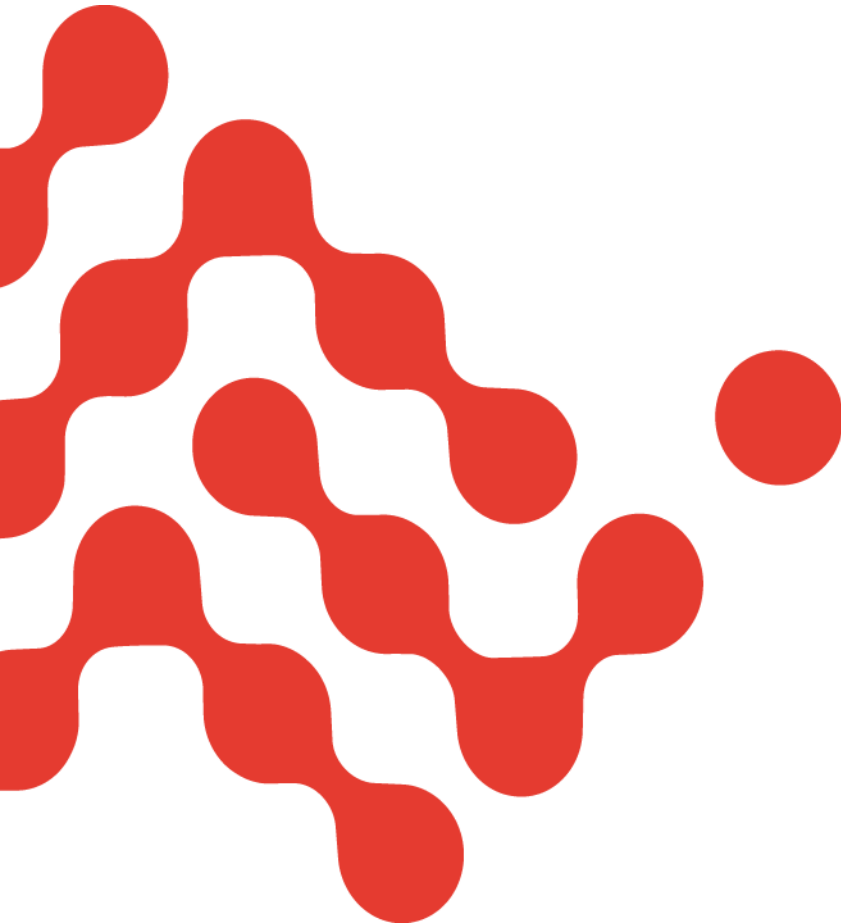


# Second Quarter 2010 Results Webcast

July 29, 2010



**SIERRA**  
WIRELESS™

# 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 third 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.

# Q2 Highlights

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.

