



Novatel Wireless to Acquire Enfora

November 8, 2010

SAN DIEGO, November 8, 2010 /PRNewswire/ -- Novatel Wireless, Inc. (Nasdaq: NVTL), a leading provider of wireless broadband solutions, has entered into a definitive agreement to acquire Enfora, Inc., a privately-held, Texas-based provider of intelligent asset-management solutions utilizing wireless technology and machine-to-machine (M2M) communications, for approximately US\$64.5 million in cash at closing, subject to certain working capital adjustments. Possible additional consideration of up to US\$6 million is contingent on certain performance targets being met.

Enfora had revenues of US\$61.3 million during the 12 month period ended September 30, 2010, with gross margins of approximately 36 percent. Novatel Wireless expects the acquisition to be immediately accretive to its non-GAAP earnings.

Enfora sells to a diverse base of customers, which includes enterprises, applications service providers, OEMs and distributors. Enfora's product portfolio consists of smart M2M solutions -- embedded platforms, integrated platforms, and embedded software -- based on a distributed intelligent and customizable architecture that provides a valuable link between an enterprise and its remote assets. According to ABI Research, the market for cellular M2M connection revenue is expected to grow at an annual compound rate of more than 22 percent through 2014.

"This acquisition creates a market leader in wireless data selling into all end markets: enterprise, consumer and vertical markets," said Peter Leparulo, Chairman and CEO of Novatel Wireless. "This acquisition expands our addressable market, broadens our range of complementary products, diversifies our customer base and enhances operating leverage. It will also strengthen our competitive position by leveraging our combined research and development talent and customer relationships. Enfora, more than any other company providing M2M data communications, is focused on adding value with customized software and services and fits with our business strategy of combining hardware and software into integrated solutions."

Key benefits of the acquisition include:

- Diversifying Novatel Wireless' customer base and product lines into adjacent markets.
- Advancing the company's strategy of providing intelligent devices to all end markets -- enterprise, consumer, and vertical applications. Enfora has developed differentiated solutions for key market segments, including transportation, industrial automation, security, and healthcare.
- Creating a strong growth profile by bringing together long-term customer relationships with wireless carriers, cable operators, distributors, retailers, MVNOs, leading OEMs in both mobile computing and vertical markets, enterprises, and application service providers.
- Leveraging the research and development, product portfolios, and geographic reach of the combined company.

"I am very pleased to welcome Mark Weinzierl, founder and CEO of Enfora, to our senior management team," added Mr. Leparulo. "His leadership and expertise will be a great asset to Novatel Wireless moving forward."

"We are bringing together two clear leaders in data communications," said Mark Weinzierl. "Our customers will benefit greatly from Novatel Wireless' leading-edge technology, strong relationships with mobile operators, and financial strength. Our combined company will be well positioned to address the growing demand for wireless data solutions and associated software."

Enfora will operate as a Novatel Wireless business unit, and the combined company will leverage synergies in product development, sales channels and complementary resources.

Additional Terms of the Transaction

Novatel Wireless and Enfora have signed an Agreement and Plan of Merger pursuant to which Enfora will become a wholly-owned subsidiary of Novatel Wireless. The acquisition is expected to close by the end of November. A controlling majority of Enfora stockholders has irrevocably consented to the acquisition.

The purchase price includes the pay down of all debt. The acquisition will be funded from cash on hand. As of September 30, 2010, Novatel Wireless had approximately US\$183 million of cash and marketable securities on its balance sheet, with no debt.

Cowen and Company is acting as exclusive financial advisor to Novatel Wireless in connection with this transaction. Jefferies & Co. is acting as exclusive financial advisor to Enfora.

Conference Call Information

Novatel Wireless will host a conference call and live webcast for analysts and investors at 8:00 a.m. ET today to discuss details of the acquisition. For parties in the United States and Canada, call 877-941-8632 to access the conference call. International parties can access the call +1-480-629-9820.

The webcast will be accessible from the "Investor Relations" section of the Company's website at <http://www.novatelwireless.com>. The webcast will be archived for a period of 90 days. A telephonic replay of the conference call will also be available two hours after the call and will run until November 15. To hear the replay, parties in the United States and Canada should call 800-406-7325 and enter pass code 4375599. International parties should call +1-303-590-3030. In addition, Novatel Wireless' press release will be accessible from Novatel Wireless' website before the conference call begins.

About Novatel Wireless

Novatel Wireless is a leader in the design and development of innovative wireless broadband access solutions based on 3G and 4G wireless technologies. Novatel Wireless' Intelligent Mobile Hotspot products, software, USB modems and embedded modules enable high-speed wireless Internet access on leading wireless data networks. The Company delivers specialized wireless solutions to carriers, distributors, OEMs and vertical markets worldwide. Headquartered in San Diego, California, Novatel Wireless is listed on NASDAQ: NVTL. For more information please visit www.novatelwireless.com. (NVTLG)

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About Enfora

Enfora is a leading provider of intelligent wireless asset management solutions, enabling enterprises to access, analyze and leverage information from their geographically dispersed assets using location-based monitoring and control and asset management applications. Enfora's solutions, consisting of embedded wireless software, network edge wireless platforms, and enterprise software, are based on its distributed intelligent architecture that provides a link between an enterprise and its remote assets. Enfora primarily serves the transportation, security, energy and medical market segments. For more information please visit www.enfora.com.

Cautionary Note Regarding Forward-Looking Statements

Some of the information presented in this release constitutes forward-looking statements based on management's current expectations, assumptions, estimates and projections. In this context, forward-looking statements often address expected future business and financial performance and often contain words such as "may," "estimate," "anticipate," "believe," "expect," "intend," "plan," "project," "will" and similar words and phrases indicating future results. The information presented in this release related to our acquisition of Enfora, the completion of this acquisition, the expected benefits of this acquisition, and the financial and operational results of the combined company following the acquisition is forward-looking. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements. The company therefore cannot guarantee future results, performance or achievements. Actual results could differ materially from the company's expectations.

These factors, as well as other factors described in the reports filed by the company with the SEC (available at www.sec.gov), could cause actual results to differ materially. Novatel Wireless assumes no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, except as otherwise required pursuant to applicable law and our on-going reporting obligations under the Securities Exchange Act of 1934, as amended.

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