



April 14, 2008

## Novatel Wireless Reports Preliminary First Quarter 2008 Results

### Board Appoints Peter V. Leparulo CEO

SAN DIEGO, Apr 14, 2008 (BUSINESS WIRE) -- Novatel Wireless, Inc. (Nasdaq:NVTL), a leading provider of wireless broadband access solutions, today reported preliminary financial results for the first quarter ended March 31, 2008 and announced that its board of directors has appointed Peter V. Leparulo, the company's current chairman of the board, as chief executive officer, effective immediately. Mr. Leparulo previously served as the company's CEO from January 2003 to November 2006.

Revenues for the first quarter are expected to be approximately \$91 million, lower than the company's prior guidance of \$110 million. GAAP earnings per share are expected to be in the range of \$0.13 to \$0.15 and non-GAAP EPS is expected to be between \$0.16 and \$0.18 per share.

"We are very disappointed with our first quarter results," said Peter Leparulo. "Approximately \$10 million of the shortfall was attributable to a delayed launch of the MC930D with a major European carrier customer. Additionally, we had lower than expected sales of our enterprise-class MC727 USB products to one major customer. We are between product launch cycles for our USB devices and demand in the current environment has shifted toward lower end products. We continue to see solid demand for our first generation MCD3000 USB products selling into this market shift, and we expect our second generation USB products to become the low end promotional offering as we introduce our third generation products mid-year."

"Importantly, we believe that our core market opportunity is attractive and growing and we believe we have the right product introductions to lead the market in innovation in the second half of the year. In addition, we are encouraged by the opportunities for growth in complementary markets, as evidenced by our recently announced products and partnerships. Moving forward, we are refocusing management on internal execution and improving operating results."

The company will discuss its outlook and guidance when it reports its quarterly results on May 1, 2008.

### Conference Call Information

Novatel Wireless will host a conference call for analysts and investors to discuss its preliminary first quarter results today at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time). For parties in the United States and Canada, call (800) 366-3908 to access the conference call. International parties can access the call at (303) 275-2170. A live webcast of the conference call, which will include forward-looking information, will also be accessible from the "Investor Relations" section of the company's website at [www.novatelwireless.com](http://www.novatelwireless.com). Following the webcast, an archived version will be available on the website for 15 days. A telephonic replay of the conference call will also be available two hours after the call and will run for two days. To hear the replay, parties in the United States and Canada should call (800) 405-2236 and enter passcode 11112833. International parties can access the replay at (303) 590-3000 and should enter passcode 11112833.

### 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 Internet 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 please visit [www.novatelwireless.com](http://www.novatelwireless.com). (NVTLG)

### 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. 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.

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, (1) the future demand for wireless broadband access to data, (2) the future growth of wireless wide-area networking, (3) changes in commercially adopted wireless transmission standards and technologies, (4) continued acceptance of the Company's current products and market demand for the Company's anticipated new product offerings in 2008, (5) increased competition and pricing pressure from current or new wireless market participants, (6) dependence on third party manufacturers in Asia and key component suppliers worldwide, (7) unexpected liabilities or expenses, (8) the Company's ability to introduce new products in a timely manner, (9) litigation, regulatory and IP developments related to our products or component parts of our products, (10) dependence on a small number of customers, (11) the effect of changes in accounting standards and in aspects of our critical accounting policies and (12) the Company's plans and expectations relating to strategic relationships, international expansion, software and hardware developments, personnel matters 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 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.

#### Non-GAAP Financial Measures; GAAP EPS

Novatel Wireless has provided in this release financial information that has not been prepared in accordance with GAAP. Non-GAAP net income and diluted earnings per share exclude share-based compensation expenses, net of income taxes. Non-GAAP net income and diluted earnings per share assume a tax rate which management believes reflects its long-term effective tax rate. Novatel Wireless uses these non-GAAP financial measures internally in analyzing its financial results and making operating decisions and believes they are useful to investors, as a supplement to GAAP measures, in evaluating ongoing operating results and trends and in comparing its financial measures with other companies in Novatel Wireless' industry, many of which present similar non-GAAP financial measures to investors.

Non-GAAP net income and diluted earnings per share are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. These non-GAAP financial measures are not intended to be used in isolation and, moreover, they should not be considered as a substitute for net income and diluted earnings per share or any other performance measure determined in accordance with GAAP. We present non-GAAP net income and diluted earnings per share because we consider each to be an important supplemental measure of our performance.

Management uses these non-GAAP financial measures to make operational decisions, evaluate the Company's performance, prepare forecasts and determine compensation. Further, management believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing the Company's performance when planning, forecasting and analyzing future periods. The share-based compensation expenses are expected to vary depending on the number of new grants issued to both current and new employees, and changes in the Company's stock price, stock market volatility, expected option life and risk-free interest rates, all of which are difficult to estimate. In calculating non-GAAP net income and diluted earnings per share, management excludes share-based compensation expenses to facilitate its review of the comparability of the Company's operating performance on a period-to-period basis because such expenses are not, in management's review, related to the Company's ongoing operating performance. Management uses this view of its operating performance for purposes of comparison with its business plan and individual operating budgets and allocation of resources.

We further believe that these non-GAAP financial measures are useful to investors in providing greater transparency to the information used by management in its operational decision making. We believe that the use of non-GAAP net income and diluted earnings per share also facilitates a comparison of Novatel Wireless's underlying operating performance with that of other companies in our industry, which use similar non-GAAP financial measures to supplement their GAAP results.

Calculating non-GAAP net income and diluted earnings per share have limitations as an analytical tool, and you should not consider these measures in isolation or as substitutes for GAAP net income and diluted earnings per share. In the future, we expect to continue to incur expenses similar to the non-GAAP adjustments described above, and exclusion of these items in the presentation of our non-GAAP financial measures should not be construed as an inference that these costs are unusual, infrequent or non-recurring. Investors and potential investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. Some of the limitations in relying on non-GAAP net income and diluted earnings per share are:

-- Other companies, including other companies in our industry, may calculate non-GAAP net income and diluted earnings per share differently than we do, limiting their usefulness as a comparative tool.

-- The Company's income tax expense will be ultimately based on its GAAP taxable income and actual tax rates in effect, which may differ significantly from the effective tax rate used in our non-GAAP financial measures.

In addition, the adjustments to our GAAP financial measures reflect the exclusion of share-based compensation expenses that are recurring and will be reflected in the Company's financial results for the foreseeable future. The Company compensates for these limitations by providing specific information regarding the GAAP amount excluded from the non-GAAP financial measures. The Company further compensates for the limitations of our use of non-GAAP financial measures by presenting comparable GAAP measures more prominently. The Company evaluates the non-GAAP financial measures together with the most directly comparable GAAP financial measures.

Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures contained within this press release with our GAAP net income and diluted earnings per share. For more information, see the consolidated statements of income and the "Reconciliation of GAAP Net Income to Non-GAAP Net Income" contained in this press release.

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SOURCE: Novatel Wireless, Inc.

Novatel Wireless, Inc.  
Julie Cunningham  
Vice President, IR & Communications  
(858) 431-3711  
[ir@nvtl.com](mailto:ir@nvtl.com)

or  
The Blueshirt Group  
Mike Bishop  
(415) 217-4968  
[mike@blueshirtgroup.com](mailto:mike@blueshirtgroup.com)

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