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Novatel Wireless Revises Guidance for Second Quarter 2001

Volume GPRS Shipments to Commence Early in Q3

SAN DIEGO, CA.—June 27, 2001--Novatel Wireless, Inc. (Nasdaq: NVTL), a provider of wireless data communications access solutions, announced today that it has revised its guidance for the second quarter ending June 30, 2001.

Due to the continued economic softness and temporary delay in shipments of certain new products, the Company has lowered estimates for second quarter revenues to a range of \$12.0 to \$13.0 million. This revenue estimate specifically excludes some substantial shipments for which there are payment concerns. While these results would reflect revenue growth of more than 30% over the same period last year, they represent a decrease from first quarter levels. Additionally, the Company will increase reserves for excess inventory by approximately \$2 million. Excluding special charges, Novatel Wireless expects to incur a second quarter pro forma net loss of \$(0.18) to \$(0.20) per share.

Novatel Wireless also announced today that it expects volume shipments of its Merlin G100 for GPRS to begin in the early part of the third quarter. It also expects shipments for its Merlin C200 (the first dual-band PCMCIA card for CDMA) and the Minstrel m500™ CDPD Wireless Handheld Modem for Palm™ m500 series handhelds to begin shipping in volume in the third quarter.

"Sales in the second quarter were weak, reflecting the slowdown in technology spending for PDAs, in particular, but order input was strong," said John Major, Chairman and Chief Executive Officer of Novatel Wireless. "Additionally, completing field testing of our next generation GPRS products caused a delay, pushing volume shipments into the third quarter. We are excited that carriers are still aggressively rolling out plans for these 2.5G services and we are well positioned to benefit from this trend. We are engaged with a number of carriers and, with our units currently undergoing final evaluation, are first-to-market with a GPRS solution, significantly ahead of our competition. With the roll-out of a number of new products in the third quarter, we are cautiously optimistic for the second half of the year."

"Despite the lower revenues, we have substantially reduced our operating loss in the second quarter compared to Q1. We have streamlined the Company to operate more efficiently by reducing our operating and fixed manufacturing costs. Additionally, we are starting to achieve higher margins on our next generation products and this should have an impact in the third quarter. These changes are significantly improving our financial model and our ability to succeed in a tougher market."

The company will host a conference call for analysts and investors to discuss this press release on June 28, 2001 at 8:30 a.m. EDT. Open to the public, a live Web cast of the conference call will be accessible from the "Investor Relations" section of Novatel Wireless's Web site (www.novatelwireless.com). Following the live Web cast, an archived version will be available on the Novatel Wireless Web site for 5 days.

Safe Harbor Statement

This release contains forward-looking statements, which are made pursuant to the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. In particular, this release includes statements about expected future revenue. 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, including risks and uncertainties that may cause Novatel Wireless to have different actual future revenue. These factors include risks and uncertainties relating to the current economic slowdown, fluctuations in demand for existing and new products, the need to successfully introduce and market new products, the roll-out of 2.5G technology like GPRS and CDMA 1xRTT, the effect of competition, technological changes, continued acceptance of Novatel Wireless' products and dependence on intellectual property rights. These statements are also subject to risks and uncertainties, including the ability of Novatel Wireless to identify and eliminate expenses effectively, possible fluctuations in future expenses and significant expenses that may need to be incurred but that are unforeseen at this time. 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.

About Novatel Wireless

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[®] Family of Wireless Handheld Modems, Merlin[™] Family of Wireless PC Card Modems, Sage Wireless Serial Modems, Lancer 3W[™] Family of Ruggedized Modems and Expedite[™] Family of Wireless Embedded Modules. 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 or call 888-888-9231.