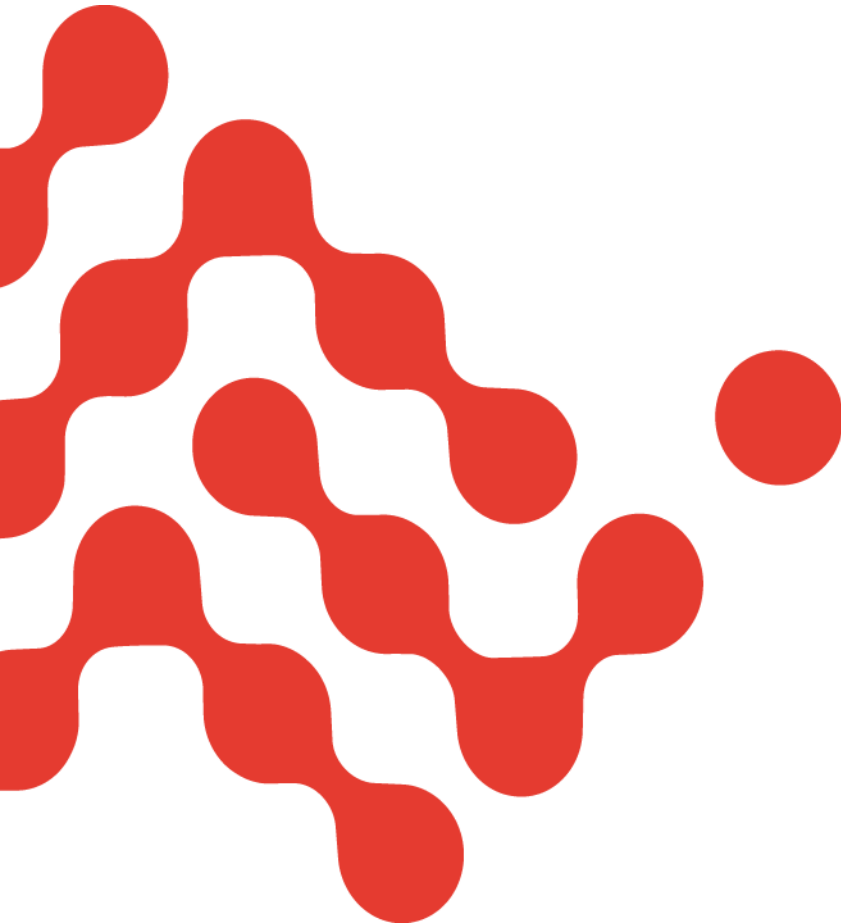


# First Quarter 2010 Results Webcast

April 29, 2010



# Safe Harbor Statement

Certain statements in this presentation that are not based on historical facts constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). These forward-looking statements are not promises or guarantees of future performance but are only predictions that relate to future events, conditions or circumstances or our future results, performance, achievements or developments and are subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause our actual results, performance, achievements or developments in our business or in our industry to differ materially from those expressed, anticipated or implied by such forward-looking statements.

Forward-looking statements include all financial guidance for the second quarter of 2010, disclosure regarding possible events, conditions, circumstances or results of operations that are based on assumptions about future economic conditions, courses of action and other future events. We caution you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. These forward-looking statements appear in a number of different places in this presentation and can be identified by words such as “may”, “estimates”, “projects”, “expects”, “intends”, “believes”, “plans”, “anticipates”, “continue”, “growing”, “expanding” or their negatives or other comparable words. Forward-looking statements include statements regarding the outlook for our future operations, plans and timing for the introduction or enhancement of our services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, the outcome of legal proceedings, and other expectations, intentions and plans that are not historical fact.

The risk factors and uncertainties that may affect our actual results, performance, achievements or developments are many and include, amongst others, our ability to develop, manufacture, supply and market new products that we do not produce today that meet the needs of customers and gain commercial acceptance, our reliance on the deployment of next generation networks by major wireless operators, the continuous commitment of our customers, and increased competition. These risk factors and others are discussed in our Annual Information Form which may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and in our other regulatory filings with the Securities and Exchange Commission in the United States and the Provincial Securities Commissions in Canada. Many of these factors and uncertainties are beyond the control of the Company. Consequently, all forward-looking statements in this presentation are qualified by this cautionary statement and there can be no assurance that actual results, performance, achievements or developments anticipated by the Company will be realized. Forward-looking statements are based on management’s current plans, estimates, projections, beliefs and opinions and the Company does not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

# Q1 2010 Summary

This presentation should be viewed in conjunction with our press release and supplementary information on our website ([www.sierrawireless.com](http://www.sierrawireless.com)), which present a complete reconciliation of GAAP and Non-GAAP results.

