We intend to use this trial network to conduct a comprehensive technical field trial of 802.16e WiMAX technology that will combine our advanced IP core and back-office systems with a 28 site radio access network. We expect to implement this trial with vendor partners who are interested in working with us to develop our end-to-end WiMAX system and believe that the trial will be a critical step towards successful commercialization of our end-to-end WiMAX system solution and the development of our products and technologies. In addition, to accelerate industry development of WiMAX technologies, we intend to make our trial network facilities available to others in the WiMAX industry for the purpose of conducting product evaluations and compatibility testing.

We believe that Las Vegas represents an ideal market for a mobile WiMAX network for the following reasons:

- Las Vegas is one of the fastest growing metropolitan areas in the country, with demographics that are conducive to the marketing of wireless broadband services;
- Existing tower inventory and flexible zoning procedures will reduce the time required to deploy a network;
- As the current operational headquarters for our Network Service Group, most of our network engineering and resources needed to design, build, and operate a mobile WiMAX network are already located in the market; and
- Las Vegas represents a highly attractive market for the prospective network and service provider partners.

PacketVideo Multimedia Software Products

Based in San Diego, our PacketVideo subsidiary has 156 employees and is a global provider of embedded multimedia software products for mobile devices. PacketVideo was formed as a Delaware corporation in August 1998 and was privately held prior to its acquisition by NextWave in July 2005.

We expect that global deployments of mobile broadband networks will create a unique opportunity for software developers such as PacketVideo to create innovative multimedia software applications optimized for the mobile environment, and believe that PacketVideo is ideally positioned to help develop these types of next-generation, mobile broadband software applications.

PacketVideo’s software, which it licenses to the world’s leading mobile device manufacturers and wireless carriers, transforms a mobile phone or other mobile device into a feature-rich multimedia device that allows people to stream, download, and play video and music, receive live TV, or engage in two way video telephony. PacketVideo’s innovations and engineering leadership have led to breakthroughs in content encoding, content delivery s