Strong revenue growth to \$159.1 million – up 18% over Q2 2009

Solid demand in Machine-to-Machine (“M2M”) and Mobile Computing

M2M investments producing results and we are building momentum

- Market position: #1 global market share
- Diversification: 53% of sales in Q2

Mobile Computing accelerating with new product launches and customer wins

Steady progress on costs – Non-GAAP operating expenses down to \$41.7 million

Improved profitability – Non-GAAP earnings per share of \$0.14

Bolstered strategic position, expect H2 2010 growth

# Machine-to-Machine Opportunity

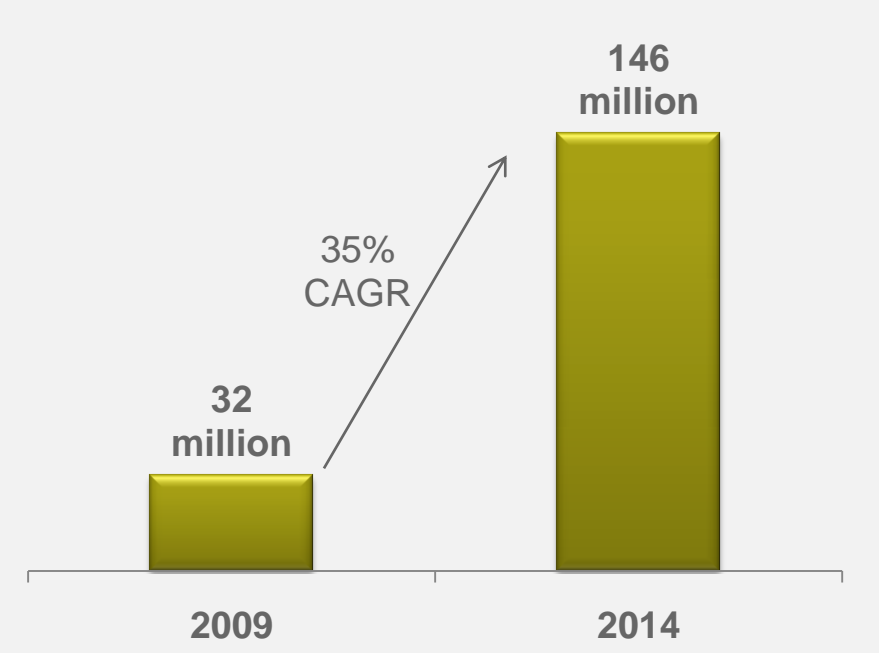
Operators are investing aggressively in Machine-to-Machine (M2M)

OEMs, system integrators and application developers are building new connected devices and solutions

Wireless adoption happening across many segments: consumer, automotive, networking, smart energy, payment

Valuation benchmark: #2 player  
Cinterion recently acquired at 1.1X EV/Sales

**Global Market Size for Connected Devices**  
(number of units shipped annually)



Source: ABI Research (Mobile Broadband-Enabled Consumer Electronics & M2M Market Forecast)

**Sierra Wireless holds #1 market share**  
**Exceptionally strong position in key verticals**

# M2M: Building Momentum

## Another strong quarter for M2M

- Revenue up 53% from Q2 '09
- Trailing twelve month revenue of \$303 million

## Continued new design win momentum

- Across key segments: automotive, networking, sales & payment, smart energy, fleet management

## Extending AirPrime™ Embedded Module leadership

- Launched TD-SCDMA and GPS modules
- Market traction with advanced functionality: development tools, wireless microprocessor, device management services

## Investments in AirVantage™ and AirLink™ product lines enabling value chain expansion

- Record revenue for gateway and router devices
- Managed solution wins in energy management and advertising



AirPrime™  
Q26 TD-SCDMA  
for China Mobile



AirPrime™  
XM0110 GPS module  
based on SiRFstarIV™



AirLink™ Raven XE  
Intelligent Gateway

# Mobile Computing: New Product Launches and Customer Wins Driving Growth

Q2 revenue up 21% sequentially

**AirCard® growth driven by new product launches with key operators**

- Sprint 3G/4G USB Modem
- Clear 4G+ USB and Clear Spot 4G+
- Time Warner IntelliGo

**Significant growth in PC OEM business expected next year**

- New 2011 platform design wins with leading OEMs

**Momentum through 2010 and into 2011**

- Strong channel positions
- Improving sell through
- New product launches
- Investing in 4G, including LTE devices



