

| (in millions of U.S. dollars) | Q4 2009 | | Q4 2008 | |
|---|--------------------|---------------------|--------------------------|--------------------------|
| | Sierra Non-GAAP | Wavecom Non-GAAP | Consolidated Non-GAAP | Consolidated Non-GAAP |
| Revenue - GAAP and Non-GAAP | \$ 101.9 | \$ 42.1 | \$ 144.0 | \$ 132.9 |
| Gross margin - GAAP | | | \$ 47.4 | \$ 36.4 |
| Stock-based compensation | | | 0.1 | 0.1 |
| Gross margin - Non-GAAP | | | \$ 47.5 | \$ 36.5 |
| Earnings (loss) from operations - GAAP | \$ 2.3 | \$ (3.4) | \$ (1.1) | \$ 9.0 |
| Transaction costs | 0.1 | - | 0.1 | - |
| Restructuring and other costs | - | 4.8 | 4.8 | - |
| Integration costs | 1.4 | (0.1) | 1.3 | - |
| Stock-based compensation | 1.6 | 0.1 | 1.7 | 1.5 |
| Acquisition related amortization | 0.6 | (3.7) | (3.1) | 0.6 |
| Earnings (loss) from operations - Non-GAAP | \$ 6.0 | \$ (2.3) | \$ 3.7 | \$ 11.1 |
| Net earnings (loss) - GAAP | | | \$ (2.7) | \$ 34.7 |
| Transaction, restructuring, integration, stock-based compensation and acquisition amortization costs, net of tax | | | 4.2 | 1.4 |
| Unrealized foreign exchange (gain) loss | | | 0.8 | (18.4) |
| Interest expense | | | 0.1 | - |
| Tax impact related to change in tax asset | | | 0.5 | (6.5) |
| Non-controlling interest | | | (0.2) | - |
| Net earnings - Non-GAAP | | | \$ 2.7 | \$ 11.2 |
| Diluted earnings (loss) per share - GAAP | | | \$ (0.09) | \$ 1.12 |
| Diluted earnings per share - Non-GAAP | | | \$ 0.09 | \$ 0.36 |

On a non-GAAP basis, results for the fourth quarter of 2009, relative to guidance provided on October 28, 2009 are as follows:

Fourth quarter revenue for 2009 of \$144.0 million was better than guidance of \$143.0 million. Our earnings from operations were \$3.7 million, lower than guidance of earnings from operations of \$6.0 million. The shortfall in expected earnings from operations is the result of slightly lower gross margin driven by product mix shifts, some programmed cost reductions taking more time to realize than originally expected and selective investments in compelling growth areas. Net earnings of \$2.7 million, or diluted earnings per share of \$0.09, were lower than our guidance of a net earnings of \$5.2 million, or earnings per share of \$0.17.

On a non-GAAP basis, results for the fourth quarter of 2009, compared to

the fourth quarter of 2008 are as follows:

Fourth quarter revenue increased to \$144.0 million in 2009, compared to \$132.9 million for the same period in 2008. Gross margin for the fourth quarter of 2009 was 33.0% of revenue, compared to 27.5% for the same period in 2008. Operating expenses were \$43.8 million and earnings from operations were \$3.7 million in the fourth quarter of 2009, compared to \$25.5 million and \$11.1 million, respectively, in the same period of 2008. Net earnings for the fourth quarter of 2009 were \$2.7 million, or diluted earnings per share of \$0.09, compared to net earnings of \$11.2 million, or diluted earnings per share of \$0.36, in the same period of 2008.

On a non-GAAP basis, results for the fourth quarter of 2009, compared to the third quarter of 2009 are as follows:

Revenue for the fourth quarter of 2009 increased to \$144.0 million, compared to \$135.7 million in the third quarter of 2009. Gross margin was 33.0% of revenue in the fourth quarter of 2009, compared to 34.9% of revenue in the third quarter of 2009. Operating expenses were \$43.8 million and earnings from operations were \$3.7 million in the fourth quarter of 2009, compared to \$42.3 million and \$5.1 million, respectively, in the third quarter of 2009. Net earnings for the fourth quarter of 2009 were \$2.7 million, or diluted earnings per share of \$0.09, compared to \$5.9 million, or diluted earnings per share of \$0.19 in the third quarter of 2009.

Our balance sheet remains strong, with \$134.4 million of cash, cash equivalents and short-term investments at December 31, 2009. In the fourth quarter of 2009, we generated \$3.7 million of cash from operations on a GAAP basis.