## Financial Highlights

### **Solid business performance in the quarter**

- Revenue increased to \$151.3 million – up 36% from Q1 '09; up 5% sequentially
- Non-GAAP gross margin of 30.7%, in line with long term business model
- Non-GAAP OpEx of \$42.3 million – down \$1.5 million sequentially

### **Improvement in profitability and earnings**

- Non-GAAP earnings from Ops of \$4.1 million; Non-GAAP EPS of \$0.13

### **Balance sheet continues to be strong**

- Total cash and cash equivalents of \$122.4 million (\$3.94/share) and no debt

### **Strong bookings and improving sell through**

# Focusing on two growth businesses

## Machine-to-Machine (“M2M”)

Product and service offerings for M2M applications

Target segments: automotive, smart metering, industrial control, fleet management, networking, security, consumer

### AirPrime™ Intelligent Embedded Modules



### AirLink™ Intelligent Gateways and Routers



### AirVantage™ Service Delivery Platform



## Mobile Computing

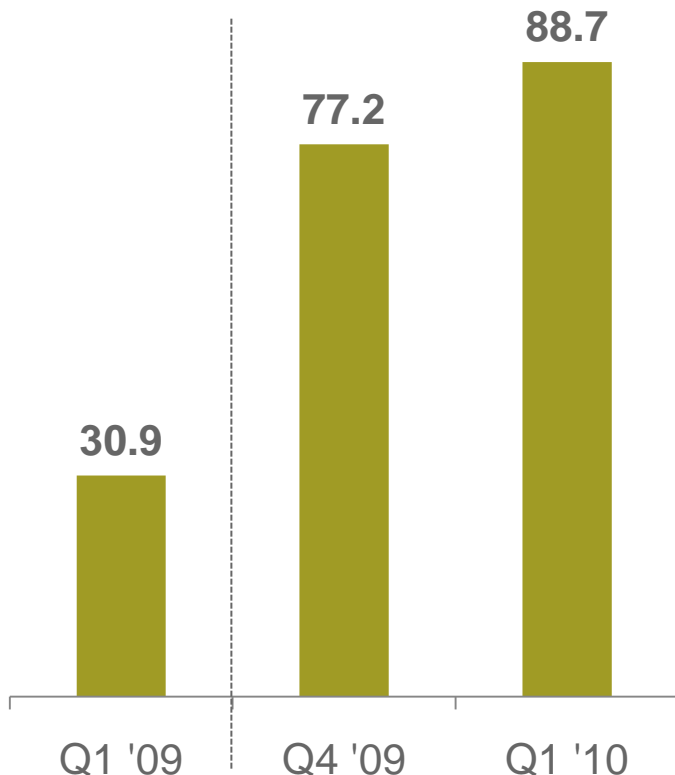
Mobile broadband devices for operators, including USB modems, mobile hotspots, and PC cards

Embedded mobile broadband modules for notebooks and netbooks



# Machine-to-Machine (“M2M”)

**M2M Revenue**  
(\$USD millions)



## Strong revenue growth in M2M product lines

- Up 15% over Q4 '09 and 187% over Q1 '09
- Exceptional strength in consumer M2M

## Building AirPrime™ embedded module leadership

- Launched new SL-series LGA devices
- Global smart meter win with EDM I

## AirLink™ gateways a solid contributor

- International expansion bearing fruit
- Bundled M2M solution launched with Bouygues

