

---

For Release 07/19/99  
4:00 p.m. E.T.

CONTACTS: Doug Reid  
(403) 295 - 4587  
Werner Gartner  
(403) 295 - 4550

### **NovAtel Reports Second Quarter Results**

(Calgary, Alberta, Canada, July 19, 1999) – NovAtel Inc. (NASDAQ: NGPS), a global positioning manufacturer, today announced results for the second quarter ended June 26, 1999.

Revenues in the second quarter were CDN \$3.3 million (US \$2.2 million) compared to CDN \$5.7 million (US \$3.9 million) in the same period a year ago. Loss from continuing operations was CDN \$1.7 million (US \$1.1 million) or CDN \$0.22 (US \$0.15) per share versus a loss of CDN \$610,000 (US \$411,000) or CDN \$0.08 (US \$0.05) per share in Q2 of 1998.

“We are very disappointed with the Q2 results. We experienced lower than expected sales of our OEM and survey products while our aviation business was affected by the delay in the European Geo-stationary Overlay System (EGNOS) program,” says Doug Reid, President and Chief Executive Officer. “Over the next few months, we will be taking action to further reduce our costs and improve our sales and marketing efforts.”

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 news 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, establishing and maintaining effective distribution channels, 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)

<b>ASSETS</b>	<u>June 26, 1999</u>	<u>December 31, 1998</u>
Current assets:		
Cash and short term investments .....	\$ 9,746	\$ 4,486
Accounts receivable .....	3,216	5,357
Inventories .....	3,434	3,595
Prepaid expenses and deposits .....	<u>480</u>	<u>315</u>
Total current assets .....	16,876	13,753
Capital assets .....	5,672	11,755
Intangible assets .....	3,259	3,424
Deferred development costs .....	<u>1,155</u>	<u>528</u>
Total assets .....	<u>\$26,962</u>	<u>\$29,460</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities .....	\$ 4,173	\$ 5,121
Related party payables .....	—	49
Provision for future warranty costs .....	146	110
Deferred gain on sale/leaseback of fixed assets – current portion .....	153	42
Capital lease obligation – current portion .....	<u>361</u>	<u>350</u>
Total current liabilities .....	4,833	5,672
Deferred gain on sale/leaseback of fixed assets – long-term portion .....	1,012	80
Capital lease obligation – long-term portion .....	<u>739</u>	<u>922</u>
Total liabilities .....	<u>6,584</u>	<u>6,674</u>
Non-controlling interest .....	36	—
Shareholders' equity:		
Capital stock .....	35,602	35,602
Deficit .....	<u>(15,260)</u>	<u>(12,816)</u>
Total shareholders' equity .....	<u>20,342</u>	<u>22,786</u>
Total liabilities and shareholders' equity .....	<u>\$26,962</u>	<u>\$29,460</u>

**NOVATEL INC.**

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

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 26,</u> <u>1999</u>	<u>July 4,</u> <u>1998</u>	<u>June 26,</u> <u>1999</u>	<u>July 4,</u> <u>1998</u>
Revenues.....	\$ 3,307	\$ 5,744	\$ 8,577	\$10,509
Cost of sales.....	<u>1,763</u>	<u>2,367</u>	<u>4,342</u>	<u>4,658</u>
Gross profit.....	<u>1,544</u>	<u>3,377</u>	<u>4,235</u>	<u>5,851</u>
Operating expenses:				
Research and development.....	1,680	2,098	3,565	3,987
Selling and marketing.....	965	1,027	1,938	1,988
General and administration.....	<u>630</u>	<u>935</u>	<u>1,246</u>	<u>1,785</u>
Total operating expenses.....	<u>3,275</u>	<u>4,060</u>	<u>6,749</u>	<u>7,760</u>
Operating loss .....	(1,731)	(683)	(2,514)	(1,909)
Interest income.....	105	66	199	125
Other income (expense).....	<u>(27)</u>	<u>27</u>	<u>(87)</u>	<u>39</u>
Loss from continuing operations before income taxes.....	(1,653)	(590)	(2,402)	(1,745)
Provision for income taxes .....	<u>21</u>	<u>20</u>	<u>42</u>	<u>39</u>
Net loss from continuing operations .....	(1,674)	(610)	(2,444)	(1,784)
Net income from discontinued operations .....	<u>—</u>	<u>7</u>	<u>—</u>	<u>1,227</u>
Net income (loss) .....	<u>\$ (1,674)</u>	<u>\$ (603)</u>	<u>\$ (2,444)</u>	<u>\$ (557)</u>
Net income (loss) per share (basic):				
Continuing operations.....	\$ (0.22)	\$ (0.08)	\$ (0.32)	\$ (0.23)
Discontinued operations .....	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.16</u>
Net income (loss) per share .....	<u>\$ (0.22)</u>	<u>\$ (0.08)</u>	<u>\$ (0.32)</u>	<u>\$ (0.07)</u>
Weighted average shares outstanding (basic).....	<u>7,674</u>	<u>7,674</u>	<u>7,674</u>	<u>7,673</u>
Net income (loss) per share (fully diluted):				
Continuing operations.....	\$ (0.22)	\$ (0.08)	\$ (0.32)	\$ (0.23)
Discontinued operations .....	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.16</u>
Net income (loss) per share .....	<u>\$ (0.22)</u>	<u>\$ (0.08)</u>	<u>\$ (0.32)</u>	<u>\$ (0.07)</u>
Weighted average shares outstanding (fully diluted).....	<u>8,679</u>	<u>8,633</u>	<u>8,578</u>	<u>8,623</u>

