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Novatel Wireless Raises Second Quarter Revenue Guidance; Launch of New PC Card Modems and Embedded Solutions Drive Increased Forecast

SAN DIEGO, Jul 06, 2006 (BUSINESS WIRE) -- Novatel Wireless, Inc. (Nasdaq:NVTL), a leading provider of wireless broadband access solutions, today announced that based on the Company's preliminary review, it expects revenues for the second quarter of 2006 to exceed \$44.0 million, ahead of the Company's previous guidance of \$40.0 million to \$42.0 million. The Company plans to announce full financial results on July 26, 2006.

"Our diversification strategy for new and existing product lines is resulting in higher than expected second quarter sales driven by multiple revenue drivers in both EMEA and North American markets," said Peter Leparulo, Novatel Wireless' Chief Executive Officer. "During the second quarter, we commercialized our embedded solutions with leading OEMs, across both HSDPA and EV-DO technologies, in Europe and North America. This marks the first significant revenue contribution from embedded products."

"Demand for our leading PC card modems was also stronger than expected and we anticipate that HSDPA sales will eclipse UMTS sales for the first time, marking a key inflection point," added Mr. Leparulo. "Recently, we also introduced our EV-DO ExpressCards, making us first to market with this new technology and demonstrating our continued commitment to leading the market in innovation. Overall, we continue to focus on executing on plan and driving revenue streams in each prong of our diversification strategy."

Novatel Wireless will release final second quarter results on Wednesday, July 26 shortly after the market close and host a conference call for analysts and investors to discuss its quarterly results at 1:30 p.m. PT (4:30 p.m. ET). Open to the public, a live Web cast of the conference call will be accessible from the "Investor Relations" section of the Novatel Wireless web site (www.novatelwireless.com). Following the live Web cast, an archived version will be available on the Novatel Wireless web site.

About Novatel Wireless, Inc.

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 W CDMA (HSDPA & UMTS), CDMA and GSM technologies. Novatel Wireless' Merlin(TM) PC Cards, Expedite(R) Embedded Modules, MobiLink(TM) Communications Software Suite, Ovation(TM) 3G Multimedia Application Consoles 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. (nvtle).

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Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements that are not promises or guarantees but are only predictions that relate to future events or the Company's possible future performance. These statements are subject to substantial risks and uncertainties that could cause actual results, performance or achievements to differ materially from those expressed, anticipated or implied by the forward-looking statements included in this press release. These statements relate to, among other things, the Company's anticipated revenue, expenses, earnings, and other financial guidance for the second quarter of fiscal 2006 and thereafter, plans, objectives and timing for the introduction or enhancement of HSDPA and EV-DO products and services, statements concerning the Company's diversification strategy, sources of revenue, execution opportunities, future market and end-customer conditions, and other statements of expectations, intentions, objectives and plans that are not statements of historical fact. In this context, forward-looking statements often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks" and "will," for example. The Company does not and cannot guarantee future results, performance or achievements.

Many factors could cause actual results to differ materially from the Company's expectations and are set forth as risk factors in the Company's quarterly and annual reports filed with the SEC (available at www.sec.gov). They 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 its anticipated new product offerings later in 2006 and thereafter, 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, research and development activities, international expansion, management of growth and cost containment initiatives. Unless otherwise required by applicable law, the Company assumes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE: Novatel Wireless, Inc.

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