## AirVantage™ platform gaining momentum

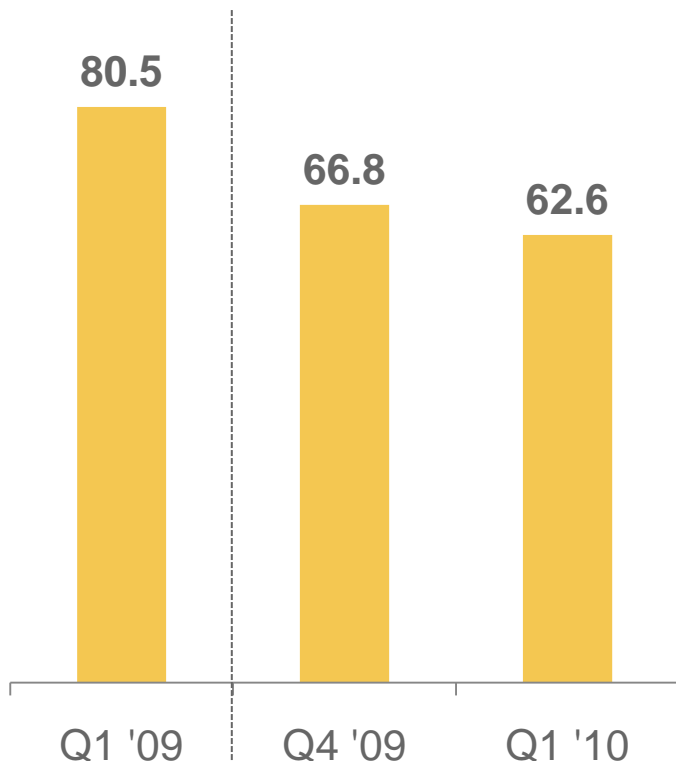
- OBCOMM services launched
- Wins in industrial M2M and outdoor advertising

## Expect sequential revenue decline in Q2

- Based on channel launch cycle for consumer devices

# Mobile Computing

**Mobile Computing Revenue**  
(\$USD millions)



## Revenue down 6% from Q4 '09

- Weak Q4 sell through affected Q1 revenue

## AirCard® business has strong product portfolio and channel positions at key operators

- Solid demand for Sprint OverDrive™
- First to dual-carrier HSPA+ 42 Mbps
- Launched 2-n-1 PC card with AT&T
- New channel slots awarded for future products

## Good traction rebuilding PC OEM business

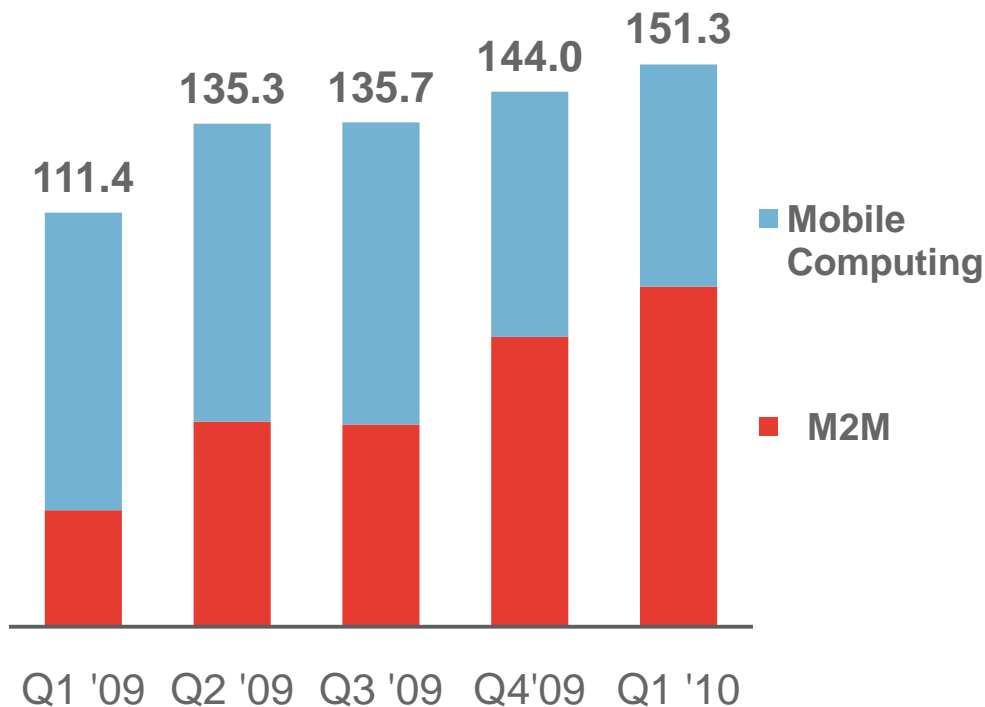
- Production design wins with Fujitsu and Panasonic
- New opportunities with Tier 1 manufacturers

## Expecting a return to growth in Q2

- Improving sell through trend line & bookings
- Multiple new product launches

# Investments in M2M driving diversification

**Consolidated Revenue**  
(\$USD millions)



## Consolidated revenue increasing

- Up 36% from Q1 '09 and up 5% from Q4 '09
- M2M driving growth and M2M business was 59% of total revenue in Q1

