

Company Overview

NovAtel Inc. designs, markets, and supports a broad range of products that determine precise geographic locations using the Global Positioning System (GPS). The system is comprised of 24 earth orbiting satellites that transmit radio signals 24 hours a day worldwide. GPS receivers calculate the distance from the satellites to the receiver and then a triangulation technique determines exact geographical locations. GPS is used for a variety of purposes, including navigating, tracking, mapping, and conducting geographical surveys.

NovAtel focuses on high-end GPS applications such as surveying, geographic information systems (GIS), agriculture, aviation, marine, and mining and machine control with technologically innovative products that provide high levels of accuracy, real-time positioning and reliability. According to industry sources, these market segments represent an estimated US\$900M in 1996 and are expected to grow to approximately US\$3 billion in 2000. NovAtel is not active in low-end GPS applications like vehicle navigation and the consumer/cellular market.

Investor Information (at 9/27/97)

Nasdaq: NGPSF
Price: US\$9.50
Market capitalization: US\$72.9 million
Price range since IPO: US\$4.50 - US\$11.00
Shares outstanding: 7,670,000

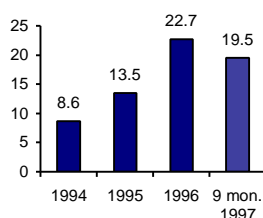
CAGR 1993-96
Sales: 67%
Income from continuing operations: 182%

Analyst Coverage

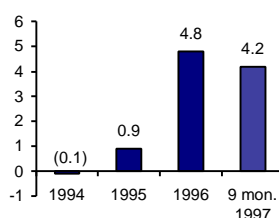
Montgomery Securities
Prudential Securities

Financial Highlights

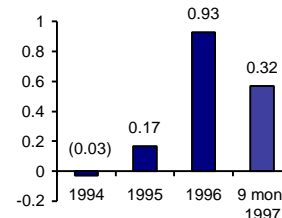
Revenue
CDN\$ Millions



Income (Loss) From Continuing Operations
CDN\$ Millions



Income (Loss) From Continuing Operations - Per Share
CDN\$



Statement of Operations

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

	Nine months ended	
	9/27/97	9/28/96
Revenue	\$ 19,470	\$ 18,105
Income from continuing operations	\$ 4,211	\$ 4,592
Income per share from continuing operations	\$ 0.57	\$ 0.88

Balance Sheet

(CDN\$ in thousands; 1997 unaudited)

	at 9/27/97	at 6/28/97	at 12/31/96*
Cash and short term investments	\$ 7,757	\$ 4,697	\$ 61
Debt-current	\$ 0	\$ 0	\$ 9,610
Debt-long term	\$ 0	\$ 0	\$ 84
Total shareholders' equity (deficit)	\$ 22,153	\$ 20,226	\$ (4,168)

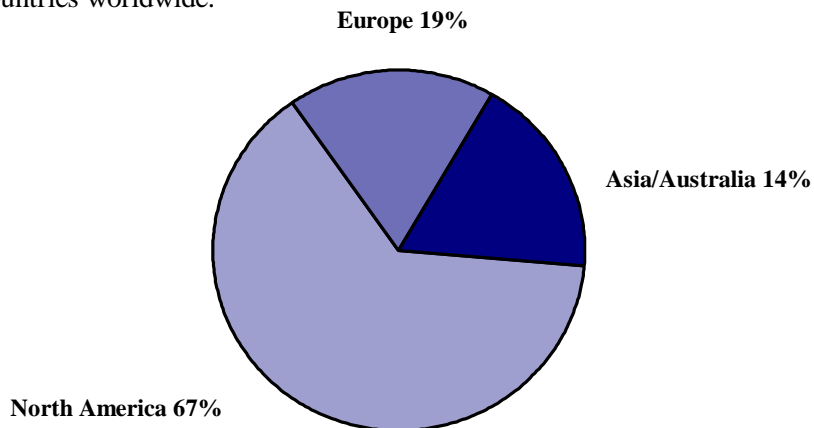
*Pre IPO

Recent Developments

- In August 1997 NovAtel received a purchase order from Hughes Information Systems for 74 Wide Area Augmentation System (WAAS) receivers, for delivery by the end of 1997, as part of the growing network of WAAS Reference System sites across the United States. In addition, purchase orders for an additional 10 WAAS receivers have been received from Hughes for delivery in the fourth quarter of 1997 and first quarter of 1998.
- NovAtel introduced BeeLine™, a real-time azimuth determination and kinematic positioning system, in September 1997.
- NovAtel's customers won the top four positions in the GPSWorld Applications contest in August 1997.
- Carnegie Mellon University won the International Aerial Robotics Competition in August 1997, using NovAtel's real-time 2 cm (RT-2™) receiver.
- NovAtel's North American/Latin American distribution relationship with Nikon Inc. continued to develop in the third quarter. Nikon signed up over 25 dealers to carry NovAtel products in the U.S. and another 10 in Latin America. An extensive dealer training program by Nikon, with sessions in New York, California, and Chile was completed. This has a very positive impact on the sell through of the products. Nikon orders are expected for the latter part of the fourth quarter of 1997, for delivery in 1998.
- In October 1997 NovAtel announced an alliance with Canadian Marconi Company (American, Toronto & Montreal: CMW) to combine their respective technology and marketing strengths to field a new generation of certified, high performance GPS receiver for use in airborne and ground applications.

Distribution

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



Region (year-to-date 1997)

Key Strategies

- Grow OEM business by expanding the product family
- Broaden revenue base by entering selected end-user markets
- Expand international business by a targeted marketing strategy with optimized sales channel mix
- Maintain technological leadership
- Lead industry in customer support and service

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: sross@novatel.ca
Website: <http://www.novatel.ca>