

## Company Overview

---

NovAtel Inc. designs, markets and sells high-precision GPS and other positioning components and sub-systems used in a wide variety of commercial applications principally in the aviation, geomatics (surveying and mapping), mining, precision agriculture, marine and defence industries. NovAtel's solutions combine hardware, such as receivers and antennas, with software to enable its customers to fully integrate the Company's high-precision GPS technology into their respective products and systems. NovAtel's customers are original equipment manufacturers (OEMs) and system integrators who build systems for various end market applications.

Management of the Company believes the primary customer benefits of NovAtel's core technology solutions include:

- High-precision positioning with accuracy to the sub-centimetre level;
- High reliability and robust performance, even in challenging environments;

- Cost-effective components and sub-systems to enable broad market application;
- Small, low-power designs for easy system integration; and
- Flexibility to integrate customer software solutions enabling NovAtel's customers to reduce system costs and accelerate time to market.

The availability of reliable and cost-effective high-precision positioning technology has resulted in an expanding number of commercial applications for the technology. Examples of applications for this technology include enabling commercial aircraft to use direct point-to-point flight lines resulting in reduced operating costs, farmers to equip their tractors with machine controlled precision guidance systems, which typically results in lower operating costs and higher crop yields, and surveyors to use GPS-based instruments to survey sites more rapidly and accurately

## Investor Information (at 22/06/04)

---

Nasdaq:	NGPS
Price (Close):	US\$13.82
Market capitalization:	US\$111.48 million
Shares outstanding:	8,066,454

CAGR 1993-03	
Sales:	23%
52-week price range (Close):	US\$3.25 - US\$18.34

## Financial Highlights

### Statement of Operations

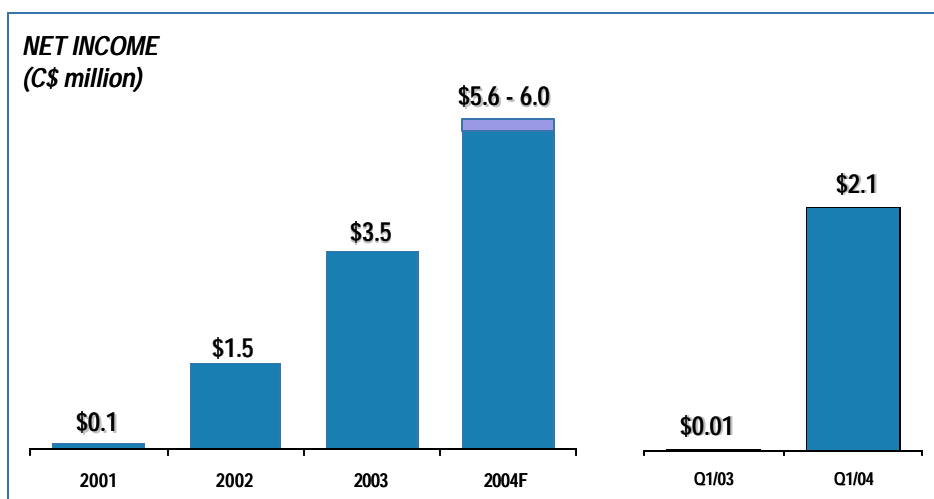
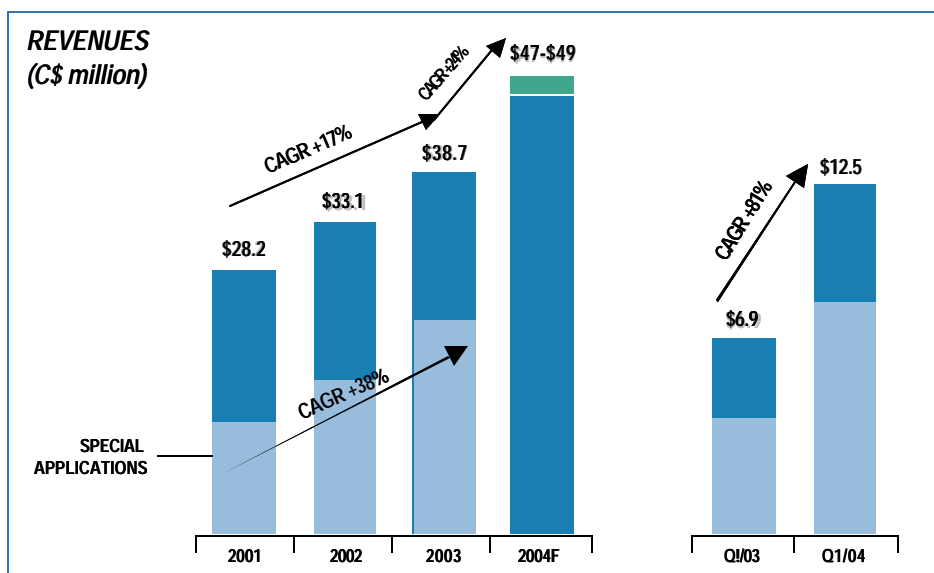
(CDN\$ in thousands, except per share data)

	Three months ended	
	3/31/04	3/30/03
Revenue	\$ 12,502	\$ 6,899
Net income from continuing operations	\$ 2,141	\$ 63
Net income	\$ 2,141	\$ 15
Net income (loss) per share from continuing operations (basic)	\$ 0.27	\$ 0.00
Net income (loss) per share from continuing operations (diluted)	\$ 0.25	\$ 0.00

### Balance Sheet

(CDN\$ in thousands)

	at 3/31/04	at 12/31/03
Cash and short term investments	\$13,164	\$13,000
Total assets	\$39,339	\$35,572
Debt-long term	\$ 0	\$ 0
Total shareholders' equity	\$27,765	\$ 25,447



## Recent Developments

---

- ◆ On April 21, NovAtel announced its financial results for the first quarter ended March 31, 2004. Revenue for the first quarter of 2004 of CDN \$12.5 million represents a quarterly record. In the Special Applications category, revenue almost doubled in comparison to the similar period a year ago, growing 99%. The majority of this year over year increase is mainly attributable to product shipments to Leica, revenue from the L1 product line NovAtel acquired last May from CMC Electronics and higher shipments of product into China.