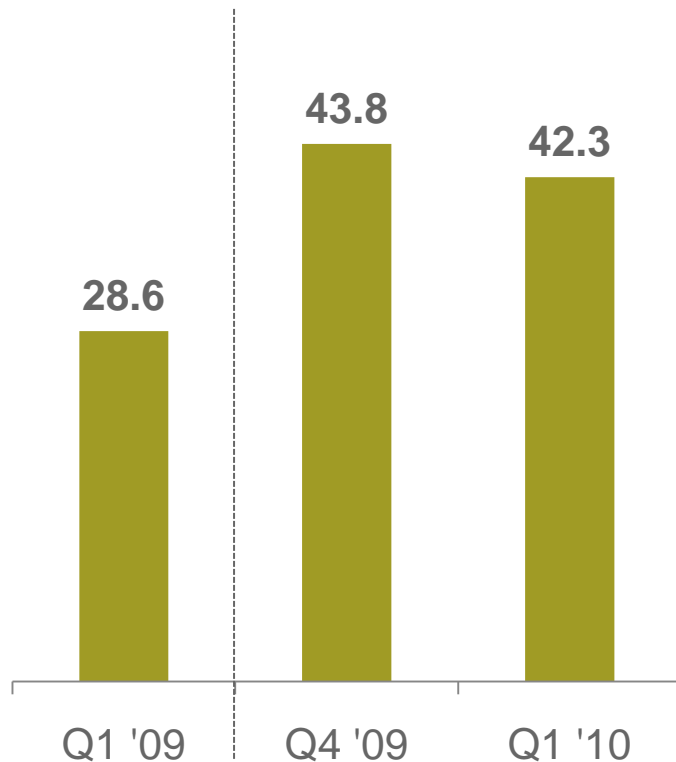
## Non-GAAP gross margin of 30.7% in line with business model

- Shift in AirCard product mix
- Consumer M2M design wins in volume production
- M2M product margins increased from Q4 2009

