

Company Overview

NovAtel Inc. is a leading provider of precise global positioning and augmentation technologies designed to afford our customers rapid integration and superior return on investment.

NovAtel Inc. designs, markets and supports a broad range of products which 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, geographical information systems (GIS), aviation, unmanned

vehicles, marine, mining, machine control, agriculture and precise timing, rather than for applications in low-end markets such as the vehicle navigation and consumer/cellular markets.

NovAtel is also the prime supplier of GPS ground reference receivers to national satellite-based augmentation systems worldwide including the U.S. WAAS, Europe EGNOS, Japan MSAS and China SNAS.

Investor Information (at 08/08/03)

Nasdaq: NGPS
 Price (Close): US\$3.90
 Market capitalization: US\$30.02 million
 Shares outstanding: 7,696,625

CAGR 1993-02
 Sales: 24%
 52-week price range (Close):
US\$1.84 - US\$4.50

Financial Highlights

Statement of Operations

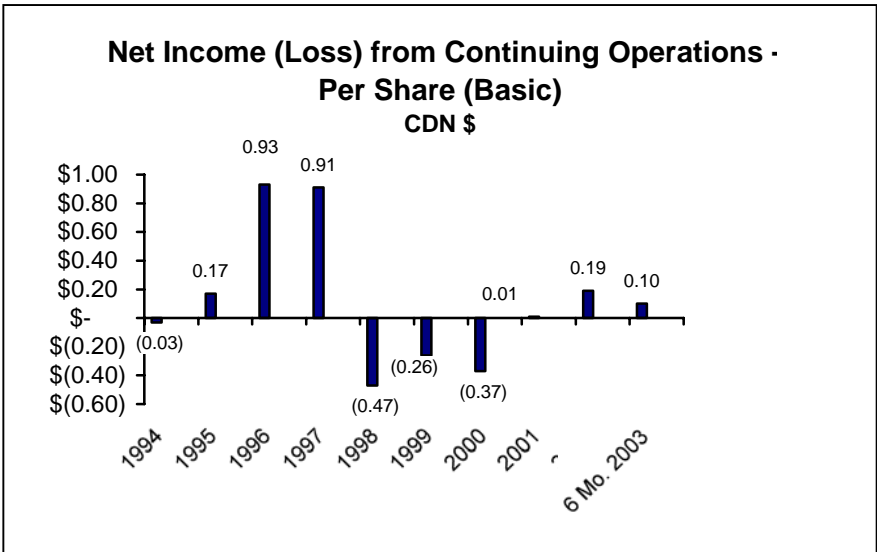
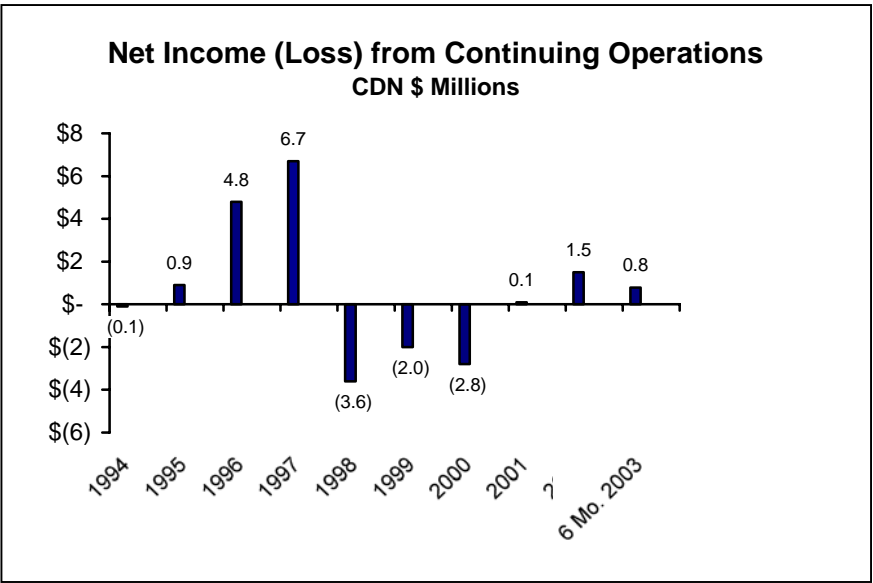
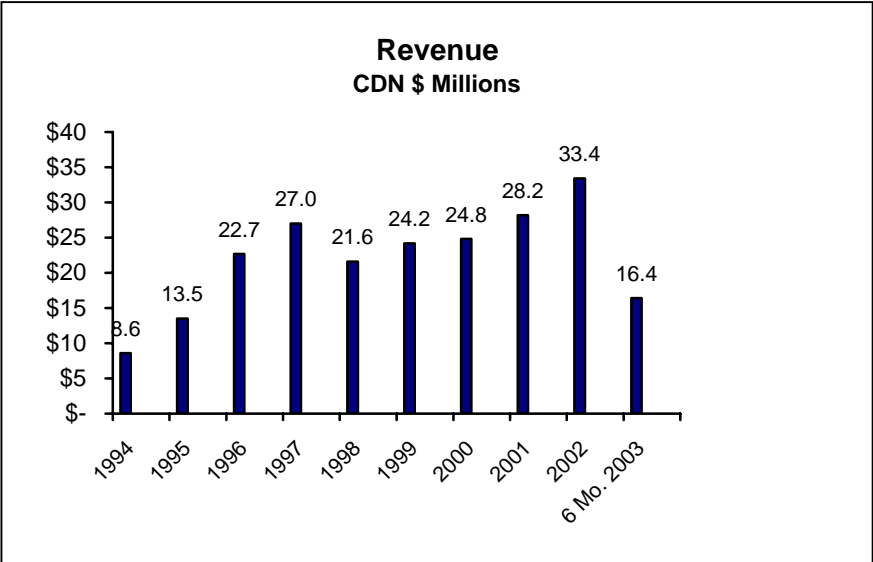
(CDN\$ in thousands, except per share data)

