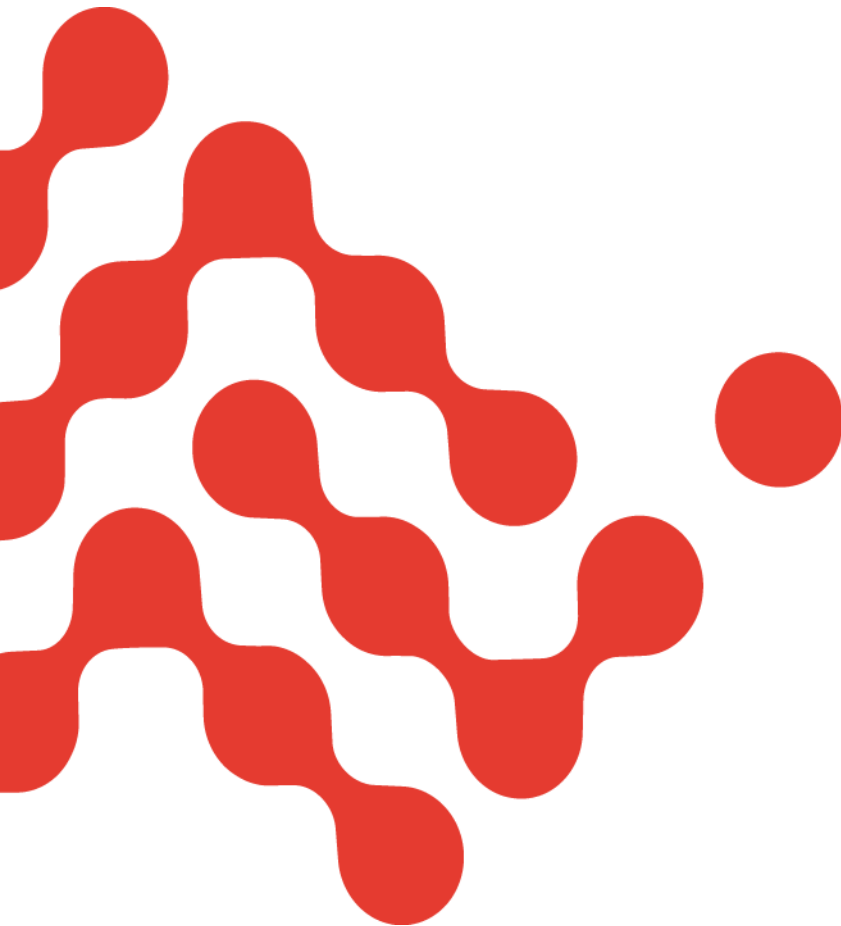


# Reconciliation of Q2 2010 GAAP to Non-GAAP Results

July 29, 2010



# Reconciliation of GAAP to Non-GAAP Results

With reference to our press release of July 29, 2010, we are providing additional non-material information regarding our reconciliation of Q2 2010 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.

**Sierra Wireless, Inc.**
**Q2 2010 Reconciliation of GAAP to Non GAAP Results**

In thousands of US\$, except earnings (loss) per share

In thousands of US\$, Except earnings (loss) per share	GAAP Results Q2 2010	NON-GAAP ADJUSTMENTS						Non GAAP Q2 2010
		Purchase Price Wavecom	Purchase Price AirLink	Restructuring Integration	Stock Comp	Foreign Exchange Loss	Non- Controlling Interest	
Revenue	159,116							159,116
Cost of goods sold	112,906				124			112,782
Gross margin	46,210	0	0	0	(124)	0	0	46,334
GM %	29.0%							29.1%
Sales and marketing	13,183				396			12,787
Research and development	21,534	1,291	132		346			19,765
Administration	8,835				885			7,950
Restructuring	1,581			1,581				0
Integration	1,631			1,631				0
Amortization	2,919	1,322	449					1,148
Total Operating Expenses	49,683	2,613	581	3,212	1,627	0	0	41,650
Earnings (loss) from operations	(3,473)	(2,613)	(581)	(3,212)	(1,751)	0	0	4,684
Foreign exchange loss	(5,460)	0				(5,460)		0
Other expense	(103)	0						(103)
Other expense	(5,563)	0	0	0	0	(5,460)	0	(103)
Earnings (loss) before income taxes	(9,036)	(2,613)	(581)	(3,212)	(1,751)	(5,460)	0	4,581
Income tax expense (recovery)	(399)			(639)		0		240
Net earnings (loss) before non-contr int	(8,637)	(2,613)	(581)	(2,573)	(1,751)	(5,460)	0	4,341
Non-controlling interest	(82)						(40)	(42)
<b>Net earnings (loss)</b>	<b>(8,555)</b>	<b>(2,613)</b>	<b>(581)</b>	<b>(2,573)</b>	<b>(1,751)</b>	<b>(5,460)</b>	<b>40</b>	<b>4,383</b>
Diluted earnings (loss) per share	<b>(0.28)</b>							<b>0.14</b>
WA Diluted Shares	31,054							31,300