

NovAtel Reports Profit for the Fourth Quarter and Full Year 2002

(Calgary, Alberta, Canada, February 20, 2003)— NovAtel Inc. (NASDAQ: NGPS), a global positioning systems manufacturer, today announced its financial results for the fourth quarter and year ended December 31, 2002.

Revenues in the fourth quarter 2002 were CDN \$11.3 million (US \$7.5 million) compared to CDN \$7.8 million (US \$5.1 million) in the similar period a year ago and CDN \$6.8 million (US \$4.5 million) in the previous quarter. The Company is reporting net income for the fourth quarter 2002 of CDN \$1.4 million (US \$945,000) or CDN \$0.19 (US \$0.13) per share compared with a net income of CDN \$766,000 (US \$504,000) or CDN \$0.10 (US \$0.07) per share in the similar period a year ago.

For the full year ended December 31, 2002, revenues were CDN \$33.4 million (US \$22.0 million), up from CDN \$28.2 million (US \$18.6 million) in 2001. The Company earned net income of CDN \$1.5 million (US \$985,000) for 2002, or CDN \$0.19 (US \$0.13) per share, compared with a net income of CDN \$110,000 (US \$72,000) in 2001.

"NovAtel had an exceptional fourth quarter 2002, highlighted by the previously announced shipment of \$3.8 million into the Chinese SNAS aviation program," said Jon Ladd, NovAtel's President and Chief Executive Officer. "The combination of strong growth in our core GPS components business (Special Applications), which increased by 77% over the fourth quarter of last year, and higher Aerospace and Defense revenues, largely due to the SNAS program, resulted in a record quarterly revenue of \$11.3 million, 39% above our previous best quarter."

"For all of 2002, our revenue grew 18% to \$33.4 million, primarily as a result of higher sales in our Special Applications business, which increased 40% year-over-year to reach \$16.8 million in revenue. The increased Special Applications revenue reflects continued growth in our precision agricultural market and increased engineering service contracts," stated Ladd. "Our Aerospace and Defense business grew 19% to contribute \$10.5 million in revenue, largely as a result of the Chinese SNAS program and new aviation engineering contracts. Our 2002 Geomatics revenue declined 15% year-over-year due to lower sales at Point, Inc., our joint venture with Sokkia Co., Ltd."

"I am pleased to report that, on the strength of our revenue growth, we earned net income of \$1.5 million for all of 2002, a substantial increase over the net income of \$110,000 in 2001," continued Ladd.

Ladd concluded, "Looking forward to 2003, last week we announced the proposed acquisition of CMC Electronics Inc.'s L1 GPS business. The addition of this proven product line and technology provides NovAtel with a strategic vehicle into the mid-level GPS market, augmenting our high-end products and significantly broadening our OEM product line. This proposed acquisition is subject to approval by both NovAtel's and CMC Electronics' board of directors."

During the conference call scheduled for this afternoon, the Company will be providing updates and further information on the following: NovAtel's proposed acquisition of CMC Electronics Inc.'s L1 GPS business; Point, Inc.; NovAtel's subsidiary, Mezure, Inc.; and the Company's initial outlook for 2003.

The Company will have a conference call this afternoon at 4:30 p.m. E.T. Participants may access the NovAtel Inc. conference call by dialling 1-877-888-4605 (North America) or 416-695-5261 (International), reservation number T400463C. 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 February 27, 2003 by dialling 1-888-509-0081 (North America) or 416-695-9728 (International), or until April 15, 2003 at the web addresses noted above.

The web cast is also being distributed over CCBN's Investor Distribution Network to both institutional and individual investors. Individual investors can listen to the call through CCBN's individual investor centre at www.companyboardroom.com or by visiting any of the investor sites in CCBN's Individual Investor Network such as America Online's Personal Finance Channel, Fidelity Investments® (Fidelity.com) and others. Institutional investors can access the call via CCBN's password-protected event management site, StreetEvents (www.streetevents.com).

