Mobile World Congress 2012
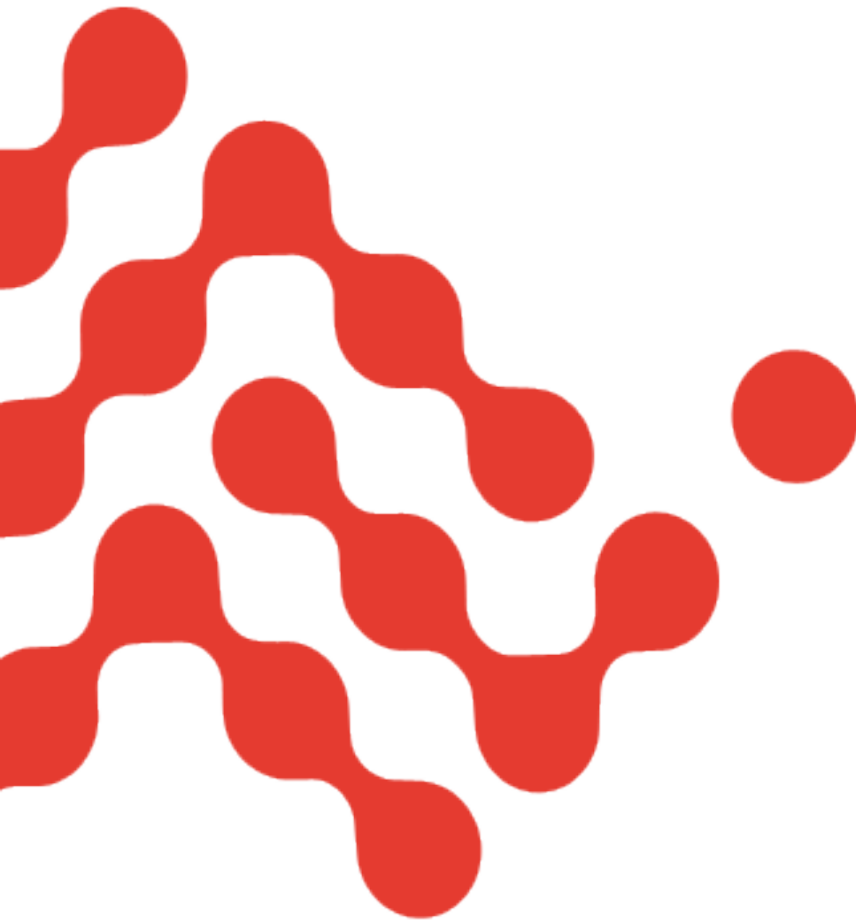
Investor and Analyst Event

Safe Harbor Statement

Certain statements and information in this presentation are not based on historical facts and constitute forward-looking statements within the meaning applicable securities laws ("forward-looking statements") including statements and information relating to our financial guidance summary for Q1 2012 and fiscal year 2012, our guidance drivers for 2012 and our business outlook for 2012. Forward-looking statements are provided to help you understand our views of our short and longer term prospects. We caution you that forward-looking statements may not be appropriate for other purposes. We will not update or revise our forward-looking statements unless we are required to do so by securities laws.

Forward-looking statements:

● typically include words about the future, such as: "look forward to", "outlook", "may", "intend", "believe", "plan", "anticipate", "expect", "goals", "targets", "forecasts", "well positioned for", "trending" and "will continue to".

● are not promises or guarantees of future performance. They represent our current views and may change significantly;

● are based on a number of material assumptions, including those listed below, which could prove to be significantly incorrect:
  ▪ Our ability to develop, manufacture and sell new products and services that meet the needs of our customers and gain commercial acceptance;
  ▪ Our ability to continue to sell our products and services in the expected quantities at the expected prices and expected times;
  ▪ Expected transition period to our 4G products;
  ▪ Expected cost of goods sold;
  ▪ Expected component supply constraints;
  ▪ Our ability to "win" new business;
  ▪ That wireless network operators will deploy next generation networks when expected;
  ▪ Our operations are not adversely disrupted by component shortages or other development, operating or regulatory risks; and
  ▪ Expected tax rates and foreign exchange rates.

