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**NIKON AND NOVATEL CONCLUDE DISTRIBUTION AGREEMENT;  
NOVATEL TO TAKE OVER SERVICE, SUPPORT RESPONSIBILITIES**

MELVILLE, NY, July 19 --- Nikon Inc. and NovAtel Inc. of Calgary, Alberta, Canada, have announced plans for all elements leading to the end of their distribution arrangement. Nikon Inc. has been the distributor of NovAtel global positioning systems (GPS) products in the United States since 1997, and the companies have worked together to build the GPS business across the country.

On October 1, NovAtel will assume responsibility for the support of all GPS components of NovAtel's Outrider and GISMO GPS systems sold by Nikon. This support will be provided directly by NovAtel to all dealers and customers. "We want to make absolutely sure that current and future customers continue to receive the support and assistance they need in using our products," said Doug Reid, NovAtel's President and Chief Executive Officer.

Nikon will continue to sell NovAtel products through the end of 1999. "The Outrider and GISMO products incorporate the most advanced technology generally available, and are a great value," said Jack Abrams, Nikon's Executive Vice President and Chief Operating Officer."

The companies both cited the excellent relationship they have had throughout the working life of the distribution contract. "We have enjoyed a great rapport with the people of NovAtel for all these years," said Abrams. "With our joint efforts, we have created a demand for NovAtel Outrider and GISMO products in the U.S. and Latin America, but, at this juncture, we have decided to put our efforts into other areas."

"Nikon took the NovAtel brand and gave it presence and identity in the all-important U.S. market," agreed Reid. "Now we want to work together to provide a smooth transition from Nikon back to NovAtel."

The field-friendly Outrider and GISMO systems are designed to provide surveyors with high-performance GPS capability in a reliable, accurate, easy-to-use package. The products provide high accuracy for a wide variety of surveying applications. They offer flexibility, full-day battery life, rugged performance under the toughest field conditions, convenience, and simple operation.

Nikon Inc. is the US distributor of NovAtel GPS systems, Nikon surveying instruments, world-renowned Nikon professional 35mm photography systems, compact automatic 35mm and Advanced Photo System cameras, digital still cameras, the Nikon speedlight system, interchangeable Nikkor lenses, Nikon microscopes for the biosciences, Nikon sports and recreational optics, Nikonos underwater photographic systems, Nikon film scanners, Nikon Eyewear, Nikon industrial inspection and measuring systems and Nikon ophthalmic instruments. For further information please visit our website at <http://www.nikonusa.com>.

NovAtel Inc. designs, markets and supports a broad range of products that determine precise geographic locations using the Global Positioning System ("GPS"). NovAtel's GPS products are used principally for application in high-end markets such as surveying, geographic information systems, aviation, marine, mining, machine control and agriculture. For further

information please visit our website at <http://www.novatel.ca>