	Six months ended	
	<u>6/29/03</u>	<u>6/29/02</u>
Revenue	\$ 16,413	\$ 15,166
Net income from continuing operations	\$ 788	\$ 554
Net income	\$ 760	\$ 368
Net income (loss) per share from continuing operations (basic)	\$ 0.10	\$ 0.07
Net income (loss) per share from continuing operations (diluted)	\$ 0.10	\$ 0.07

Balance Sheet

(CDN\$ in thousands)

	<u>at 6/29/03</u>	<u>at 12/31/02</u>
Cash and short term investments	\$ 9,135	\$ 6,572
Total assets	\$31,169	\$30,890
Debt-long term	\$ 0	\$ 0
Total shareholders' equity	\$21,330	\$ 20,547



Recent Developments

- ◆ On May 15, NovAtel announced the acquisition of CMC Electronics' non-aviation Global Positioning System (GPS) OEM product line. The acquisition follows the signing by both parties of a Memorandum of Understanding (MOU) announced in early February of this year. NovAtel's new product line will extend the Company's current high-performance, upgradeable L1 and dual frequency (L1/L2) product line into the mid-level L1 market. This will increase NovAtel's total addressable market in core segments and also create entry points into new vertical markets.

The new single frequency products include three receivers – the Superstar I, Superstar II and Allstar with software options such as Wide Area Augmentation System (WAAS) corrections, Real Time Kinematic (RTK) solutions, timing applications and high quality carrier phase output. The product line also includes two enclosures – the Starbox and Smart Antenna Series, as well as development kits and other accessories.

- ◆ NovAtel launched its latest state-of-the-art enclosure – FlexPak – on June 24. This innovative product has been designed as a rugged, compact housing for the Company's SUPERSTAR II or OEM4-G2L positioning engines. The key benefit of FlexPak is that it gives system integrators the ability to use one uniform enclosure and mounting system for meter to centimeter-level positioning applications.