● are subject to substantial known and unknown material risks and uncertainties. Many factors could cause our actual results, achievements and developments in our business to differ significantly from those expressed or implied by our forward-looking statements, including, without limitation, the following factors, most of which are discussed in greater detail. These risk factors and others are discussed in our Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations, which may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov and in our other regulatory filings with the Securities and Exchange Commission in the United States and the Provincial Securities Commissions in Canada.
  ▪ Actual sales volumes or prices for our products and services may be lower than we expect for any reason including, without limitation, the continuing uncertain economic conditions, price and product competition, different product mix, the loss of any of our significant customers, competition from new or established wireless communication companies;
  ▪ The cost of products sold may be higher than planned or necessary component supplies may not be available, are delayed or are not available on commercially reasonable terms;
  ▪ We may be unable to enforce our intellectual property rights or may be subject to litigation that has an adverse outcome;
  ▪ The development and timing of the introduction of our new products may be later than we expect or may be indefinitely delayed.
  ▪ Transition periods associated with the migration to new technologies may be longer than we expect.

USE OF NON-GAAP FINANCIAL MEASURES
This presentation contains references to certain non-GAAP financial measures and should be viewed in conjunction with our press release and supplementary information on our website (www.sierrawireless.com), which present a complete reconciliation of GAAP and Non-GAAP results.

SIERRA WIRELESS

Topics for Today

2011 Recap

Strategy Update

MWC Highlights

Q&A

SIERRA
WIRELESS

2011 was a challenging transition year

Revenue down 11% from 2010

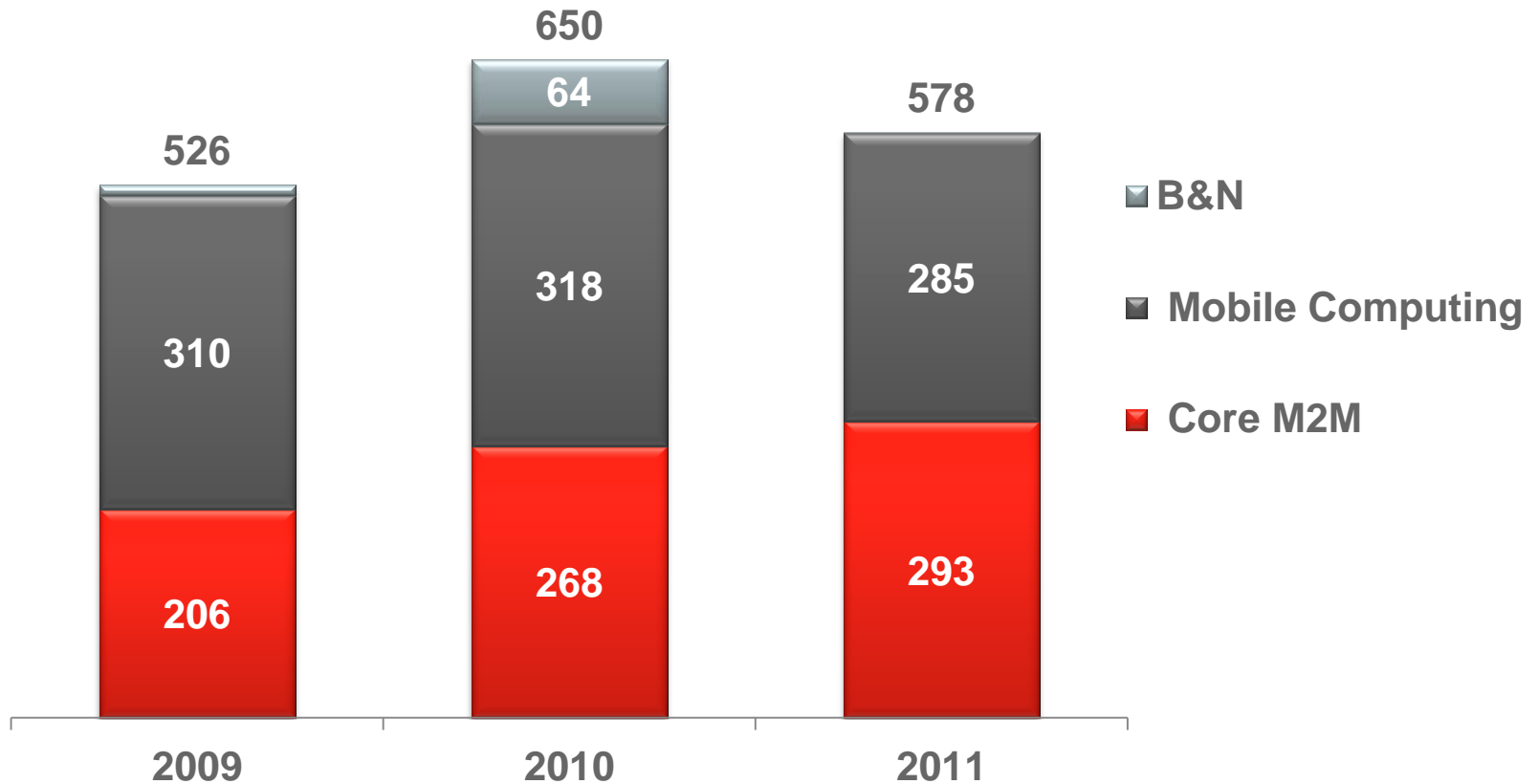Successfully achieved key strategic milestones

