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## **Novatel Wireless Expands Distribution into Spain with Two New Agreements**

### **Expands Relationships with Two of the World's Leading Distributors**

SAN DIEGO, CALIFORNIA - June 4, 2002 - Novatel Wireless, Inc. (Nasdaq:NVTL), a leading provider of wireless data access solutions, today announced it has signed separate GPRS distribution agreements with two leading distributors - Comunicaciones y Sonido S.A., known as Grupo CYS, and Mobile System Communications. Through these partnerships, Novatel Wireless will enter the wireless market in Spain, where there are currently three major operators offering GPRS.

Per its agreement, Comunicaciones y Sonido S.A. (Grupo CYS) will distribute the Merlin GSM/GPRS Family of Wireless PC Cards, including the Merlin G200 and G300 series. Grupo Cys is a leading provider of products and outsource services in the wireless telecommunications and data industries with a strategic focus on Spanish operators and distribution channels throughout Spain, Peru, Mexico, Brazil and Colombia.

"We focus on delivering to our leading customers the highest quality wireless solutions," said Juan Allende, Strategy General Manager of Grupo CYS. "Our partnership with Novatel Wireless allows us to offer our customers the latest GPRS data PC Cards loaded with advanced features at a very competitive price."

Mobile System Communications (MSC), a Madrid-based distributor, will also distribute the Merlin G200 and G300. Mobile Systems Communications is a specialized distributor focused on small to medium sized businesses, VARs & resellers.

"Mobile data access solutions are in high demand in Spain and we believe the Merlin PC Cards will be a strong element of our wireless solutions to businesses of all sizes," added MSC's Fernando Niubo, President.

With these agreements, Novatel Wireless now has eight sales distribution channels in Europe. Operator certification for the Merlin G201 is currently in process with three network operators in Spain and over twelve additional operators throughout Europe.

"We are pleased to be working with two of Spain's leading companies to help bring the promise of wireless data to Europe," stated Owen Stephenson, vice president of GPRS for Novatel Wireless. "Grupo CYS will allow us to reach the large enterprise market, while MSC targets smaller and mid-sized businesses. These agreements solidify our position on the Continent as a leading supplier of advanced wireless solutions."

The Merlin G200 Series will be available immediately and the Merlin G300 Series will become available in the third quarter of 2002. Pricing will be determined by network operators and other channel markets.

### **MERLIN G200 SERIES**

The Merlin G200 Series is a family of dual band (900/1800) wireless PC Card modems based on GSM/GPRS technology. Slightly larger than a credit card, Merlin G200 slides inside your Type II PC Card slot; providing access to email, corporate databases and the Internet at maximum speeds of up to 53.6 kbps over GPRS and 14.4 kbps over GSM. Equipped with a robust removable antenna to enhance portability, the Merlin G200 provides Short Messaging Service (SMS) capabilities allowing users to send and receive text messages for quick person-to-person or group chats from their laptop or handheld device.

With user-friendly DataNet™ wireless modem manager software, the Merlin G200 uses the familiar Microsoft dial-up connection that allows users to control their connection to the network providing one-step easy connection. DataNet saves battery life and time by not attempting to establish a connection while booting up or when network coverage is not available. The Merlin G201 is voice capable over the GSM network allowing users to make and receive calls from a laptop or Pocket PC device. Merlin G200 and G201 are compatible with Microsoft Windows 98, 2000, Millennium Edition, XP and Pocket PC 2000 and 2002 operating systems.

### **MERLIN G300 SERIES**

The Merlin G300 Series is a family of true Type II, tri-band PC Cards that are compatible with Windows 98, 2000, Millennium Edition, XP and Pocket PC operating systems. The application software simplifies user interaction with Windows based operating systems and provides an integrated environment for SMS, fax, and dialer functionality. GPRS capabilities result in an

"always on" experience, so that the user can access data wirelessly at the click of a button. Switching over to GSM-based applications like text messaging, fax, and voice calls is equally simple, resulting in an enhanced user experience. The Merlin G300 Series will offer standard GSM voice capabilities allowing the user to make and receive calls from a laptop or Pocket PC device.