FlexPak is compact, measuring 45mm x 147mm x 123mm and weighing only 307 grams with the SUPERSTAR II and 350 grams with the OEM4-G2L. It is shock, water and dust resistant. FlexPak features low power consumption, USB functionality (available with the OEM4-G2L only) and status LEDs.

- ◆ NovAtel announced a share repurchase program on June 5. The Company's Board of Directors authorized the repurchase of up to a maximum of 230,732 common shares, representing 3% of the common shares issued and outstanding at the commencement of the repurchase program. The acquisition of the common shares is advantageous to NovAtel and its shareholders because management considers the market price of its common shares to be undervalued. In addition, the share repurchase program would reduce the potential dilution of existing shareholders' ownership as a result of the exercise of options under NovAtel's stock option plans.
- ◆ On June 11, NovAtel announced that it had signed a strategic co-operation agreement with Leica Geosystems (SWX:LGSN) for the joint development of new Global Navigation Satellite System (GNSS) technologies. An initial announcement was made in February 2002, but the scope of the agreement has now been expanded to include future opportunities with any Leica division.

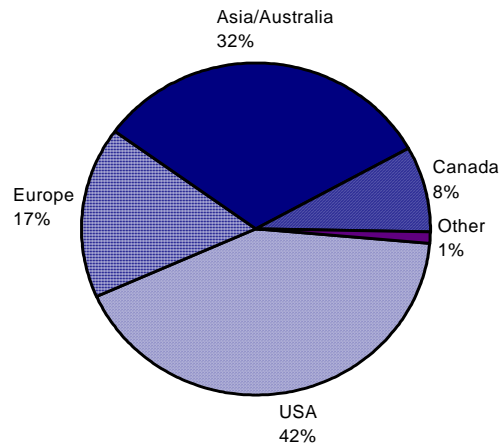
The co-operation agreement allows both companies to focus their complementary resources, including unique customer/application focus and technological expertise, for the development of precise positioning products. Both companies are recognized as pioneers in their respective industries. NovAtel is a world leader in the development of innovative, high-precision global positioning and augmentation technologies. Leica Geosystems is one of the first companies to develop and market GPS surveying systems and remains one of the leaders in this major market segment.

- ◆ NovAtel's Chief Technology Officer, Patrick Fenton, was named a Fellow Member of the Institute of Navigation (ION). The prestigious award was presented to Mr. Fenton by Dr. Rudolph Kalafus, President of the ION, at a ceremony held in Albuquerque, New Mexico on June 24. The ION elects Fellow Members for recognition of sustained professional contributions to the advancement of the Technology, Management, Practice, and Teaching of the Arts and Sciences of Navigation.

According to Dr. Gerard Lachapelle, past Western Region Vice President of the ION, Mr. Fenton was elected a Fellow Member as a result of his sustained contributions in the field of GPS, including advanced receiver architecture and designs, multipath reduction, digital signal processing techniques and technical publications. As lead design engineer and system architect of the GPS receiver development team at NovAtel, Mr. Fenton developed and patented Narrow Correlator tracking technology. He was also instrumental in licensing and commercializing Multipath Estimating Delay Lock Loop (MEDLL) and spearheaded the development of even more advanced multipath techniques such as Pulse Aperture Correlator (PAC). Narrow Correlator, MEDLL and PAC tracking techniques are now standards in the GPS industry – MEDLL is used in many ground reference Satellite Based Augmentation Systems (SBAS) including the US WAAS, Europe EGNOS, Chinese SNAS and Japan MSAS.

Distribution

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



Region (2002)

Key Strategies

- ◆ Profitable growth through ROI based decision making, creating value for stakeholders
- ◆ Develop strategic partnerships and ventures with best-of-breed companies offering complementary technologies and/or markets
- ◆ Focus on customer satisfaction through excellent product cost/performance, rapid integration ability and support
- ◆ Attract and retain the best performance motivated employees
- ◆ Continued investment in sales, marketing and operational excellence
- ◆ Continued investment in R&D with a focus on advancements in precision global positioning and its augmentations (e.g. L2CS, L5, GPS+inertial, GPS+communications, GPS+Galileo...)

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