Grew #1 market share position and accelerated value chain expansion in M2M

Established clear 4G leadership in Mobile Computing
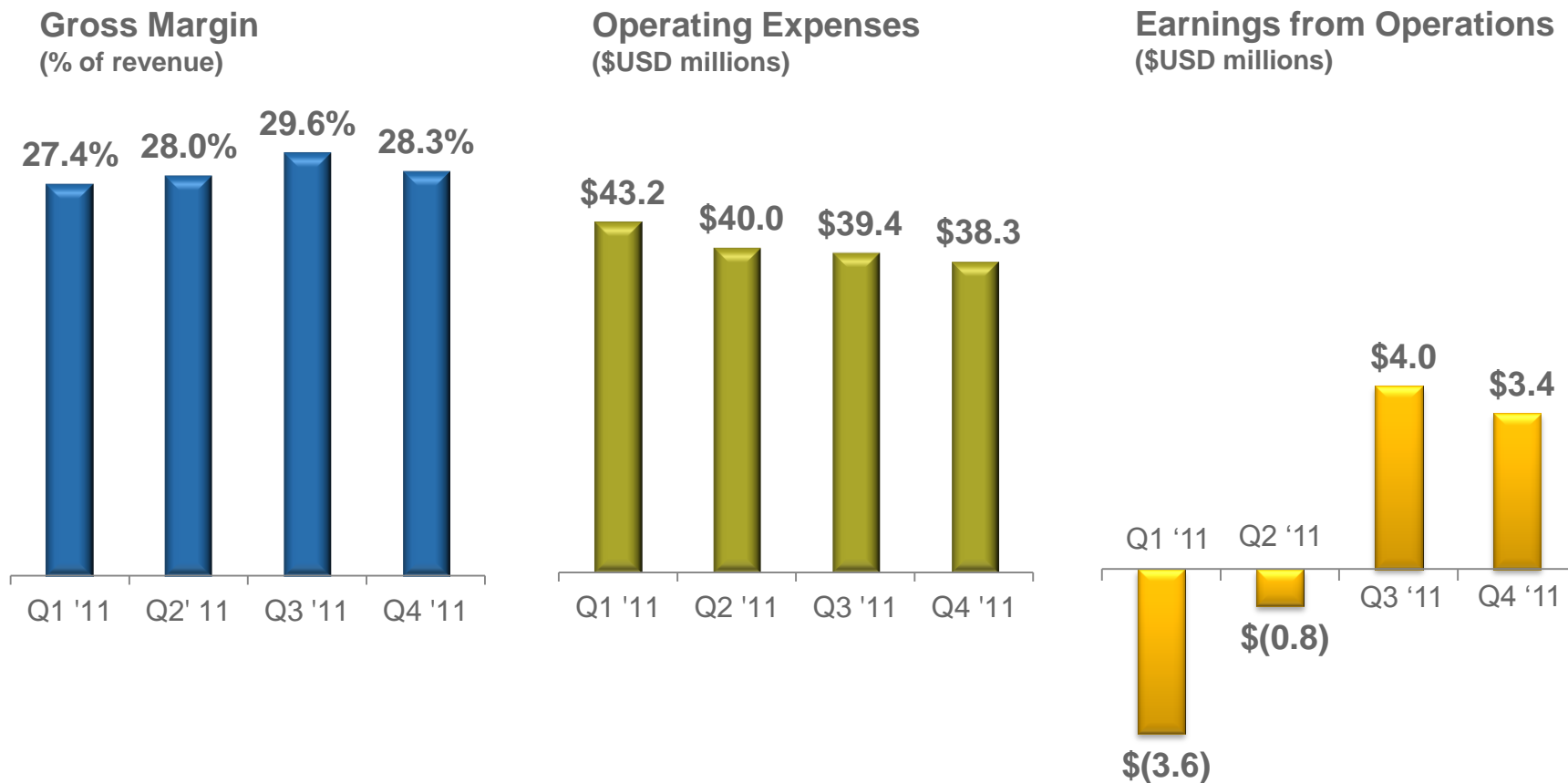
Continued to drive operational improvements

