

NovAtel Reports Results for the Fourth Quarter and Full Year 2000

(Calgary, Alberta, Canada, February 13, 2001)— NovAtel Inc. (NASDAQ: NGPS), a global positioning systems manufacturer, today announced results for the fourth quarter and year ended December 31, 2000.

Revenues in the fourth quarter 2000 were CDN \$5.8 million (US \$3.8 million) compared to CDN \$8.1 million (US \$5.4 million) in the same period a year ago and CDN \$6.3 million (US \$4.2 million) in the previous quarter. The Company is reporting a net loss from continuing operations for the fourth quarter 2000 of CDN \$1.3 million (US \$894,000) or CDN \$0.18 (US \$0.12) per share compared with net income from continuing operations of CDN \$382,000 (US \$253,000) or CDN \$0.05 (US \$0.03) per share in the same period a year ago.

“Our fourth quarter revenues came in approximately 10% below our internal expectations, which were based on our year-to-date run rates,” commented Werner Gartner, Acting President and CEO. “The shortfall in revenue was caused primarily by a shift in the release of certain new products in our geomatics business sector from the fourth quarter 2000 to early 2001.”

The loss from continuing operations of \$1.3 million includes one-time costs of \$700,000 related to the reorganization of senior management at NovAtel and a minor work force reduction at its joint venture, Point, Inc. Fourth quarter 2000 revenues were below levels of the comparative quarter last year primarily due to higher revenues in 1999 from the initial filling of the Point/Sokkia distribution channels and shipments into the United States WAAS program.

“Despite the revenue shortfall in Q4 2000, we had a number of achievements which I believe provide a firm foundation for growth,” Gartner continued. “In particular: the new products being launched by Point, Inc.; the signing of the EGNOS contract in mid-October; the formation of our recently announced relationship with Mezure, Inc.; the supply agreement signed by our parent company, BAE SYSTEMS CANADA INC., and Honeywell for the CMA-4024 receiver developed in collaboration with NovAtel; the China SNAS contract; and the growing interest in our revolutionary OEM4 receiver and GPS-600 antenna, are all expected to contribute to the growth of our business.”

For the full year ended December 31, 2000, revenues were CDN \$24.8 million (US \$16.5 million), marginally up from CDN \$24.2 million (US \$16.1 million) in the same period a year ago. The Company incurred a net loss from continuing operations of CDN \$2.8 million (US \$1.9 million) for the full year, or CDN \$0.37 (US \$0.25) per share, compared with a net loss from continuing operations of CDN \$2.0 million (US \$1.3 million) in 1999.

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 dialing 1-800-370-4506 (North America) or 415-904-2460 (International). The conference call will also be available live on the web at <http://webcast.themeetingson.com/webcast.jsp?reservation=17953453>.

A replay of the conference call will be available until February 22, 2001 by dialing 1-800-558-5253 and entering reservation number 17953453, or until March 13, 2001 at the web address noted above.

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 applications in high-end markets such as surveying, geographic information systems, aviation, marine, mining and machine control and agriculture. For further information please visit our website at <http://www.novatel.ca>.

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 affiliates and subsidiaries including Point, Inc., establishing and maintaining effective distribution channels, certification and market acceptance of the Company's new products, impact and timing of large orders, pricing pressures in the market and other competitive factors and maintaining technological leadership, timing of revenue recognition in connection with certain contracts, the ability to maintain supply of products from subcontract manufacturers and the supply of components to build products, the impact of industry consolidations, together with the other risks and uncertainties described in public filings.

NOVATEL INC.