In the Aerospace and Defence category, revenue grew by 54% over the similar period a year ago, largely due to engineering services and shipments to Raytheon Company for the next generation Wide Area Augmentation system (WAAS) program and the L1/L5 Ground Uplink System (GUS) signal generator program. NovAtel has been working with the US Federal Aviation Administration (FAA) and Raytheon Company for the last several months to engineer and produce this new generation of key WAAS ground network and Ground Uplink system (GUS) equipment, under the terms of the letter contracts from Raytheon Company that were announced by NovAtel on November 5, 2003. In March 2004, NovAtel began initial shipments of subsystems for these two North American aviation ground infrastructure programs.

In the Geomatics category, revenue increased by 52% over the similar period a year ago as the Company continued to see positive trends at Point, Inc., its joint venture with Sokkia Co., Ltd.

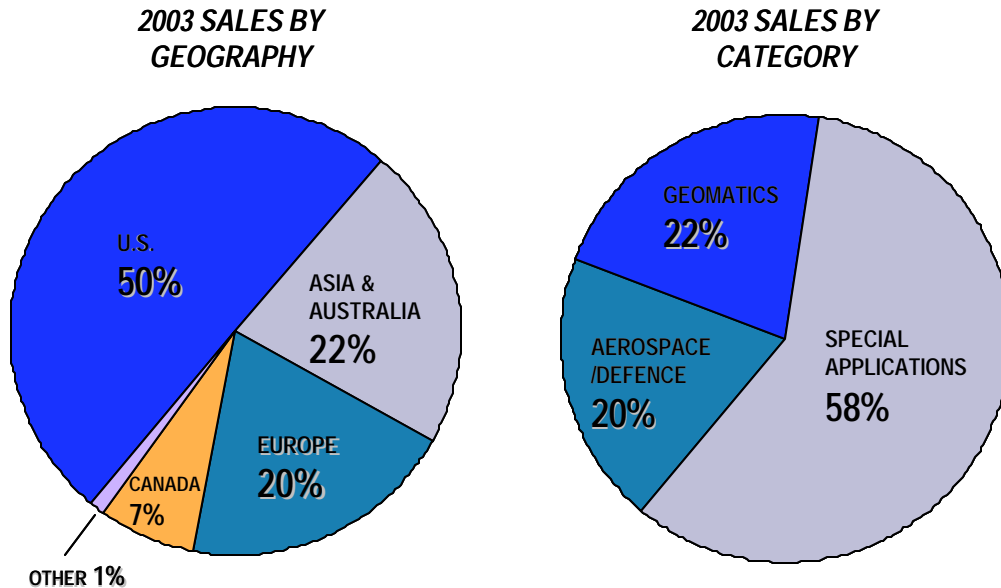
A number of factors, particularly increased revenue and higher gross margins as a percentage of revenue, contributed to net income of CDN \$2.1 million for the first quarter 2004. The improved profitability and focused management of working capital enabled the Company to generate positive operating cash flow for the tenth consecutive quarter.

- ◆ On February 19, NovAtel announced that it achieved the first major milestone of its cooperative agreement with Leica Geosystems (Heerbrugg, Switzerland, SWX:LGSN) with the announcement of Leica Geosystems' new System 1200, the world's first "Universal" GPS/TPS system. The companies had been working towards this goal since signing a cooperative agreement in 2002 for the joint development of new Global Navigation Satellite System (GNSS) technologies. The Leica GPS1200 uses a NovAtel precise positioning engine and geodetic quality antenna designed to the specification of Leica Geosystems.
- ◆ On April 20, NovAtel announced the appointment of David E. Vaughn to the position of Chairman of the Board of Directors, effective March 2004. Mr. Vaughn has been on the board of directors since July 2001 and acted in the capacity of President and CEO from February 2001 to February 2002. Mr. Vaughn has over 25 years' experience in technology-focused companies, and over 10 years of senior management experience in the GPS industry, with such companies as Magellan Corporation and Trimble Navigation Limited.

## Distribution

---

NovAtel sells its products through multiple channels – direct, dealers and value-added resellers – and in over 35 countries worldwide.



## Key Strategies

---

NovAtel's goal is to become the leading provider of high-precision global positioning component technologies and sub-systems. In order to achieve this goal, NovAtel is focused on the following growth strategies:

- ◆ Continue to invest in high-precision global positioning technology.
- ◆ Partner with and/or acquire enabling and complementary technologies.
- ◆ Continue to build market share with large OEMs and emerging system integrators.
- ◆ Attract and retain key employees.
- ◆ Continue to generate strong revenue growth while improving profitability and capital efficiency.

## Investor Contact

---

Sonia Ross  
NovAtel Inc.  
1120 - 68th Avenue N.E.  
Calgary, AB T2E 8S5

Telephone: 403•295•4532  
Facsimile: 403•295•0230  
E-mail: [sonia.ross@novatel.ca](mailto:sonia.ross@novatel.ca)  
Website: <http://www.novatel.ca>