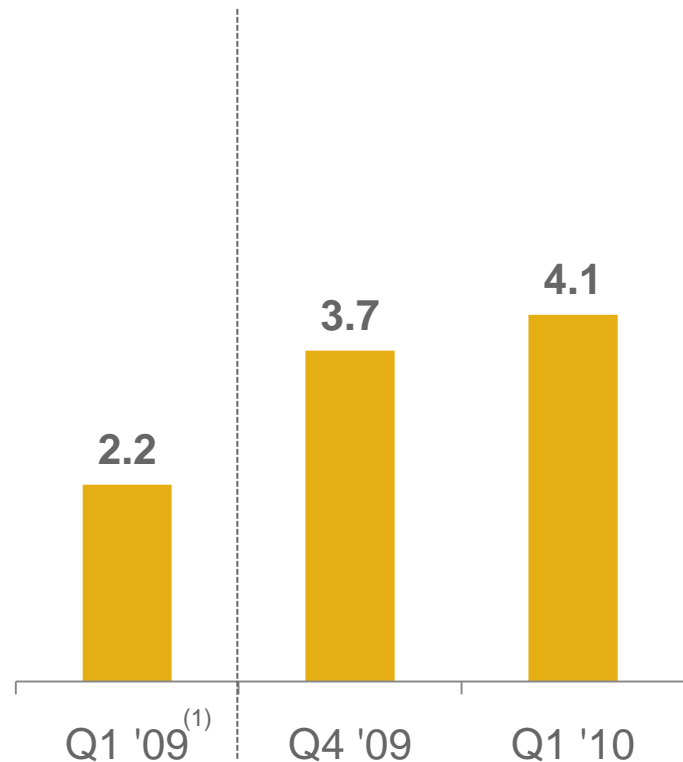
**Top 3 customers were 46% of sales**

# Lower operating expenses and improving earnings from operations

**Non-GAAP Operating Expenses**  
(\$USD millions)



**Non-GAAP Earnings from Operations**  
(\$USD millions)



(1) Includes Wavecom loss from operations of \$3.0M from Mar 1-31, 2009

# Key financial metrics

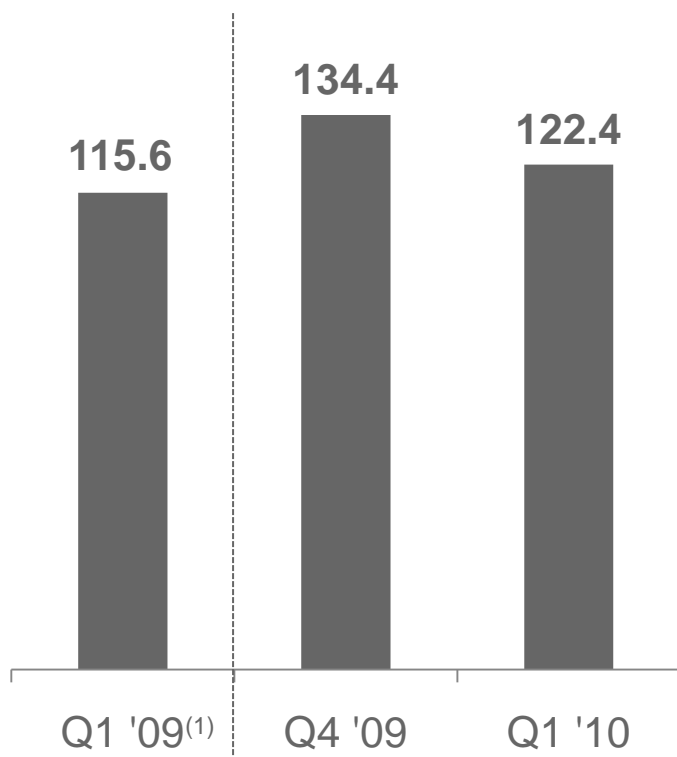
## Q1 2010 Financial Metrics (\$USD millions, except EPS and GM%)

	GAAP Actual	Non-GAAP* Actual	Non-GAAP* Guidance
Revenue	\$151.3	\$151.3	\$150.0
Gross Margin (%)	30.6%	30.7%	
Operating Expenses	\$50.8	\$42.3	
Earnings (Loss) from Operations	(\$4.5)	\$4.1	\$3.5
Other Income (Loss)	(\$3.0)	\$0.0	
Net Earnings (Loss)	(\$7.5)	\$4.1	\$3.3
Earnings (Loss) Per Share	(\$0.24)	\$0.13	\$0.11
EBITDA		\$9.4	

\* Non-GAAP results exclude stock-based compensation expense, acquisition amortization, Wavecom integration costs, restructuring costs, foreign exchange gains or losses, tax adjustments and non-controlling interest related to non-GAAP adjustments

# Strong cash position and debt free

## Unrestricted Cash Balance (\$USD millions)



## First Quarter 2010 Cash Metrics

**Net cash used in operating activities: \$7.9M**

- Working capital investment
- Integration and restructuring

**Capital expenditures: \$2.9M**

**Cash balance per share: \$3.94**

# Q2 2010 Financial Guidance

Guidance for the second quarter is based on the following expectations:

- Sequential growth in AirCard revenue based on improving sell-through and new product launches
- Small decline in M2M product revenue. Broad based growth offset by decline in consumer M2M
- Erosion in total gross margin percentage based on mix shift and new product ramp costs

Guidance for the second quarter also reflects the uncertain macro economic environment and is based on current beliefs and assumptions, which are subject to change. Actual results could differ materially from guidance. Risk factors are described in our regulatory filings

	<b>Consolidated Non-GAAP*</b>
<b>Revenue</b>	<b>\$155 - \$160 million</b>
<b>Earnings from Operations</b>	<b>\$2 - \$4 million</b>
<b>Net Earnings</b>	<b>\$1.7 - \$3.6 million</b>
<b>Earnings per Share</b>	<b>\$0.05 – \$0.12 /share</b>

- Non-GAAP results exclude stock-based compensation expense, acquisition amortization, Wavecom integration costs, restructuring costs, foreign exchange gains or losses, tax adjustments and non-controlling interest related to non-GAAP adjustments

# Q1 2010 Summary

**Good start to 2010** – solid financial results

**Growing M2M business** – transformation gaining momentum

**Value chain investments bearing fruit** – new wins & deployments

**Mobile Computing stabilizing** – expect Q2 AirCard growth, reestablishing position with PC OEMs

**Executing on cost structure** – Driving to our \$40M/Q target

**Working towards long term target business model** – 30% gross margin, 20% operating expenses, 10% operating margin

# Thank You

## Q&A Session