NovAtel Inc. is a leading provider of precise global positioning and augmentation technologies designed to afford our customers rapid integration and exceptional return on investment. The Company's core technology is being applied in diversified positioning markets around the globe including agriculture, mining, marine, surveying, unmanned systems and machine control. 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. For more information, visit 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 product, product defects 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)

	December 2002	December 2001
ASSETS		
Current assets:		
Cash and short term investments.....	\$ 6,572	\$ 4,794
Accounts receivable	9,634	6,050
Related party receivables.....	730	665
Related party notes receivable.....	1,932	1,595
Inventories	4,780	6,562
Prepaid expenses and deposits	<u>284</u>	<u>286</u>
Total current assets.....	23,932	19,952
Capital assets.....	2,460	2,854
Intangible assets	1,902	2,487
Deferred development costs	<u>2,596</u>	<u>2,528</u>
Total assets.....	<u>\$30,890</u>	<u>\$27,821</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$5,848	\$4,469
Related party payables	327	418
Notes payable	2,418	1,964
Deferred revenue and customer deposits.....	531	202
Provision for future warranty costs	344	285
Capital lease obligation – current portion.....	<u>92</u>	<u>330</u>
Total current liabilities	9,560	7,668
Deferred gain on sale/leaseback of capital assets	685	814
Capital lease obligation – long-term portion.....	<u>98</u>	<u>253</u>
Total liabilities	<u>10,343</u>	<u>8,735</u>
Shareholders' equity:		
Capital stock	35,572	35,596
Contributed surplus.....	13	25
Deficit	<u>(15,038)</u>	<u>(16,535)</u>
Total shareholders' equity	<u>20,547</u>	<u>19,086</u>
Total liabilities and shareholders' equity	<u>\$30,890</u>	<u>\$27,821</u>

NOVATEL INC.

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

	<u>Three months ended</u>		<u>Year ended</u>	
	<u>Dec. 31,</u> <u>2002</u>	<u>Dec. 31,</u> <u>2001</u>	<u>Dec. 31,</u> <u>2002</u>	<u>Dec. 31,</u> <u>2001</u>
Revenues:				
Product sales	\$ 9,755	\$6,718	\$27,255	\$23,241
NRE fees	<u>1,569</u>	<u>1,094</u>	<u>6,179</u>	<u>4,996</u>
Total revenue	<u>11,324</u>	<u>7,812</u>	<u>33,434</u>	<u>28,237</u>
Cost of sales:				
Cost of product sales.....	3,499	2,395	12,020	10,730
Cost of NRE fees.....	<u>1,153</u>	<u>608</u>	<u>4,055</u>	<u>2,542</u>
Total cost of sales	<u>4,652</u>	<u>3,003</u>	<u>16,075</u>	<u>13,272</u>
Gross profit	<u>6,672</u>	<u>4,809</u>	<u>17,359</u>	<u>14,965</u>
Operating expenses:				
Research and development	1,510	1,603	5,519	6,827
Selling and marketing	2,422	1,239	5,717	3,859
General and administration	<u>1,279</u>	<u>1,168</u>	<u>4,433</u>	<u>4,170</u>
Total operating expenses	<u>5,211</u>	<u>4,010</u>	<u>15,669</u>	<u>14,856</u>
Operating income	1,461	799	1,690	109
Interest income, net	31	16	84	138
Other expense	<u>(41)</u>	<u>(49)</u>	<u>(200)</u>	<u>(124)</u>
Income before income taxes	1,451	766	1,574	123
Provision for income taxes	<u>14</u>	<u>—</u>	<u>77</u>	<u>13</u>
Net income	<u>\$ 1,437</u>	<u>\$ 766</u>	<u>\$ 1,497</u>	<u>\$ 110</u>
Net income per share (basic).....	<u>\$ 0.19</u>	<u>\$ 0.10</u>	<u>\$ 0.19</u>	<u>\$ 0.01</u>
Weighted average shares outstanding (basic)	<u>7,685</u>	<u>7,683</u>	<u>7,681</u>	<u>7,690</u>
Net income per share (diluted)	<u>\$ 0.19</u>	<u>\$ 0.10</u>	<u>\$ 0.19</u>	<u>\$ 0.01</u>
Weighted average shares outstanding (diluted)	<u>7,757</u>	<u>7,750</u>	<u>7,824</u>	<u>7,704</u>