Telstra HSPA+  
AirCard 312U 42 Mbps



Sprint 3G/4G USB Modem  
AirCard 250U



AT&T USBConnect  
Lightning 7.2 Mbps  
AirCard USB 305



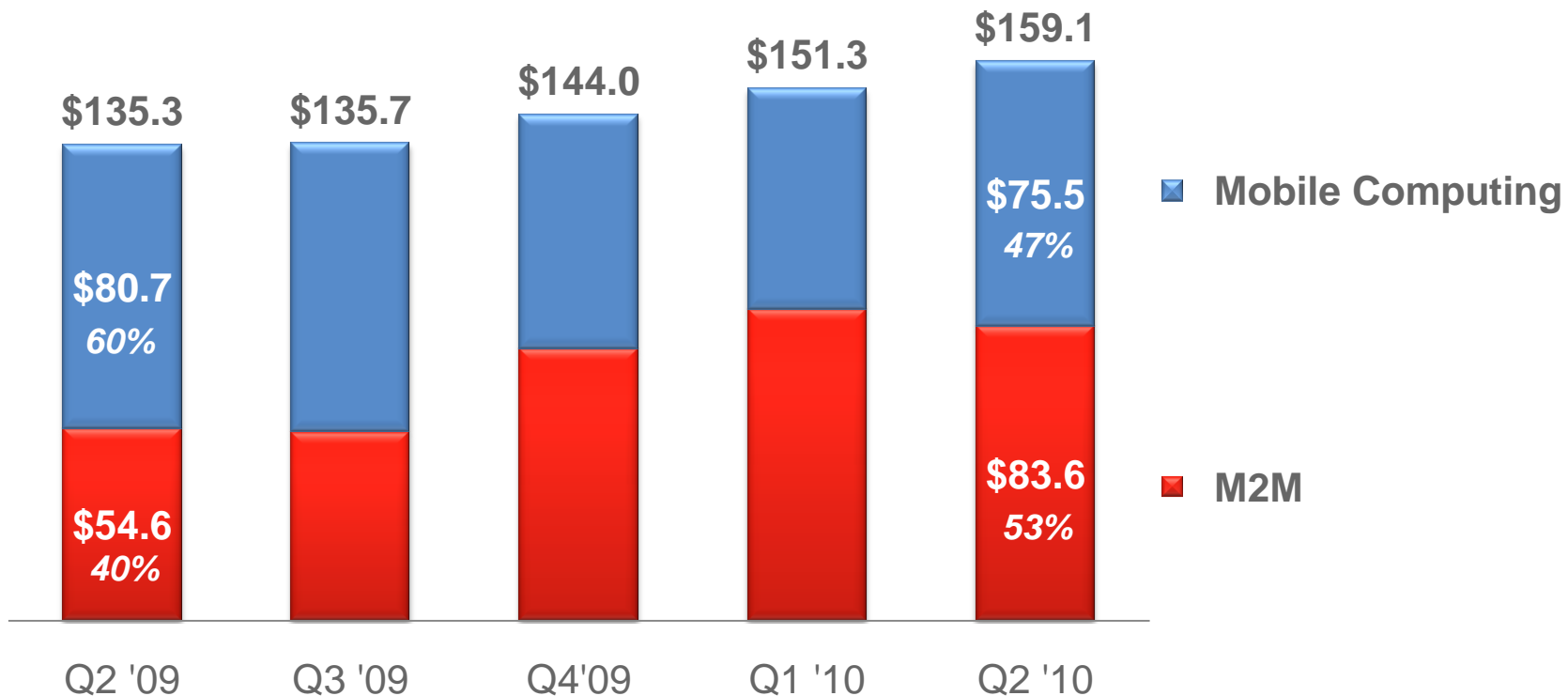
Time Warner IntelliGo  
AirCard W801  
3G/4G Mobile Hotspot



