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CONTACTS: Pascal E. Spothelfer  
(403) 295-4597  
Werner Gartner  
(403) 295-4550

### **NovAtel Reports First Quarter Results**

(Calgary, Alberta, Canada, April 29, 1998)--NovAtel Inc. (NASDAQ: NGPSF) today announced results for the first quarter ended April 4, 1998.

Revenues in the first quarter were CDN \$4.8 million (US \$3.3 million), compared to CDN \$5.4 million (US \$3.8 million) in the same period a year ago. Loss from continuing operations was CDN \$1,174,000 (US \$816,000 ) or CDN \$0.15 per share (US \$0.11), versus income from continuing operations of CDN \$700,000 a year ago. Income, including discontinued operations, was CDN \$46,000 (US \$32,000) or CDN \$ 0.01 per share.

“As discussed in a previous press release (April 6, 1998), the disappointing first quarter results can be linked to several factors which affected our survey business,” said Pascal E. Spothelfer, President and Chief Executive Officer. “Our revenues have been hurt by fewer deliveries into the survey segment, where distribution issues in Canada, the Asian slowdown and project delays experienced by OEM customers have caused a significant shortfall. With continued strong investment in R&D and development of both our OEM and end-user channels, we continue to be optimistic that demand for the company's products will once again begin to accelerate.”

“We are encouraged by sales in other parts of our business. OEM and aviation sales were within our expectations,” Spothelfer added. “We expect sales in Europe to strengthen once the new office in the United Kingdom, which we will open in July, is up and running.”

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 and machine control and agriculture.

*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)

<b>ASSETS</b>	<u><b>April 4. 1998</b></u>	<u><b>December 31. 1997</b></u>
Current assets:		
Cash and short term investments.....	\$ 8,898	\$10,732
Accounts receivable .....	5,597	4,892
Inventories.....	2,465	2,066
Prepaid expenses and deposits.....	<u>401</u>	<u>131</u>
Total current assets.....	17,361	17,821
Capital assets .....	11,293	10,610
Intangible assets.....	3,751	3,948
Deferred development costs	<u>30</u>	<u>---</u>
Total assets .....	<u><u>\$32,435</u></u>	<u><u>\$32,379</u></u>

**LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)**

Current liabilities:		
Accounts payable and accrued liabilities .....	\$ 5,485	\$ 7,246
Customer deposits.....	6	---
Related party payables.....	3	---
Provision for future warranty costs.....	106	60
Deferred gain on sale/leaseback of capital assets		
– current portion	40	---
Capital lease obligation – current portion.....	<u>330</u>	<u>---</u>
Total current liabilities.....	5,970	7,306
Deferred gain on sale/leaseback of capital assets		
– long-term portion.....	114	---
Capital lease obligation – long-term portion	<u>1,189</u>	<u>---</u>
Total liabilities.....	<u><u>7,273</u></u>	<u><u>7,306</u></u>
Shareholders' equity (deficit):		
Capital stock	35,602	35,559
Deficit.....	<u>(10,440)</u>	<u>(10,486)</u>
Total shareholders' equity (deficit).....	<u><u>25,162</u></u>	<u><u>25,073</u></u>
Total liabilities and shareholders' equity (deficit).....	<u><u>\$32,435</u></u>	<u><u>\$32,379</u></u>

**NOVATEL INC.**

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

	<u>Three months ended</u>	
	<u>April 4,</u> <u>1998</u>	<u>March 29,</u> <u>1997</u>
Revenues		
Product sales.....	\$ 4,713	\$ 5,403
NRE fees .....	<u>52</u>	<u>3</u>
Total revenues .....	<u>4,765</u>	<u>5,406</u>
 Cost of sales		
Cost of product sales .....	2,266	1,789
Cost of NRE .....	<u>25</u>	<u>2</u>
Total cost of sales .....	<u>2,291</u>	<u>1,791</u>
 Gross profit.....	<u>2,474</u>	<u>3,615</u>
 Operating expenses:		
Research and development.....	1,889	1,400
Selling and marketing.....	961	745
General and administration.....	<u>869</u>	<u>827</u>
Total operating expenses .....	<u>3,719</u>	<u>2,972</u>
 Operating income/(loss).....	(1,245)	643
Interest income .....	59	7
Other income.....	<u>12</u>	<u>50</u>
 Income/(loss) from continuing operations .....	(1,174)	700
 Income from discontinued operations.....	<u>1,220</u>	<u>28</u>
 Income.....	<u>\$ 46</u>	<u>\$ 728</u>
 Income (loss) per share (basic):		
Continuing operations .....	\$ (0.15)	\$ 0.11
Discontinued operations.....	<u>0.16</u>	<u>0.00</u>
Income per share .....	<u>\$ 0.01</u>	<u>\$ 0.11</u>
 Weighted average shares outstanding (basic) .....	<u>7,672</u>	<u>6,631</u>
 Income (loss) per share (fully-diluted):		
Continuing operations .....	\$ (0.15)	\$ 0.10
Discontinued operations.....	<u>0.16</u>	<u>0.00</u>
Income per share .....	<u>\$ 0.01</u>	<u>\$ 0.10</u>
 Weighted average shares outstanding (fully-diluted) .....	<u>8,614</u>	<u>6,983</u>