Fourth Quarter and Recent Highlights Included:

- On January 6, 2010, Sprint launched the Overdrive(TM) by Sierra Wireless, the world's first 3G/4G Mobile Hotspot. Overdrive allows multiple Wi-Fi enabled devices to be connected simultaneously through a single connection to Sprint's high speed 3G and 4G networks.
- AT&T launched the USBConnect Lightning, a new HSPA AirCard from Sierra Wireless. Lightning is now available in AT&T retail, business and online channels across the US.
- We introduced the MC8795V embedded module, a high performance HSPA device for OEMs. This latest addition to the AirPrime embedded module family supports 7.2 Mbps downlink speeds, quad-band operation, and antenna diversity.
- Telefonica launched our new AirCard(R) USB 307 - the first HSPA+ device available in Spain, supporting download speeds of up to 21 Mbps.
- We launched a world-first embedded SIM solution based on our inSIM technology with Vodacom and Tracker in South Africa. Vodacom and Tracker intend to target vehicle tracking opportunities with the solution.
- We launched a major new release of M2M Studio, our fully integrated environment for the development of embedded M2M software, enabling developers to easily create, compile, download, debug and test their M2M applications.
- We announced a collaboration with Atos Worldline who intends to leverage our AirVantage services platform for the development and deployment of large scale M2M solutions in Europe.
- We announced a collaboration with MobiPower to develop asset protection solutions based on the Sierra Wireless AirPrime WMP100 Wireless Microprocessor(R) and Open AT(R) application environment.

Consolidated

| Q1 2010 Guidance ----- | Non-GAAP ----- |
|----------------------------|-------------------|
| Revenue | \$150.0 million |
| Earnings from operations | \$3.5 million |
| Net earnings | \$3.3 million |
| Diluted earnings per share | \$0.11/share |

Conference Call, Webcast and Instant Replay

We will host a conference call to review our results on Wednesday, February 10, 2010 at 2:30 PM PDT, 5:30 PM EDT. You can participate in the conference call either via telephone or webcast. To participate in this conference call, please dial the following number approximately ten minutes prior to the commencement of the call.

Telephone participation:

Toll free (Canada and US): 1-888-231-8191 Passcode: Not required
or
Outside Canada and the US: 1-647-427-7450 Passcode: Not required

Webcast:

We will also broadcast our conference call over the Internet. To access the web broadcast, please follow the link below and choose one of the following options:

- If you are following the conference call on the phone, please choose the "Non-Streaming" version
- If you would prefer to follow online only, with streaming audio, select any of the other options according to your preferred format

<https://event.on24.com/eventRegistration/EventLobbyServlet?target=registration.jsp&eventid=183259&sessionid=1&key=34929FC7A68D643ED92956AC9727EFD4&sourcepage=register>

This webcast event will be optimized for Microsoft Windows Media Player version 11. To download go to:

<http://www.microsoft.com/windows/windowsmedia/download>

The webcast will be available at the above link for 90 days following the call.

Should you be unable to participate, Instant Replay (audio) will be available following the conference call for 7 business days.

Audio only dial: 1-800-642-1687 or 1-416-849-0833
Passcode: 45561869 followed by the number sign

We look forward to having you participate in our call.

SIERRA WIRELESS, INC.

Consolidated Statements of Operations and Retained Earnings (Deficit)
(Expressed in thousands of United States ("U.S.") dollars, except per share amounts)

(Prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"))
(Unaudited)

| Three months ended ----- | Year ended ----- |
|-----------------------------|---------------------|
| December 31, | December 31, |

