



October 5, 2006

## Novatel Wireless Announces Positive Preliminary Third Quarter Results

### Company Expects to Achieve Highest Quarterly Revenues in History

SAN DIEGO, Oct 05, 2006 (BUSINESS WIRE) -- Novatel Wireless, Inc. (Nasdaq:NVTL), a leading provider of wireless broadband access solutions, today announced preliminary results for its third quarter ended September 30, 2006. Currently, the Company expects revenues to be in the range of \$53 to \$55 million with non-GAAP earnings per share of \$0.03 to \$0.04. This compares to previous guidance of \$51 to \$53 million in revenues and \$0.02 to \$0.04 non-GAAP earnings per share.

"Our third quarter results, which exceeded expectations, will reflect strong sequential and year-over-year top-line growth," said Peter Leparulo, chief executive officer of Novatel Wireless. "We currently expect highlights for the quarter as follows:

-- We made significant progress by introducing four new products during the third quarter, despite a tight component market and the higher costs associated with new product introductions.

-- We achieved significant growth in embedded module sales, representing approximately 15% of total revenues in the third quarter, and began shipments of our fixed-mobile convergence products which we expect to ramp steadily in the fourth quarter, which together led to approximately 20% of non-PC card revenues.

-- We expect HSDPA revenue to increase sequentially by over 40%, largely as a result of our ExpressCard and embedded strategy in Europe."

The Company will release its full third quarter results on Tuesday, October 24, 2006 after market close.

#### ABOUT NOVATEL WIRELESS

Novatel Wireless, Inc. is revolutionizing wireless communications. The company is a leader in the design and development of innovative wireless broadband access solutions based on 3G WCDMA (HSDPA & UMTS), CDMA and GSM technologies. Novatel Wireless' Merlin(TM) PC Cards and ExpressCards, Expedite(R) Embedded Modules, MobiLink(TM) Communications Software Suite, Ovation(TM) Fixed Mobile Convergence Products and Conversa(TM) Software Suite enable high-speed wireless access. The company delivers innovative 3G solutions to operators, distributors and vertical markets worldwide. Headquartered in San Diego, California, Novatel Wireless is listed on NASDAQ: NVTL. For more information visit [www.novatelwireless.com](http://www.novatelwireless.com). (NVTLG)

Some of the information presented in this release constitutes forward-looking statements based on management's current estimates and expectations, which are made pursuant to the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995, as amended to date. In this context, forward-looking statements often address expected future business and financial performance and often contain words such as "expects", "anticipates", "intends", "plans", "believes", "seeks" and "will", for example. Forward-looking statements by their nature address matters that are, to varying degrees, uncertain and therefore involve risks and assumptions. The Company therefore cannot guarantee future results, performance or achievements.

Factors that could cause actual results to differ materially from Novatel Wireless' expectations are set forth as risk factors in the Company's SEC reports and filings and include, without limitation, the future demand for wireless broadband access to data, the future growth of wireless wide area networking, changes in commercially adopted wireless transmission standards and technologies, continued acceptance of the Company's current product offerings and market demand for and acceptance of the Company's anticipated new product offerings in 2006 and 2007, increased competition and pricing pressure from wireless market participants, dependence on third party manufacturers and component suppliers, management of inventory, dependence on intellectual property rights, litigation or regulatory developments, dependence on a small number of customers, and the Company's general business and strategy, including plans and expectations relating to technology, research and product development, strategic relationships, customers, manufacturing, international expansion, sales initiatives, gross margin and cost containment initiatives. These factors, as well as other factors detailed from time to time in the Company's SEC reports and filings (available at [www.sec.gov](http://www.sec.gov)), could cause actual results to differ materially. Novatel Wireless assumes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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