## **ABOUT GSM/GPRS**

GPRS is an exciting new wireless technology standard which has profoundly altered and improved the data services available over GSM-based wireless networks. An over-the-air system for transmitting data on GSM networks, GPRS technology converts data into standard Internet packets, enabling interoperability between the Internet and the GSM network, and providing the user with an "always on" experience. One of the great strengths of GSM is its international reach, giving consumers seamless service in over 170 countries around the world. This has been a vital driver in growth, with over 645 million GSM subscribers globally, representing over 67% of all handsets. GPRS wireless technology employs extensive authentication and encryption via standard GSM algorithms, making it one of the most secure public wireless systems in the world. The Subscriber Identity Module (SIM card), a key component of the GSM network, stores the authentication and encryption algorithms, making it virtually impossible for unauthorized users to capture and decipher messages.

## **ABOUT NOVATEL WIRELESS, INC.**

Novatel Wireless, Inc. is a leading provider of wireless data modems and software for use with handheld computing devices and portable personal computers. The company delivers innovative and comprehensive solutions that enable businesses and consumers to access personal, corporate and public information through email, enterprise networks and the Internet. Novatel Wireless also offers wireless data modems and custom engineering services for hardware integration projects in a wide range of vertical applications. The Novatel Wireless product portfolio includes the Minstrel<sup>®</sup> Family of Wireless Handheld Modems, Merlin<sup>™</sup> Family of Wireless PC Card Modems, Sage<sup>®</sup> Wireless Serial Modems, Lancer 3W<sup>™</sup> Family of Ruggedized Modems and Expedite<sup>™</sup> Family of Wireless Embedded Modems. Headquartered in San Diego, California, Novatel Wireless is listed on the Nasdaq Stock Market (Nasdaq: NVTL). For more information, please visit the Novatel Wireless web site: [www.novatelwireless.com](http://www.novatelwireless.com) or call 888-888-9231.

## **ABOUT GRUPO CYS**

Grupo CYS is one of the major Spanish players in the Industry of Telecommunication Services, devoted to System Engineering & Integration and widely specialized in projects of Radio and Communication Networks. The origin of Group CYS was Comunicaciones y Sonido S.A., (CYS), founded in Bilbao in 1985. As a group, it is present in all of Spain and since 1994 in Latin America. More than fifteen years of experience support the activities of Grupo CYS, composed by domestic and international companies, namely: CYS in Spain, ICA in Peru, PROCELBRAS in Brazil, CYS COLOMBIA in Colombia and CYS MEXICO in Mexico. Currently Grupo CYS is involved in a process of international expansion in several countries in Latin America, Europe and North of Africa. Due to its commitment to telecommunications, Grupo CYS has partnered with the major operators and manufacturers in the sector. For that reason, Grupo CYS has the recognition of the most important international companies in this sector.

## **ABOUT MOBILE SYSTEM COMMUNICATIONS**

Mobile System Communications, was established in Madrid in 1994 and is a member of the mother group "COMERCIAL DE TELECOMUNICACIONES Y GESTION DE INVERSION". Our main target since then has been to search for new technologies and introduce them in the Spanish market, through distributing agreements with several foreign companies. We have access to our customers through specialized distribution channels which make us leaders, as well as offering direct advising to determine special customers.

The Novatel Wireless logo, Minstrel, Merlin, Merlin G201, Sage, Lancer 3W and Expedite are trademarks of Novatel Wireless, Inc. Minstrel and Sage are registered with the U.S. Patent and Trademark Office. All other brands, products and company names mentioned herein are trademarks of their respective holders.

This release may contain forward-looking statements, which are made pursuant to the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. These factors include risks relating to technological changes, continued acceptance of Novatel Wireless' products and dependence on intellectual property rights. These factors, as well as other factors that could cause actual results to differ materially, are discussed in more detail in Novatel Wireless' filings with the United States Securities and Exchange Commission and other regulatory agencies.