

Reconciliation of Q4 2009 GAAP to Non-GAAP Results

February 10, 2010



SIERRA
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Reconciliation of GAAP to Non-GAAP Results

With reference to our press release of February 10, 2010, we are providing additional non-material information regarding our reconciliation of Q4 2009 GAAP to non-GAAP results additional non-material information.

Our consolidated financial statements are prepared in accordance with U.S. GAAP on a basis consistent for all periods presented. In addition to results reported in accordance with U.S. GAAP, we use non-GAAP financial measures as supplemental indicators of our operating performance. The term “non-GAAP financial measure” is used to refer to a numerical measure of a our historical or future financial performance, financial position or cash flows that: (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP in a company’s statement of income, balance sheet or statement of cash flows; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. We refer to gross margin, operating expenses, earnings (loss) from operations, net earnings (loss) and earnings (loss) per share adjusted for specific items that affect comparability as non-GAAP gross margin, non-GAAP operating expenses, non-GAAP earnings (loss) from operations, non-GAAP net earnings (loss) and non-GAAP diluted earnings (loss) per share, respectively. We disclose non-GAAP amounts as we believe that these measures provide better information on actual operating results and assist in comparisons from one period to another.

Readers are cautioned that non-GAAP financial measures do not have any standardized meaning prescribed by U.S. GAAP and therefore may not be comparable to similar measures presented by other companies.

Reconciliation of GAAP to Non-GAAP Results

In thousands of US\$, Except earnings (loss) per share	GAAP Results Q4 2009	NON-GAAP ADJUSTMENTS										Non GAAP Q4 2009	
		Purchase Price Wavecom	Purchase Price AirLink	Restructuring	Integration	Other Writeoffs	Transaction Costs	Stock Comp	Foreign Exchange Loss	Reduction in Tax Assets	Non- Controlling Interest		
Revenue	143,952												143,952
Cost of goods sold	96,576							150					96,426
Gross margin	47,376	0	0	0	0	0	0	(150)	0	0	0		47,526
GM %	32.9%												33.0%
Sales and marketing	14,551							400					14,151
Research and development	20,179	(800)	130					300					20,549
Administration	8,617							800					7,817
Acquisition costs	95						95						0
Restructuring	4,678			4,678									0
Integration	1,337				1,337								0
Amortization	(997)	(2,900)	450			180							1,273
Total Operating Expenses	48,460	(3,700)	580	4,678	1,337	180	95	1,500	0	0	0		43,790
Earnings (loss) from operations	(1,084)	3,700	(580)	(4,678)	(1,337)	(180)	(95)	(1,650)	0	0	0		3,736
Foreign exchange gain (loss)	(1,754)	0							(760)				(994)
Other income (expense)	(279)	0							(60)				(219)
Other income (expense)	(2,033)	0	0	0	0	0	0	0	(820)	0	0		(1,213)
Earnings (loss) before income taxes	(3,117)	3,700	(580)	(4,678)	(1,337)	(180)	(95)	(1,650)	(820)	0	0		2,523
Income tax expense (recovery)	12			(580)					0	550			42
Net earnings (loss) before non-contr int	(3,129)	3,700	(580)	(4,098)	(1,337)	(180)	(95)	(1,650)	(820)	(550)	0		2,481
Non-controlling interest	(394)										(200)		(194)
Net earnings (loss)	(2,735)	3,700	(580)	(4,098)	(1,337)	(180)	(95)	(1,650)	(820)	(550)	200		2,675
Diluted earnings (loss) per share	(0.09)												0.09
WA Diluted Shares	31,042												31,200