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NovAtel Reports First Quarter Results

(Calgary, Alberta, Canada, April 28, 1999) – NovAtel Inc. (NASDAQ: NGPS) today announced results for the first quarter ended March 31, 1999.

Revenues in the first quarter 1999 were CDN \$5.3 million (US \$3.5 million) compared to CDN \$4.4 million (US\$2.9 million) in the fourth quarter 1998 and CDN \$4.8 million (US \$3.2 million) in the same period a year ago. The loss from continuing operations for the first quarter 1999 was CDN \$770,000 (US \$517,000) or CDN \$0.10 (US \$0.07) per share, a significant improvement from a loss of CDN \$2.2 million (US \$1.4 million) or CDN \$0.28 (US \$0.19) per share in the fourth quarter 1998 and a loss of \$1.2 million (US \$788,000) or CDN \$ 0.15 (US \$0.10) per share in the first quarter 1998.

“We are encouraged to see that our revenues have improved in this first quarter as compared to both the previous quarter and year over year, primarily the result of strong survey related sales,” says Doug Reid, President and Chief Executive Officer. “We are also pleased to note that the strong revenue growth was achieved without the benefit of WAAS receiver sales in the quarter.”

“Our primary objective is a return to profitability,” Reid continues. “Sustained revenue growth together with the cost cutting initiatives completed in the fourth quarter, which have reduced our operating expenses by 22 percent, position us well to achieve this goal.”

NovAtel Inc. designs, markets and supports a broad range of products that determine precise geographic locations using the Global Positioning System (“GPS”). NovAtel’s GPS products are used principally for applications in high-end markets such as surveying, geographic information systems, aviation, marine, mining, machine control and agriculture. For further information please visit our website at <http://www.novatel.ca>.

Certain statements in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or developments in the Company's industry, to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, certification and market acceptance of the Company's new products, impact and timing of large orders, pricing pressures in the market and other competitive factors and maintaining technological leadership, together with the other risks and uncertainties described in public filings.

NOVATEL INC.

CONSOLIDATED BALANCE SHEETS
(in Canadian \$ thousands)

	March 31, 1999	December 31, 1998
ASSETS		
Current assets:		
Cash and short term investments	\$ 11,274	\$ 4,486
Accounts receivable	4,077	5,357
Inventories	3,238	3,595
Prepaid expenses and deposits	<u>436</u>	<u>315</u>
Total current assets	19,025	13,753
Capital assets	5,563	11,755
Intangible assets	3,346	3,424
Deferred development costs	<u>802</u>	<u>528</u>
Total assets	<u>\$28,736</u>	<u>\$29,460</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,179	\$ 5,121
Related party payables	11	49
Provision for future warranty costs	140	110
Deferred gain on sale/leaseback of fixed assets – current portion	153	42
Capital lease obligation – current portion	<u>355</u>	<u>350</u>
Total current liabilities	4,838	5,672
Deferred gain on sale/leaseback of fixed assets – long-term portion	1,050	80
Capital lease obligation – long-term portion	<u>832</u>	<u>922</u>
Total liabilities	<u>6,720</u>	<u>6,674</u>
Shareholders' equity:		
Capital stock	35,602	35,602
Deficit	<u>(13,586)</u>	<u>(12,816)</u>
Total shareholders' equity	<u>22,016</u>	<u>22,786</u>
Total liabilities and shareholders' equity	<u>\$28,736</u>	<u>\$29,460</u>

NOVATEL INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in Canadian \$ thousands, except per share data)

	Three months ended	
	March 31,	April 4,
	1999	1998
Revenues.....	\$ 5,270	\$ 4,765
Cost of sales.....	<u>2,579</u>	<u>2,291</u>
Gross profit.....	<u>2,691</u>	<u>2,474</u>
Operating expenses:		
Research and development.....	1,885	1,889
Selling and marketing.....	973	961
General and administration.....	<u>616</u>	<u>850</u>
Total operating expenses.....	<u>3,474</u>	<u>3,700</u>
Operating loss.....	(783)	(1,226)
Interest income.....	94	59
Other income (expense).....	<u>(60)</u>	<u>12</u>
Loss from continuing operations before income taxes.....	(749)	(1,155)
Provision for income taxes.....	<u>21</u>	<u>19</u>
Net loss from continuing operations.....	(770)	(1,174)
Net income from discontinued operations.....	<u>—</u>	<u>1,220</u>
Net income (loss).....	<u>\$ (770)</u>	<u>\$ 46</u>
Net income (loss) per share (basic):		
Continuing operations.....	\$ (0.10)	\$ (0.15)
Discontinued operations.....	<u>—</u>	<u>0.16</u>
Net income (loss) per share.....	<u>\$ (0.10)</u>	<u>\$ 0.01</u>
Weighted average shares outstanding (basic).....	<u>7,674</u>	<u>7,672</u>
Net income (loss) per share (fully-diluted):		
Continuing operations.....	\$ (0.10)	\$ (0.15)
Discontinued operations.....	<u>—</u>	<u>0.16</u>
Net income (loss) per share.....	<u>\$ (0.10)</u>	<u>\$ 0.01</u>
Weighted average shares outstanding (fully-diluted) ...	<u>8,481</u>	<u>8,614</u>