CONSOLIDATED BALANCE SHEETS
(in Canadian \$ thousands)

	December 31, 2000	December 31, 1999
ASSETS		
Current assets:		
Cash and short term investments.....	\$ 6,055	\$ 8,280
Accounts receivable.....	4,246	6,110
Related party receivables.....	1,165	1,340
Related party notes receivable.....	1,426	—
Inventories.....	6,532	3,684
Prepaid expenses and deposits.....	<u>401</u>	<u>292</u>
Total current assets.....	19,825	19,706
Capital assets.....	3,592	4,648
Intangible assets.....	2,853	3,047
Deferred development costs.....	<u>2,560</u>	<u>1,803</u>
Total assets.....	<u>\$ 28,830</u>	<u>\$29,204</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 5,811	\$ 4,851
Related party payables.....	568	278
Notes payable.....	1,426	—
Deferred revenue.....	245	—
Provision for future warranty costs.....	268	246
Capital lease obligation – current portion.....	<u>228</u>	<u>374</u>
Total current liabilities.....	8,546	5,749
Deferred gain on sale/leaseback of capital assets.....	935	1,089
Capital lease obligation – long-term portion.....	<u>307</u>	<u>549</u>
Total liabilities.....	<u>9,788</u>	<u>7,387</u>
Non-controlling interest.....	<u>73</u>	<u>65</u>
Shareholders' equity:		
Capital stock.....	35,614	35,602
Deficit.....	<u>(16,645)</u>	<u>(13,850)</u>
Total shareholders' equity.....	<u>18,969</u>	<u>21,752</u>
Total liabilities and shareholders' equity.....	<u>\$ 28,830</u>	<u>\$29,204</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>2000</u>	<u>Dec. 31,</u> <u>1999</u>	<u>Dec. 31,</u> <u>2000</u>	<u>Dec. 31,</u> <u>1999</u>
Revenues	\$ 5,766	\$ 8,139	\$ 24,843	\$ 24,226
Cost of sales.....	<u>2,611</u>	<u>4,548</u>	<u>10,842</u>	<u>12,646</u>
Gross profit.....	<u>3,155</u>	<u>3,591</u>	<u>14,001</u>	<u>11,580</u>
Operating expenses:				
Research and development.....	1,986	1,477	8,161	6,902
Selling and marketing.....	927	973	4,527	3,925
General and administration.....	<u>881</u>	<u>729</u>	<u>3,661</u>	<u>2,783</u>
Total operating expenses	<u>3,794</u>	<u>3,179</u>	<u>16,349</u>	<u>13,610</u>
Operating income (loss).....	(639)	412	(2,348)	(2,030)
Interest income	78	87	319	374
Other expense.....	<u>(767)</u>	<u>(57)</u>	<u>(769)</u>	<u>(204)</u>
Income (loss) from continuing operations before income taxes	(1,328)	442	(2,798)	(1,860)
Provision for income taxes.....	<u>21</u>	<u>60</u>	<u>13</u>	<u>123</u>
Net income (loss) from continuing operations	(1,349)	382	(2,811)	(1,983)
Net income (loss) from discontinued operations ..	<u>(12)</u>	<u>949</u>	<u>16</u>	<u>949</u>
Net income (loss).....	<u>\$ (1,361)</u>	<u>\$ 1,331</u>	<u>\$ (2,795)</u>	<u>\$ (1,034)</u>
Net income (loss) per share (basic):				
Continuing operations	\$ (0.18)	\$ 0.05	\$ (0.37)	\$ (0.26)
Discontinued operations.....	<u>0.00</u>	<u>0.12</u>	<u>0.01</u>	<u>0.13</u>
Net income (loss) per share.....	<u>\$ (0.18)</u>	<u>\$ 0.17</u>	<u>\$ (0.36)</u>	<u>\$ (0.13)</u>
Weighted average shares outstanding (basic)	<u>7,678</u>	<u>7,674</u>	<u>7,676</u>	<u>7,674</u>
Net income (loss) per share (fully diluted):				
Continuing operations	\$ (0.18)	\$ 0.05	\$ (0.37)	\$ (0.26)
Discontinued operations.....	<u>0.00</u>	<u>0.12</u>	<u>0.01</u>	<u>0.13</u>
Net income (loss) per share.....	<u>\$ (0.18)</u>	<u>\$ 0.17</u>	<u>\$ (0.36)</u>	<u>\$ (0.13)</u>
Weighted average shares outstanding (fully diluted).....	<u>8,632</u>	<u>8,612</u>	<u>8,683</u>	<u>8,566</u>