

Second Quarter 2012 Results

August 2, 2012



SIERRA
WIRELESS™

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 Q3 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;
- Expected deployment of next generation networks by wireless network operators;
- 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, 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.

Business Overview

Jason Cohenour
Chief Executive Officer



Q2 Highlights

Q2 2012 Revenue
(USD millions)



Q2 results well above expectations

Strong revenue growth – up 19.7% year-over-year to \$167.4 million

- Exceptional quarter for AirCard sales
- Strong PC OEM contribution
- Steady M2M growth

Solid profitability improvements – Non-GAAP earnings from operations of \$12.7M

- Higher gross margin on lower costs & mix
- Lower operating expenses

Bolstering M2M leadership with acquisition of Sagemcom M2M

Mobile Computing: Exceptional Quarter

Q2 Revenue of \$89.9 Million
up 36% year-over-year

Strong 4G AirCard growth, up 32% year-over-year

- New product launches with Sprint and Virgin Mobile
- Strong position at AT&T, Sprint, Telstra, Rogers, Bell and others



Strong PC OEM growth, up 50% year-over-year

- Japan & LTE significant contributors
- New Design wins with Tier one OEMs
- Emerging opportunities with Win8 and ultrabooks
- Launch of the world's thinnest LTE module



Solid market drivers

- LTE network roll-outs
- Shared data plans



M2M: Leadership & Value Chain Expansion

Q2 Revenue of \$77.5 Million
up 5% year-over-year

Record quarter in core M2M business

- Steady growth, despite headwinds in Europe

#1 global market share in 2011 (ABI Research)

- Reinforcing leadership position with Sagemcom M2M

Continuing market momentum

- LTE development project with Audi
- First volume production of new Automotive modules
- Design wins in energy, transportation, industrial handhelds

Value chain expansion continuing

- AirLink GX440 launch on AT&T network
- ALEOS Application Framework
- Partnership with Vodafone - cloud services & gateways



vodafone



Application Framework

Acquisition of Sagemcom M2M

- Leading provider of cellular embedded modules and rugged GSM-R terminals
- Strong customer base in payment, automotive, energy, and railways
- Growing business in Brazil
- 2012 H1 revenue estimate: €17 million
- 82 employees based in France and China
- Cash consideration of €44.9M, plus specific assumed liabilities