AirPrime™ Embedded Modules  
for PC OEMs

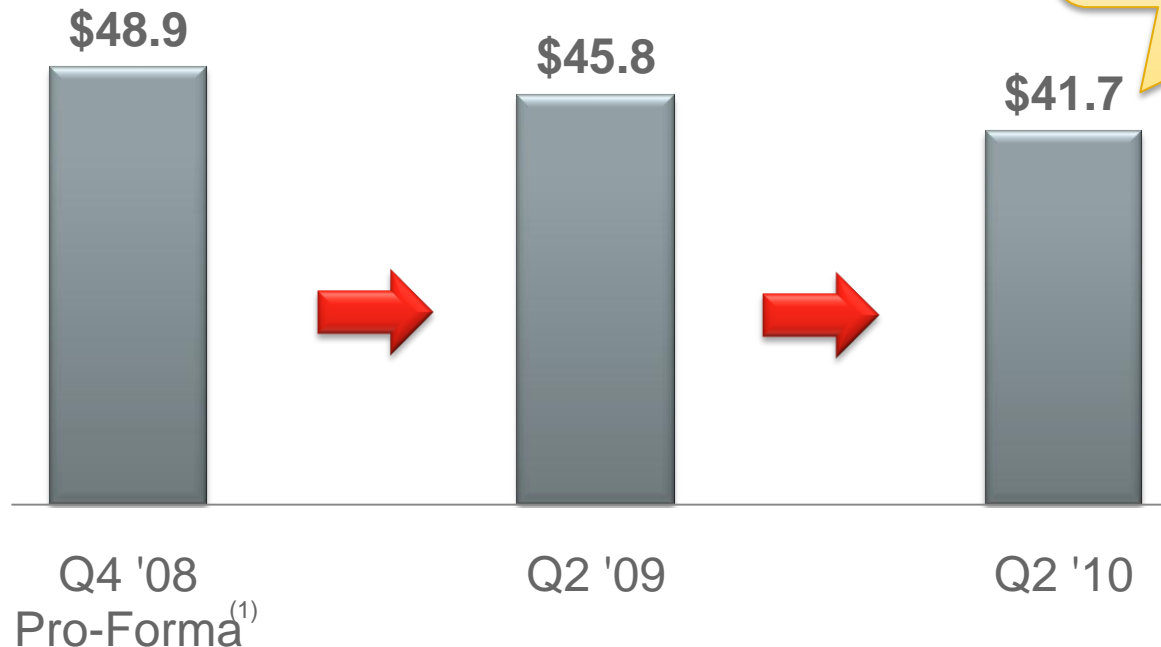
# Strong Revenue Growth & Diversification

Quarterly Revenue  
(USD millions)



# Solid Progress Driving Cost Reductions

Quarterly Non-GAAP Operating Expenses  
(USD millions)