SIERRA
WIRELESS™

Growth and diversification in M2M

**Revenue by Business Segment
(USD millions)**

Legend:
- B&N
- Mobile Computing
- Core M2M

	2009	2010	2011
Total	526	650	578
B&N		64	
Mobile Computing	310	318	285
Core M2M	206	268	293

SIERRA WIRELESS™

Improving operating model

Gross Margin
(% of revenue)

27.4% 28.0% 29.6% 28.3%

Q1 '11 Q2' 11 Q3 '11 Q4 '11

Operating Expenses
($USD millions)

$43.2 $40.0 $39.4 $38.3

Q1 '11 Q2 '11 Q3 '11 Q4 '11

Earnings from Operations
($USD millions)

$4.0 $3.4

Q1 '11 Q2 '11 Q3 '11 Q4 '11

$(0.8)

$(3.6)

* Non-GAAP results exclude the impact of: stock-based compensation expense, acquisition amortization, impairment, integration costs, restructuring costs, foreign exchange gains or losses on translation of balance sheet accounts, and certain tax adjustments

SIERRA WIRELESS™

Well positioned heading into 2012

Mobile Computing drivers in place

- LTE network roll-outs
- Solid channel positions and next generation device awards
- PC OEM design wins + new opportunities

Machine-to-Machine leadership position expanding

- AirPrime™ Embedded Wireless Module design wins
- AirLink™ Gateways & Routers product portfolio
- AirVantage™ M2M Cloud Platform traction

Improving operating and profitability leverage

- Revenue growth leads to earnings growth

SIERRA
WIRELESS™

We Are Enabling a Connected World

Mobile Broadband
750M+ notebooks, netbooks, tablets shipped per year

Connected Homes
>1 billion middle-class households

Mobile Consumer
5+ connected devices per person

Automotive & Transportation
>1 billion motor vehicles

Energy
>3 billion utility meters

Healthcare
>1 billion people with chronic welfare diseases

Global Leader in Wireless Solutions for M2M and Mobile Computing

Machine-to-Machine "Global Leadership"

Expand #1 share position

- **Leading product portfolio**
- **Highly differentiated**
- **Global support**

Expand in the value chain

AirVantage™

Mobile Computing "Profitably Maximize"

Defend lead channel positions at key accounts

- **4G leadership, best products**
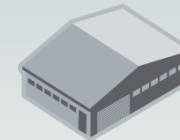- **Lowest TCO, best support**

Maximize PC OEM opportunity

Core Capabilities "Leverage"

LTE   WiMAX
HSPA+   EVDO

Core wireless technology

Global footprint

FLEXTRONICS

Manufacturing and supply chain

SIERRA WIRELESS™

Machine-to-Machine

Global Leadership

SIERRA
WIRELESS
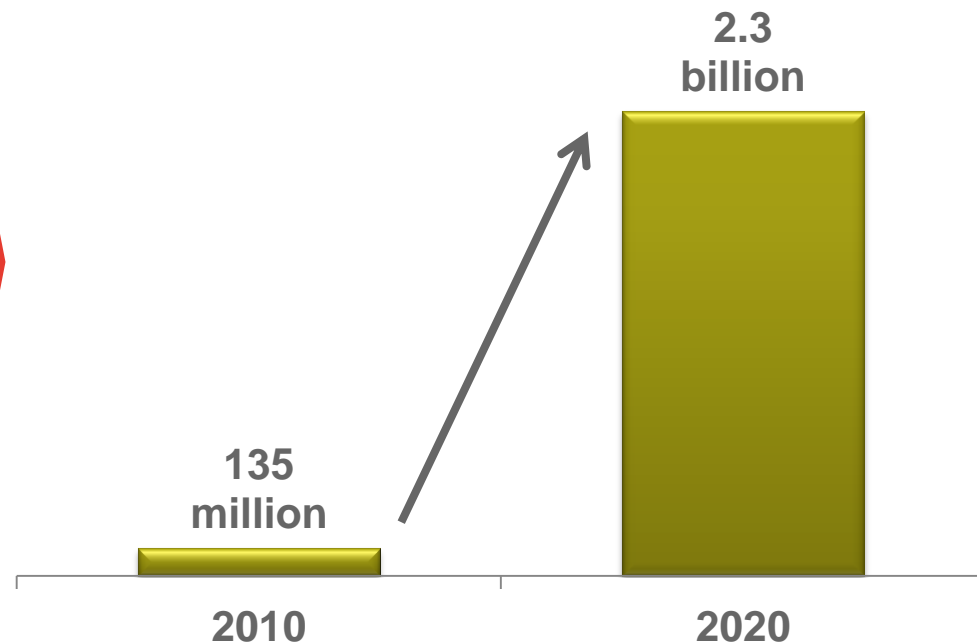
Machine-to-Machine Opportunity