SAGEMCOM



2G and 3G
embedded modules

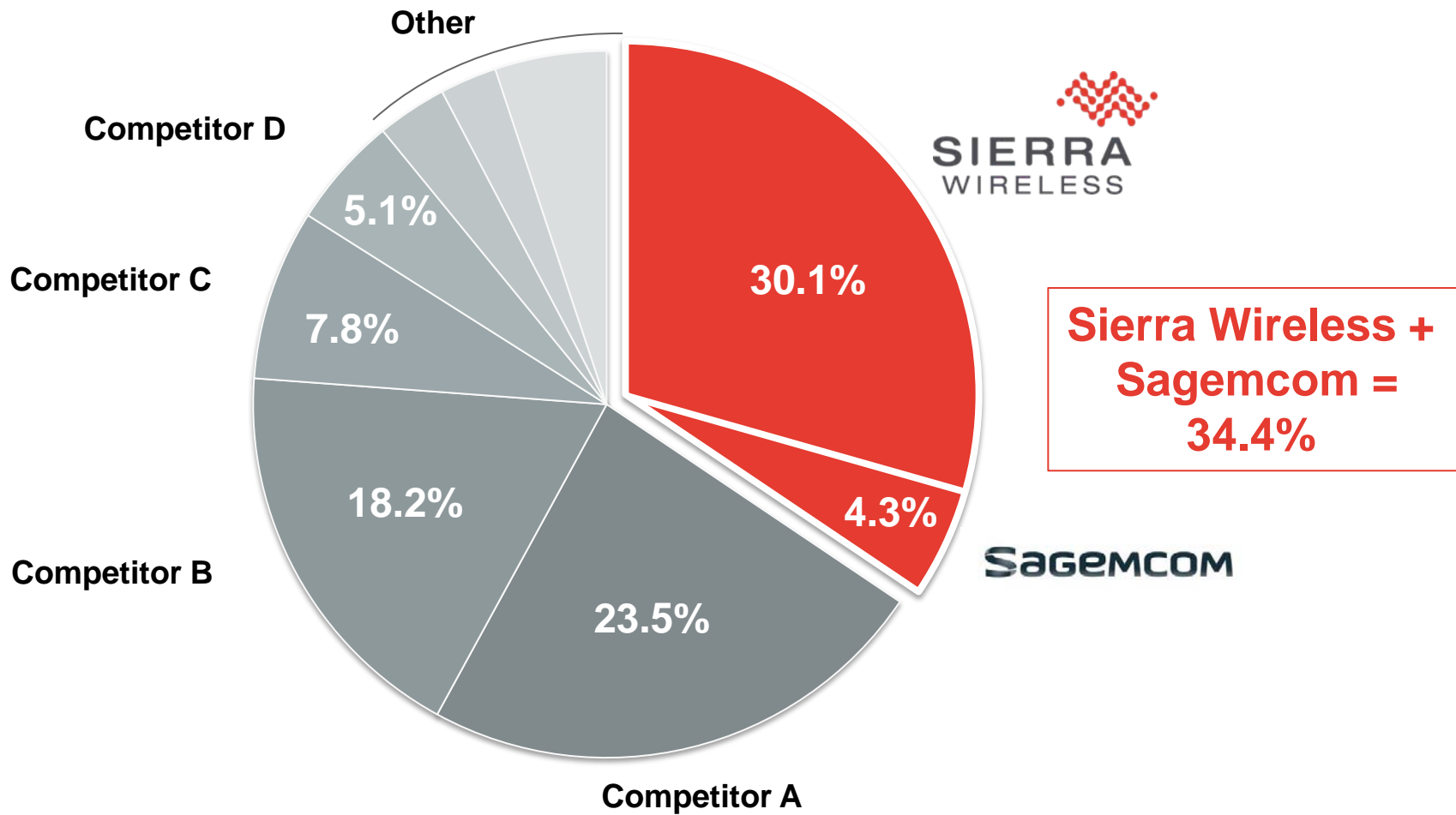


GSM-R terminals

Acquisition completed on August 1

The #1 Company in M2M

M2M Module Market Share 2011



Source: ABI Research - March 2012, Market Share by Revenue

Financial Overview

David McLennan
Chief Financial Officer



Summary of Key Financial Metrics

Q2 2012 Financial Metrics

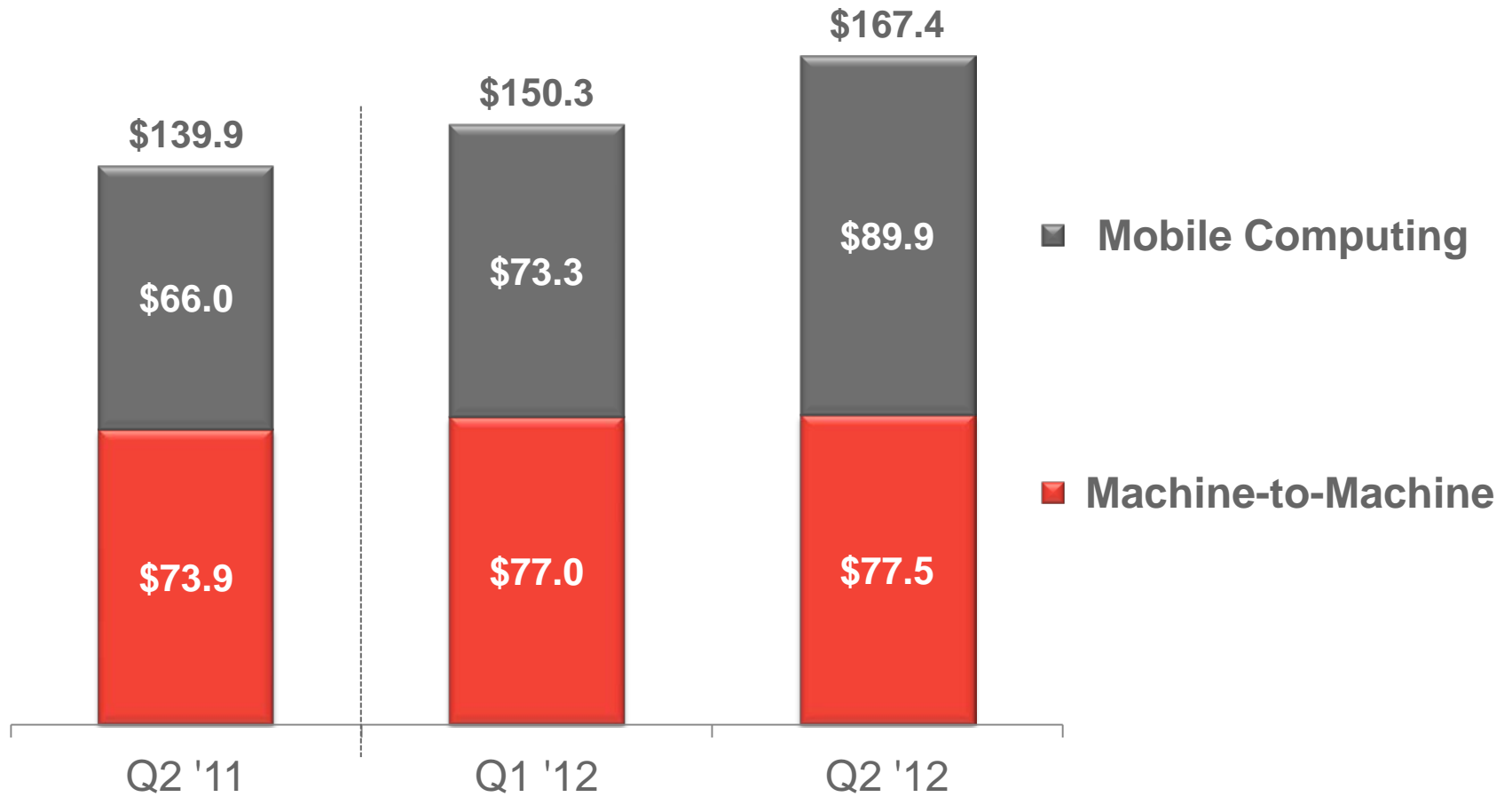
(\$USD millions, except EPS and Margin %)

