

NovAtel Inc. Reports Financial Results for the Third Quarter 2002

(Calgary, Alberta, Canada, November 4, 2002)— NovAtel Inc. (NASDAQ: NGPS), a global positioning systems manufacturer, today announced results for the third quarter ended September 28, 2002.

Revenues in the third quarter 2002 were CDN \$6.8 million (US \$4.3 million) compared to CDN \$6.9 million (US \$4.4 million) in the same period a year ago. The Company is reporting a net loss for the third quarter 2002 of CDN \$(308,000) (US \$(196,000)) or CDN \$(0.04) (US \$(0.03)) per share compared with a net income of CDN \$79,000 (US\$50,000) or CDN \$0.01 (US \$0.01) per share in the same period a year ago.

“As expected, the third quarter was challenging for our company,” said Jon Ladd, President and Chief Executive Officer. “In our last earnings conference call, we had forecast a loss for the third quarter of between \$0.5 and \$1.0 million, as a result of a timing shift of certain customer orders into the fourth quarter of this year. I am pleased that, through a combination of cost control measures and increased contract engineering revenue, we were able to limit the third quarter loss to \$308,000, and to remain profitable year to date.”

“While our overall revenue for the quarter remained relatively flat year over year, revenue from our Special Applications business grew 38%, primarily from continued growth in the precision agriculture market and increased engineering service contracts,” continued Ladd. “Our Aerospace/Defense business decreased 42% year over year, primarily due to the timing of certain large government-funded contracts. In the third quarter last year, we had \$1.4 million revenue associated with the EGNOS program in Europe, compared to negligible revenue from EGNOS in the same period this year. The majority of our Aerospace/Defense revenue this quarter came from engineering service contracts, tied to US aviation augmentation programs, that were awarded to us during the past two quarters.”

“Our Geomatics revenue this quarter was relatively flat compared to the third quarter last year. Point Inc., our joint venture with Sokkia Co., Ltd., continues to focus on improving its sales and distribution,” Ladd concluded.

During the conference call scheduled for later today, the company will be providing an update on its guidance for the balance of 2002 and an update on Point, Inc.

The company will have a conference call today at 4:30 p.m. E.T. Participants may access the NovAtel Inc. conference call by dialling 1-888-280-8277 (North America) or 416-695-9711 (International), reservation number T372788C. This call is also being web cast and can be accessed at Novatel’s web site www.novatel.com or at www.companyboardroom.com.

A replay of the conference call will be available until November 8, 2002 by dialling 1-888-509-0082 (North America) or 416-695-9731 (International), or until February 3, 2003 at the web addresses noted above.

NovAtel Inc. designs, markets and supports a broad range of products that determine precise geographic locations using the Global Positioning System (GPS) and is the principal supplier of reference receivers to WAAS ground networks around the world. NovAtel's GPS products are used principally for applications in precision markets such as the surveying, geographic information systems, aviation, marine, mining, machine control, agriculture and precise timing markets. For further information please visit the Company's website at www.novatel.com.

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, operating results of subsidiaries and joint ventures, establishing and maintaining effective distribution channels, certification and market acceptance of the Company's new products, impact and timing of large orders, credit risks of customers and joint ventures, financing of joint ventures, pricing pressures in the market and other competitive factors, maintaining technological leadership, timing of revenue recognition in connection with certain contracts, the ability to maintain supply of products from subcontract manufacturers, the procurement of components to build products, and the impact of industry consolidations, together with the other risks and uncertainties described in Management's Discussion and Analysis of Financial Condition and Results of Operations herein and in the Company's other filings with the United States Securities and Exchange Commission.

NOVATEL INC.

CONSOLIDATED BALANCE SHEETS
(in Canadian \$ thousands)

	<u>September 28, 2002</u>	<u>December 31, 2001</u>
ASSETS		
Current assets:		
Cash and short term investments	\$ 6,206	\$ 4,794
Accounts receivable	5,459	6,050
Related party receivables	1,213	665
Related party notes receivable	1,850	1,595
Inventories	5,642	6,562
Prepaid expenses and deposits	<u>331</u>	<u>286</u>
Total current assets	20,701	19,952
Capital assets	2,398	2,854
Intangible assets	2,050	2,487
Deferred development costs	<u>2,492</u>	<u>2,528</u>
Total assets	<u>\$27,641</u>	<u>\$27,821</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,068	\$ 4,469
Related party payables	618	418
Notes payable	2,214	1,964
Deferred revenue and customer deposits	229	202
Provision for future warranty costs	363	285
Capital lease obligation – current portion	<u>216</u>	<u>330</u>
Total current liabilities	7,708	7,668
Deferred gain on sale/leaseback of capital assets	717	814
Capital lease obligation – long-term portion	<u>122</u>	<u>253</u>
Total liabilities	<u>8,547</u>	<u>8,735</u>
Shareholders' equity:		
Capital stock	35,556	35,596
Contributed surplus	13	25
Deficit	<u>(16,475)</u>	<u>(16,535)</u>
Total shareholders' equity	<u>19,094</u>	<u>19,086</u>
Total liabilities and shareholders' equity	<u>\$27,641</u>	<u>\$27,821</u>

NOVATEL INC.

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

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>Sep. 28,</u> <u>2002</u>	<u>Sep. 29,</u> <u>2001</u>	<u>Sep. 28,</u> <u>2002</u>	<u>Sep. 29,</u> <u>2001</u>
Revenues	\$ 6,812	\$ 6,905	\$22,110	\$20,425
Cost of sales	<u>3,787</u>	<u>3,533</u>	<u>11,423</u>	<u>10,269</u>
Gross profit	<u>3,025</u>	<u>3,372</u>	<u>10,687</u>	<u>10,156</u>
Operating expenses:				
Research and development.....	1,078	1,477	4,009	5,224
Selling and marketing	1,246	856	3,295	2,620
General and administration	<u>1,032</u>	<u>1,040</u>	<u>3,154</u>	<u>3,002</u>
Total operating expenses	<u>3,356</u>	<u>3,373</u>	<u>10,458</u>	<u>10,846</u>
Operating income (loss)	(331)	(1)	229	(690)
Interest income, net.....	25	24	53	122
Other income (expense).....	<u>43</u>	<u>68</u>	<u>(159)</u>	<u>(75)</u>
Income (loss) before income taxes	(263)	91	123	(643)
Provision for income taxes	<u>45</u>	<u>12</u>	<u>63</u>	<u>13</u>
Net income (loss).....	<u>\$ (308)</u>	<u>\$ 79</u>	<u>\$ 60</u>	<u>\$ (656)</u>
Net income (loss) per share (basic)	<u>\$ (0.04)</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ (0.09)</u>
Weighted average shares outstanding (basic)	<u>7,676</u>	<u>7,693</u>	<u>7,679</u>	<u>7,692</u>
Net income (loss) per share (diluted)	<u>\$ (0.04)</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ (0.09)</u>