| | ----- | | ----- | |
|---|-------------|------------|-------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| | ---- | ---- | ---- | ---- |
| Revenue..... | \$ 143,952 | \$ 132,867 | \$ 526,384 | \$ 567,308 |
| Cost of goods sold..... | 96,576 | 96,482 | 353,931 | 410,611 |
| Gross margin..... | 47,376 | 36,385 | 172,453 | 156,697 |
| Expenses: | | | | |
| Sales and marketing..... | 14,551 | 8,204 | 52,804 | 32,684 |
| Research and development... | 20,179 | 13,166 | 80,821 | 54,060 |
| Administration..... | 8,617 | 4,871 | 32,990 | 20,567 |
| Acquisition costs..... | 95 | - | 7,785 | - |
| Restructuring..... | 4,678 | - | 20,605 | - |
| Integration..... | 1,337 | - | 3,859 | - |
| Amortization..... | (997) | 1,186 | 11,313 | 4,814 |
| | 48,460 | 27,427 | 210,177 | 112,125 |
| Earnings (loss) from operations..... | (1,084) | 8,958 | (37,724) | 44,572 |
| Foreign exchange gain (loss)..... | (1,754) | 20,800 | 1,261 | 20,583 |
| Other income (expense)..... | (279) | 1,112 | (4,399) | 5,579 |
| Earnings (loss) before income taxes..... | (3,117) | 30,870 | (40,862) | 70,734 |
| Income tax expense (recovery)..... | 12 | (3,809) | 340 | 8,151 |
| Net earnings (loss)..... | (3,129) | 34,679 | (41,202) | 62,583 |
| Net loss attributable to the non-controlling interest.... | (394) | - | (1,303) | - |
| Net earnings (loss) attributable to Sierra Wireless, Inc..... | (2,735) | 34,679 | (39,899) | 62,583 |
| Retained earnings (deficit), beginning of period..... | (15,891) | (13,406) | 21,273 | (40,602) |
| Excess of purchase price over assigned value of common shares acquired..... | - | - | - | (708) |
| Retained earnings (deficit), end of period..... | \$ (18,626) | \$ 21,273 | \$ (18,626) | \$ 21,273 |
| Earnings (loss) per share: | | | | |
| Basic..... | \$ (0.09) | \$ 1.12 | \$ (1.29) | \$ 2.00 |
| Diluted..... | \$ (0.09) | \$ 1.12 | \$ (1.29) | \$ 2.00 |
| Weighted average number of shares (in thousands): | | | | |
| Basic..... | 31,042 | 31,032 | 31,035 | 31,254 |
| Diluted..... | 31,042 | 31,032 | 31,035 | 31,323 |

SIERRA WIRELESS, INC.
Consolidated Balance Sheets
(Expressed in thousands of U.S. dollars)
(Prepared in accordance with U.S. GAAP)

| | December 31, | December 31, |
|--|--------------|--------------|
| | ----- | ----- |
| | 2009 | 2008 |
| | ---- | ---- |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents..... | \$ 107,491 | \$ 63,258 |
| Restricted cash..... | - | 191,473 |
| Short-term investments..... | 26,898 | 18,003 |
| Accounts receivable..... | 86,466 | 67,058 |
| Inventories..... | 24,708 | 33,031 |
| Deferred income taxes..... | 6,168 | 5,565 |
| Prepaid expenses and other..... | 14,039 | 6,233 |
| | ----- | ----- |
| | 265,770 | 384,621 |
| Fixed assets..... | 27,956 | 22,935 |
| Intangible assets..... | 86,674 | 15,291 |
| Goodwill..... | 95,064 | 33,013 |
| Deferred income taxes..... | 1,794 | 2,296 |
| Other assets..... | 7,261 | 4,230 |
| | ----- | ----- |
| | \$ 484,519 | \$ 462,386 |
| | ----- | ----- |
| | ----- | ----- |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable..... | \$ 71,035 | \$ 38,631 |
| Accrued liabilities..... | 54,419 | 47,568 |
| Deferred revenue and credits..... | 750 | 683 |
| Current portion of long-term obligations..... | 3,371 | 193 |
| Current portion of obligations under capital leases..... | 293 | - |
| | ----- | ----- |
| | 129,868 | 87,075 |
| Long-term liabilities..... | 3,197 | 316 |
| Obligations under capital leases..... | 245 | - |
| Other long-term liabilities..... | 32,663 | 14,789 |
| Deferred income taxes..... | 1,950 | 2,758 |
| Shareholders' equity: | | |
| Share capital..... | 326,043 | 325,893 |
| Treasury shares, at cost..... | (6,442) | (1,487) |
| Additional paid-in capital..... | 13,133 | 12,518 |
| Retained earnings (deficit)..... | (18,626) | 21,273 |
| Accumulated other comprehensive loss..... | (37) | (749) |
| | ----- | ----- |
| | 314,071 | 357,448 |
| Non-controlling interest in Wavecom S.A..... | 2,525 | - |
| | ----- | ----- |
| Total shareholders' equity..... | 316,596 | 357,448 |
| | ----- | ----- |
| | \$ 484,519 | \$ 462,386 |
| | ----- | ----- |
| | ----- | ----- |