	GAAP Actual	Non-GAAP* Actual	Non-GAAP* Guidance
Revenue	\$167.4	\$167.4	\$157 – \$162
Gross Margin (%)	30.7%	30.7%	
Operating Expenses	\$45.1	\$38.8	
Earnings from Operations	\$6.2	\$12.7	\$8.5 – 9.5
Operating Margin (%)	3.7%	7.6%	
Net Earnings	\$3.6	\$9.3	\$5.7 – \$6.5
Diluted Earnings Per Share	\$0.11	\$0.30	\$0.18 – \$0.21

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

Strong Revenue Growth

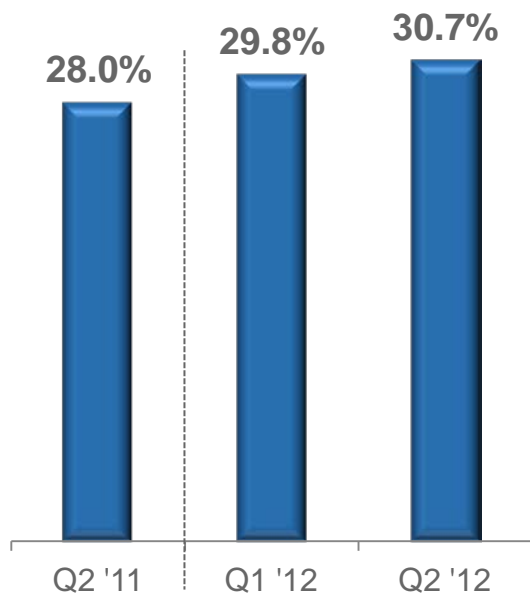
Quarterly Revenue
(USD millions)