Key Trends

✓ New connected devices, applications and services

✓ Lower system costs

✓ Simplified development

✓ Network operator focus and investment

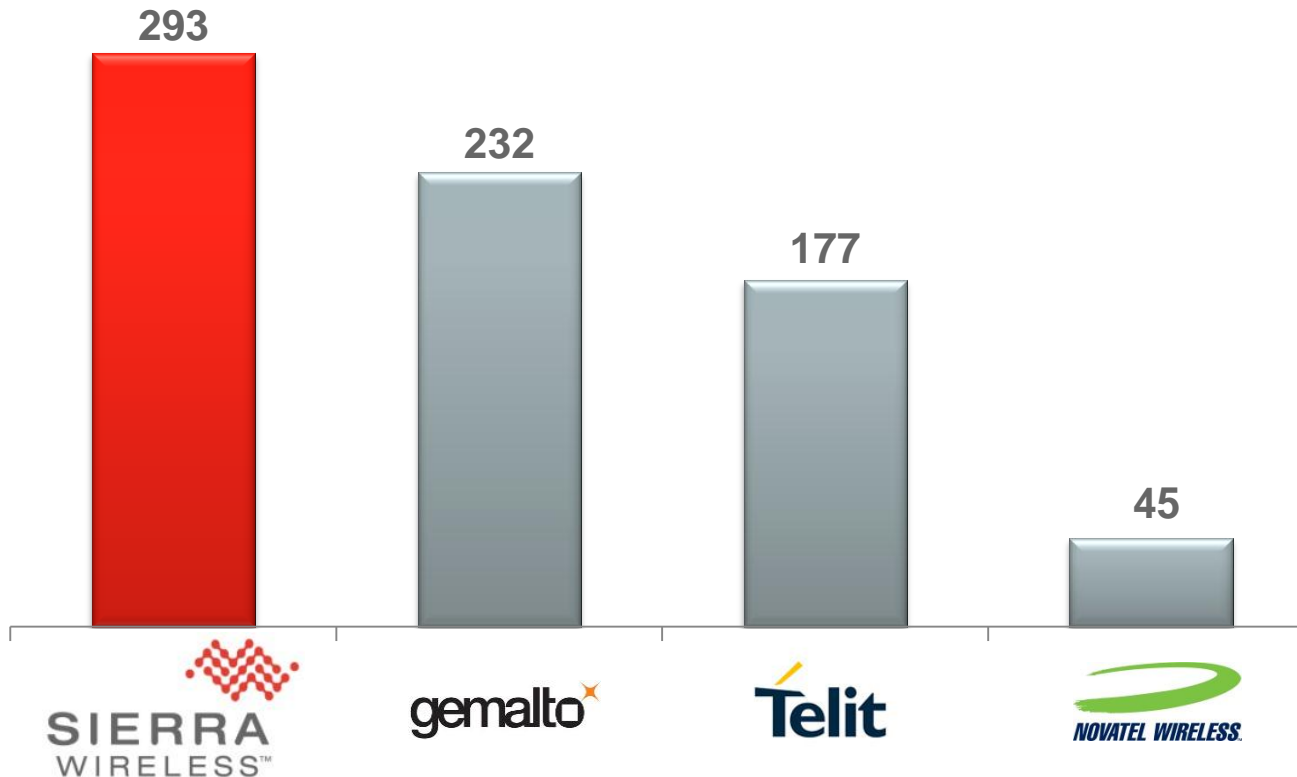**Estimated Number of Active Cellular M2M Connected Devices 2010 to 2020**