SIERRA WIRELESS, INC.
Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)
(Prepared in accordance with U.S. GAAP)
(Unaudited)

| | |
|--------------------|--------------|
| Three months ended | Year ended |
| ----- | ----- |
| December 31, | December 31, |
| ----- | ----- |

| | 2009 | 2008 | 2009 | 2008 |
|---|------------|-----------|-------------|-----------|
| | ---- | ---- | ---- | ---- |
| Cash flows from operating activities: | | | | |
| Net earnings (loss)..... | \$ (3,129) | \$ 34,679 | \$ (41,202) | \$ 62,583 |
| Adjustments to reconcile net earnings (loss) to net cash provided by operating activities | | | | |
| Amortization..... | 2,159 | 4,434 | 32,704 | 16,309 |
| Stock-based compensation..... | 1,670 | 1,468 | 8,097 | 6,381 |
| Non-cash restructuring and other..... | 1,748 | - | 5,911 | - |
| Deferred income taxes.... | 282 | (4,944) | 282 | (3,842) |
| Loss on disposal..... | 211 | 304 | 204 | 377 |
| Unrealized foreign exchange loss (gain) on restricted cash..... | - | (18,416) | 15,653 | (18,416) |
| Unrealized foreign exchange loss on term loan..... | - | - | 1,215 | - |
| Tax benefit related to stock option deduction.. | - | 57 | - | 57 |
| Gain on sale of investments..... | - | (565) | - | (565) |
| Changes in operating assets and liabilities | | | | |
| Accounts receivable..... | (1,686) | 21,840 | 20,175 | 14,759 |
| Inventories..... | (1,472) | 252 | 15,676 | (8,043) |
| Prepaid expenses and other assets..... | 2,878 | (4,675) | 3,888 | 248 |
| Accounts payable..... | 5,935 | (817) | (1,301) | 7,468 |
| Accrued liabilities..... | (4,587) | (1,471) | (12,793) | 8,668 |
| Deferred revenue and credits..... | (353) | 140 | (810) | 149 |
| Net cash provided by operating activities..... | 3,656 | 32,286 | 47,699 | 86,133 |
| Cash flows from investing activities: | | | | |
| Business acquisition, net of cash acquired of \$139,785..... | - | - | (26,493) | (35) |
| Acquisition of OCEANE convertible bonds..... | - | - | (104,767) | - |
| Decrease (increase) in restricted cash..... | - | (173,057) | 175,820 | (173,057) |
| Proceeds on disposal..... | 32 | - | 155 | 2 |
| Purchase of fixed assets..... | (5,024) | (4,663) | (13,296) | (19,653) |
| Increase in intangible assets..... | (1,468) | (447) | (6,543) | (3,025) |
| Purchase of long-term investments..... | - | (14,962) | - | (20,131) |
| Proceeds on sale of long-term investments... | - | 39,797 | - | 39,797 |
| Purchase of short-term investments..... | (20,888) | (94,595) | (68,333) | (237,366) |
| Proceeds on maturity of short-term investments.. | 19,300 | 159,641 | 59,560 | 313,775 |
| Net cash provided by (used in) investing activities..... | (8,048) | (88,286) | 16,103 | (99,693) |
| Cash flows from financing activities: | | | | |

| | | | | |
|--|------------|-----------|------------|-----------|
| Proceeds on issuance of term loan..... | - | - | 102,716 | - |
| Repayment of term loan... | - | - | (103,931) | - |
| Financing costs..... | (57) | - | (3,971) | - |
| Issuance of common shares, net of share issue costs..... | 91 | - | 96 | 1,023 |
| Purchase of treasury shares for RSU distribution..... | - | - | (6,417) | (2,498) |
| Repurchase of common shares..... | - | - | - | (4,982) |
| Proceeds on exercise of Wavecom options..... | - | - | 4,148 | - |
| Decrease in long-term liabilities..... | (1,338) | (127) | (2,238) | (349) |
| ----- | | | | |
| Net cash used in financing activities..... | (1,304) | (127) | (9,597) | (6,806) |
| Effect of foreign exchange on cash and cash equivalents..... | 2,602 | - | (9,972) | - |
| ----- | | | | |
| Net increase (decrease) in cash and cash equivalents... | (3,094) | (56,127) | 44,233 | (20,366) |
| Cash and cash equivalents, beginning of period..... | 110,585 | 119,385 | 63,258 | 83,624 |
| ----- | | | | |
| Cash and cash equivalents, end of period..... | \$ 107,491 | \$ 63,258 | \$ 107,491 | \$ 63,258 |
| ----- | | | | |