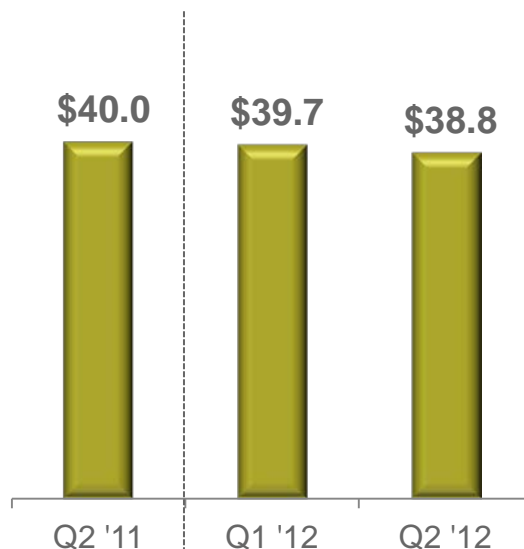
Significant Profitability Improvements

Non-GAAP* Consolidated Operating Metrics

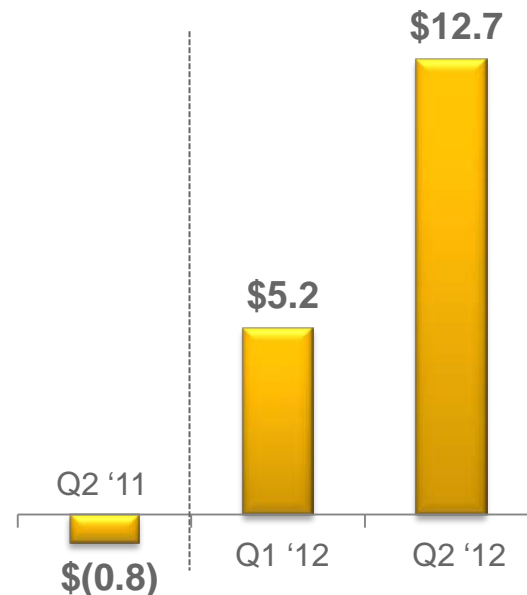
Gross Margin
(% of revenue)



Operating Expenses
(\$USD millions)



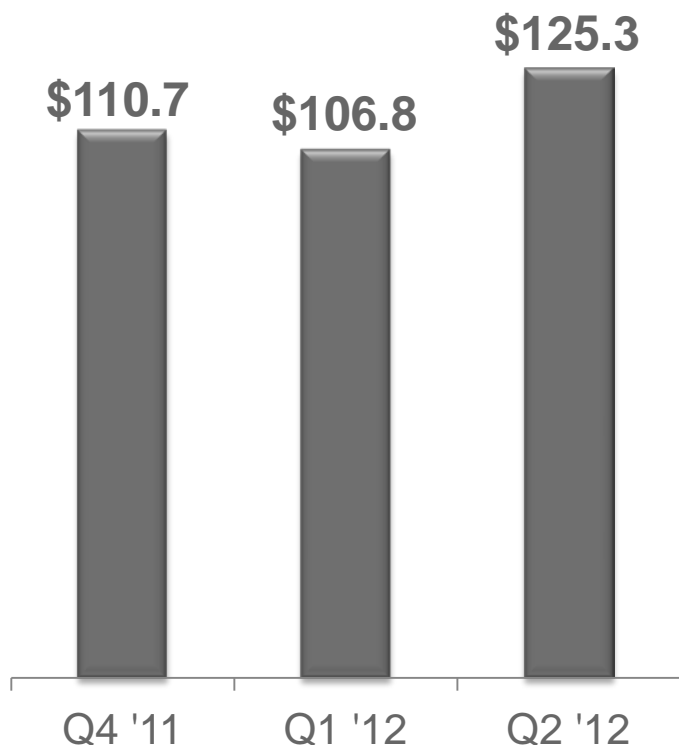
Earnings (Loss) from Operations
(\$USD millions)



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Strong Cash Position and Debt Free

Cash, Cash Equivalents & Short Term Investments (USD millions, as of June 30 2012)



Cash generated in Q2: \$18.5 million

- Cash flow from operations: \$28.4
- Capital expenditures: \$5.0
- RSU purchase: \$1.5
- Share re-purchase: \$3.3

Sagemcom acquisition completed on August 1st was funded by approximately \$56.2 million in cash

Financial Guidance Summary

Non-GAAP* Financial Guidance (USD millions, except EPS)

	Q3 2012 Non-GAAP*
Revenue	\$157 to \$162 million
Earnings from Operations	\$6 to \$8 million
Net Earnings	\$4.3 to \$5.7 million
Earnings per Share	\$0.14 to \$0.19 / share

Financial guidance excludes any impact from the acquisition of the Sagemcom M2M business

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Summary Comments

- ✓ Stronger than expected operating performance in Q2
 - Revenue growth
 - Strong gross margin
 - Improved operating model

- ✓ Steady growth in **Machine-to-Machine (M2M)**
 - Market share leadership, value chain expansion
 - Solid growth in North America and Asia, partially offset by Europe
 - Bolstering leadership position with acquisition of Sagemcom

- ✓ Strong growth in **Mobile Computing**
 - New 4G product & customer launches
 - PC OEM growth & emerging opportunities

Thank You

Q&A Session