2.3 billion

135 million

2010

2020

Source: Machina Research, July 2011

Sierra Wireless is well positioned to capture growth opportunity

SIERRA
WIRELESS™

Sierra Wireless is #1 Globally in M2M

2011 M2M Revenue ($USD millions)

AirPrime™ Embedded Wireless Modules

2011 Revenue of $243 million, up 9% year-over-year

- ✓ Industry's broadest product portfolio

- ✓ Innovation leader – new M2M products, first to 4G

- ✓ Value add solutions
  - Automotive grade
  - Embedded applications with Open AT
  - Device management services
  - Cloud platform integration

Open AT on 3G

World's #1 M2M embedded application framework is now available on 3G wireless modules

Open AT Application Framework Benefits:

- Accelerate application development
- Reduce total solution cost
- Focus on innovation, not integration
- Effortlessly deploy one application on global 2G and 3G networks

OpenAT

» **More than 10 years of successful deployments**
» **Millions of devices operating worldwide**
» **Mature ecosystem and active developer community**

SIERRA WIRELESS

AirLink™ Intelligent Gateways & Routers

2011 Revenue of $39 million, Gross Margin of 54%

**GX Series**

FXT Series

Raven Series

GL Series

✓ Ruggedized industrial cellular gateways & routers

✓ 4G and 3G leadership

✓ Highly configurable or programmable

✓ ALEOS and Open AT Application Framework support

✓ Remote management tools and AirVantage integration

✓ Address key segments – e.g.,
  • Security / Public Safety
  • Fleet Management
  • Energy

SIERRA WIRELESS™

AirVantage™ M2M Cloud Platform

Strong traction with global OEMs and Operators

Management Services
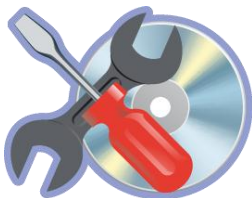
Application Services

Shortlisted for "Best Cloud Based Technology"

GLOBAL MOBILE AWARDS 2012

✓ Leading M2M Cloud Platform

✓ Tightly integrated with AirPrime and AirLink hardware, and Operator networks

✓ Enables faster deployment and lower operating costs
  - Device Management
  - Subscription Management

✓ Accelerates M2M application development
  - Application enablement
  - Powerful development tools

SIERRA WIRELESS™

Products Integrate to Provide a Complete M2M Solutions Platform

Devices

Tools

Server

AirLink™
Intelligent Gateways & Routers

Wireless Service

Application Enablement

Device Management

Subscription Management

AirPrime™
Wireless Embedded Modules

AirVantage™
M2M Cloud Platform

Intelligent, Versatile Hardware
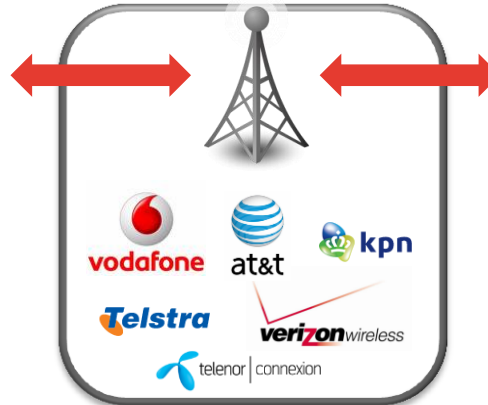
Seamless Connections With Operators

M2M Applications & Cloud Services

Accelerating M2M by Making it Simple
Capturing More Value From Each Connected Device

Nestlé Nespresso

Worldwide pioneer and market leader in the highest-quality portioned premium coffee

Solution built on Sierra Wireless technology

- AirLink® GL6100 gateway
- AirVantage™ M2M Cloud Platform
- Provides reliable and secure connectivity across multiple countries

Benefits to customer

- Improved performance and uptime
- Increase customer satisfaction and loyalty
- Accelerated time-to-market for a global application

Benefits to Sierra Wireless

- Validation of Value Chain Expansion strategy
- Higher value hardware sale (vs. module only) + recurring revenue for M2M Cloud Platform

The PictoWatch

Digital display and alerts of everyday activities on a connected watch to empower people with specific cognitive disorders

Solution built on Sierra Wireless technology

- AirPrime™ SL6087
- Open AT® Application Framework
- AirVantage™ M2M Cloud Platform for device mgmt

Benefits to customer

- Reliable and secure connectivity
- Fast application development
- Reduced hardware cost and product size
- Future-proof device

