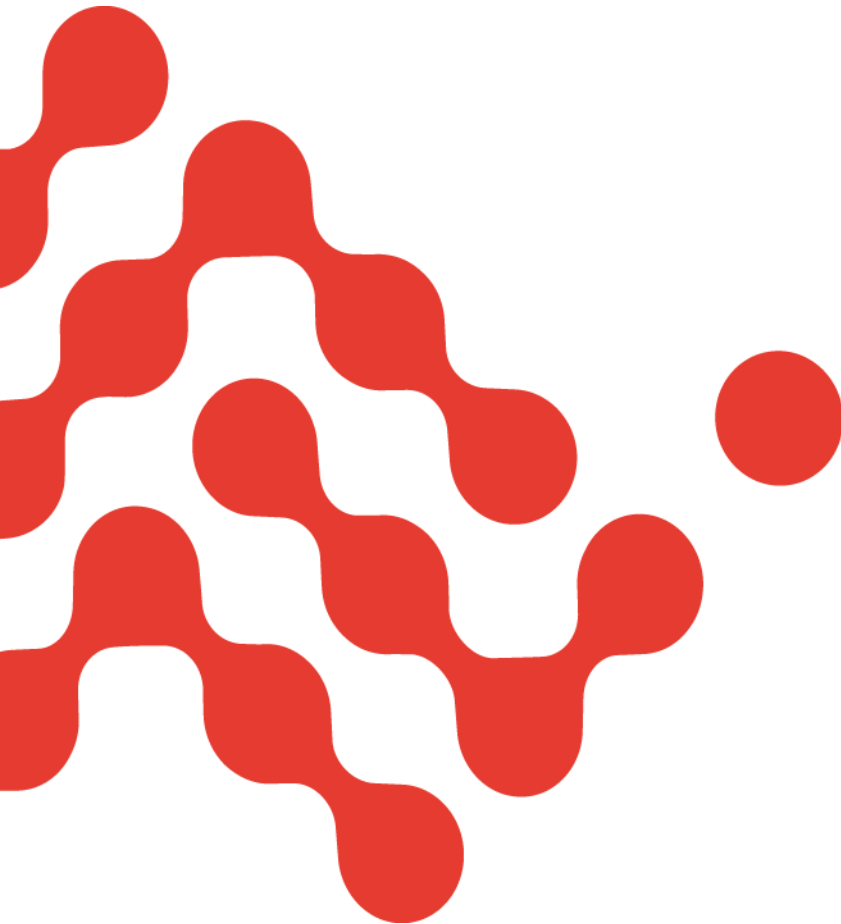


# Reconciliation of Q1 2013 GAAP to Non-GAAP Results

May 2, 2013



**SIERRA**  
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# Reconciliation of GAAP to Non-GAAP Results

With reference to our press release of May 2, 2013, we are providing additional non-material information regarding our reconciliation of Q1 2013 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 company’s 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 earnings, 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.

# Q1 2013 Reconciliation of GAAP to Non-GAAP Results

In thousands of US\$, Except earnings per share	GAAP Results Q1 2013	Non-GAAP Adjustments					Non GAAP Q1 2013
		Purchase Price Amortization		Restructuring, Acquisiton, Disposition, & Impairment	Stock Compensation	Foreign Exchange Gain	
		Sagemcom	Wavecom				
<b>Revenue</b>	<b>101,401</b>						<b>101,401</b>
Cost of goods sold	<b>68,023</b>				75		<b>67,948</b>
<b>Gross margin</b>	<b>33,378</b>	0	0	0	(75)	0	<b>33,453</b>
<i>GM %</i>	<i>32.9%</i>						<i>33.0%</i>
Sales and marketing	<b>10,356</b>				336		<b>10,020</b>
Research and development	<b>18,363</b>		1,368	280	303		<b>16,412</b>
Administration	<b>8,123</b>				941		<b>7,182</b>
Restructuring	<b>117</b>			117			<b>0</b>
Integration	<b>27</b>			27			<b>0</b>
Amortization	<b>3,276</b>	1,062	963				<b>1,251</b>
Total Operating Expenses	<b>40,262</b>	1,062	2,331	424	1,580	0	<b>34,865</b>
<b>Loss from operations</b>	<b>(6,884)</b>	(1,062)	(2,331)	(424)	(1,655)	0	<b>(1,412)</b>
Foreign exchange loss	<b>(2,370)</b>					(2,370)	<b>0</b>
Other income	<b>(132)</b>						<b>(132)</b>
Total other income	<b>(2,502)</b>	0	0	0	0	(2,370)	<b>(132)</b>
Loss before income taxes	<b>(9,386)</b>	(1,062)	(2,331)	(424)	(1,655)	(2,370)	<b>(1,544)</b>
Income tax recovery	<b>(1,448)</b>	0	0	(117)	0	(496)	<b>(835)</b>
<b>Net loss from continuing operations</b>	<b>(7,938)</b>	(1,062)	(2,331)	(307)	(1,655)	(1,874)	<b>(709)</b>
<b>Net earnings (loss) from discontinuing operations</b>	<b>1,863</b>	0	0	(1,460)	(273)	0	<b>3,596</b>
	<b>(6,075)</b>	(1,062)	(2,331)	(1,767)	(1,928)	(1,874)	<b>2,887</b>
<b>Diluted earnings (loss) per share:</b>							
Continuing operations	<b>(0.26)</b>						<b>(0.02)</b>
Discontinued operations	<b>0.06</b>						<b>0.11</b>
	<b>(0.20)</b>						<b>0.09</b>
Weighted average diluted shares	<b>30,695</b>						<b>30,695</b>