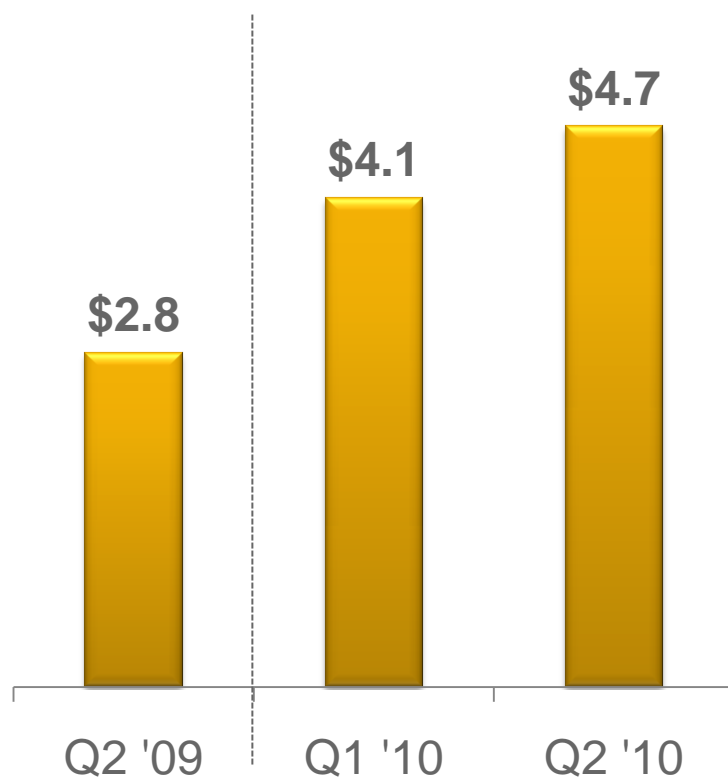


**Progressing towards \$40M per quarter target –  
while balancing growth and investment opportunities**

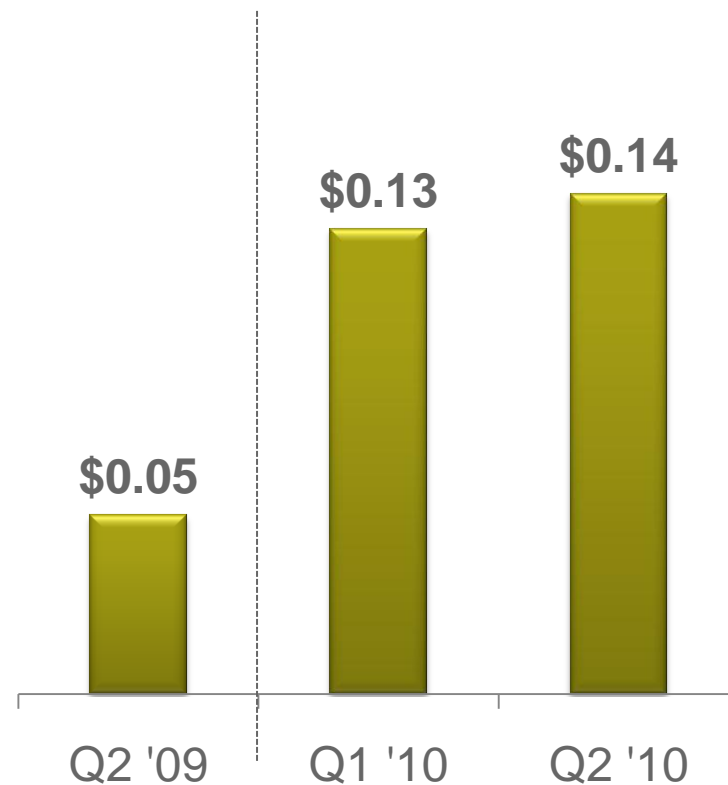
(1) Pro-forma combined Sierra Wireless and Wavecom operating expenses prior to acquisition of Wavecom in March 2009

# Improving Earnings

Non-GAAP Earnings from Operations  
(USD millions)



Non-GAAP Diluted EPS  
(USD per share)



# Strong Cash Position and Debt Free

**Cash Balance**  
(USD millions)



## Second Quarter 2010 Cash Metrics

**Cash generated in operating activities: \$1.3M**

- Improved earnings
- Working capital changes
- Integration and restructuring costs

**Capital expenditures: \$4.8M**

**Additional Wavecom related items: \$3.2M**

- Acquisition of Wavecom shares
- Lease buyout

**Cash balance per share: \$3.72**

# Summary of Key Financial Metrics

## Q2 2010 Financial Metrics (\$USD millions, except EPS and GM%)

	GAAP Actual	Non-GAAP* Actual	Non-GAAP* Guidance
Revenue	\$159.1	\$159.1	\$155 - 160
Gross Margin (%)	29.0%	29.1%	
Operating Expenses	\$49.7	\$41.7	
Earnings (Loss) from Operations	(\$3.5)	\$4.7	\$2 - 4
Net Earnings (Loss)	(\$8.6)	\$4.4	\$1.7 - 3.6
Earnings (Loss) Per Share	(\$0.28)	\$0.14	\$0.05 - 0.12
EBITDA		\$10.3	

\* 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

# Q3 2010 Financial Guidance

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

- Continued growth in Mobile Computing, including contribution from new products and customers
- Small decline in M2M revenue, specifically in the consumer segment
- Industry-wide supply constraints affecting growth of some product lines

Guidance for the third 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>\$168 - \$173 million</b>
<b>Earnings from Operations</b>	<b>\$5.4- \$6.4 million</b>
<b>Net Earnings</b>	<b>\$4.5 - \$5.4 million</b>
<b>Earnings per Share</b>	<b>\$0.15 – \$0.17/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

# Q2 2010 Summary

Strong revenue growth, lower operating expenses, improved earnings

#1 global leader in M2M and continuing to build momentum

- New products, new design wins
- Expanding position in the value chain
- M2M valuation benchmark set by Gemalto acquisition of Cinterion

Growth in Mobile Computing driven by new products & customers

- Accelerating momentum with PC OEMs

Extending leadership position in 4G

- Leading position in EVDO/WiMAX dual-mode for North America
- LTE wins in AirCard, PC OEM and M2M

Expectations for continued growth & earnings expansion in H2

# Thank You

## Q&A Session