Benefits to Sierra Wireless

- Higher value embedded module sale
- Validation of Value Chain Expansion strategy

BEELDHORLOGE

SIERRA WIRELESS™   **kpn**

SIERRA WIRELESS™
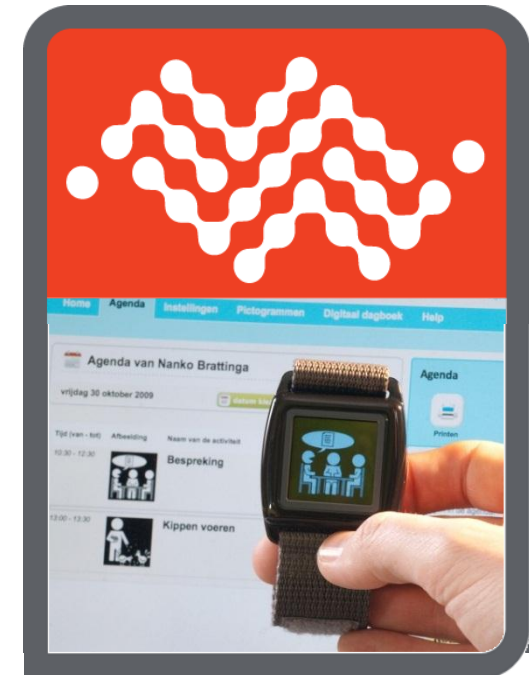
Mobile Computing

Profitably Maximizing the 4G Opportunity

Strategic Focus

Build on 4G leadership; invest in advanced air interface technologies

Focus on top 3 operator partners to drive AirCard roadmap

Address new opportunities with existing products

Closely evaluate potential opportunities for growth

Maximize PC OEM opportunity

SIERRA
WIRELESS

Strong 4G AirCard Portfolio in Channel with Key Operators

Elevate 4G

Momentum 4G

Overdrive Pro

AirCard 250U

Ultimate Mobile Wi-Fi

AirCard 320U

New AirCard Devices Launching H1 2012

Sprint Tri-Network Mobile Hotspot (LTE, WiMax, EVDO)

AirCard 76X Series (LTE, HSPA+)

AirCard Hub™ SOHO Router

Second Generation LTE Mobile Hotspots

SIERRA
WIRELESS™

Positive Market Drivers

1. LTE network roll-outs accelerating globally

2. Proliferation of Wi-Fi devices driving demand for connectivity

3. Shared data plans in North America (coming soon)

4. Proliferation of LTE bands drives need for differentiated devices – e.g., carrier aggregation

5. Verizon has ~50% of U.S. mobile broadband market, up from ~30% in 2009 – LTE represents potential opportunity for AT&T and Sprint to regain lost share

SIERRA
WIRELESS™

Summary Comments

✓ 2011 was a challenging year – successfully achieved key strategic milestones

✓ Grew #1 market share position and accelerated value chain expansion in M2M

✓ Established clear 4G leadership in Mobile Computing

✓ Continued to drive operational improvements

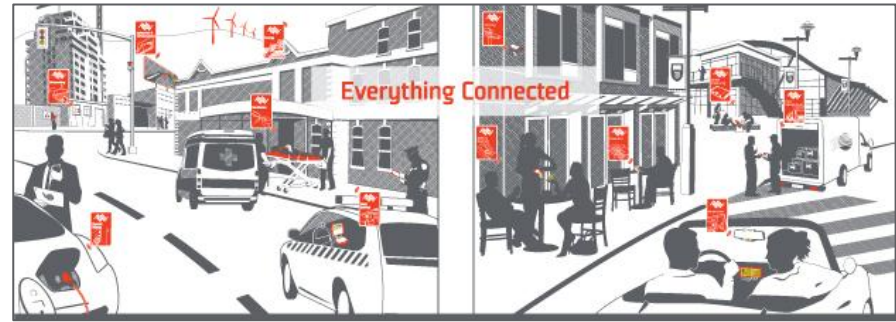✓ Well positioned heading into 2012

SIERRA WIRELESS

Come Visit Us at Our Booth

Booth Location: AV44 (on the Avenue)

Complete product portfolio on display

Demonstrations

- Nespresso / AirVantage
- Beeldhorologe / OpenAT
- Trend Controls / GX400
- LTE Mobile Hotspot

SIERRA
WIRELESS

Thank you

Q&A Session

SIERRA
WIRELESS™