

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)

ended	Three months ended		Six months	
	June 30,		June 30,	
	2009	2008	2009	
-				
2008				
-				
Revenue.....	\$ 135,348	\$ 155,698	\$ 246,755	\$
297,647				
Cost of goods sold.....	88,222	112,490	168,919	
215,104				
-				
Gross margin.....	47,126	43,208	77,836	
82,543				
-				
Expenses:				
Sales and marketing.....	15,035	7,928	24,009	
15,763				
Research and development...	22,923	14,063	37,937	
27,832				
Administration.....	9,769	5,601	15,843	
10,685				
Acquisition costs.....	804	-	7,326	
-				
Restructuring.....	8,869	-	10,595	
-				
Integration.....	936	-	1,190	
-				
Amortization.....	5,001	1,212	7,421	
2,493				
-				
	63,337	28,804	104,321	
56,773				
-				
Earnings (loss) from operations.....	(16,211)	14,404	(26,485)	
25,770				
Foreign exchange gain (loss).....	10,957	(55)	1,034	
570				
Other income (expense).....	(10)	1,324	(4,032)	
3,158				
-				

	Earnings (loss) before				
	income taxes.....	(5,264)	15,673	(29,483)	
29,498					
	Income tax expense.....	1,229	4,702	962	
8,850					
		-----	-----	-----	-----
-					
	Net earnings (loss) before				
	non-controlling interest....	(6,493)	10,971	(30,445)	
20,648					
	Net loss attributable to the				
	non-controlling interest....	(622)	-	(909)	
-					
		-----	-----	-----	-----
-					
	Net earnings (loss).....	(5,871)	10,971	(29,536)	
20,648					
	Retained earnings (deficit),				
	beginning of period.....	(2,392)	(30,925)	21,273	
(40,602)					
		-----	-----	-----	-----
-					
	Deficit, end of period.....	\$ (8,263)	\$ (19,954)	\$ (8,263)	\$
(19,954)					
		-----	-----	-----	-----
-					
		-----	-----	-----	-----
-					
	Earnings (loss) per share:				
	Basic.....	\$ (0.19)	\$ 0.35	\$ (0.95)	\$
0.66					
	Diluted.....	\$ (0.19)	\$ 0.35	\$ (0.95)	\$
0.66					
		-----	-----	-----	-----
-					
		-----	-----	-----	-----
-					
	Weighted average number of				
	shares (in thousands):				
	Basic.....	31,032	31,371	31,032	
31,356					
	Diluted.....	31,032	31,512	31,032	
31,469					
		-----	-----	-----	-----
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		-----	-----	-----	-----
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SIERRA WIRELESS, INC.

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

June 30, December

31,

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	2009	
2008	----	---
-		
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 112,983	\$
63,258		
Restricted cash.....	-	
191,473		
Short-term investments.....	18,485	
18,003		
Accounts receivable.....	73,036	
67,058		
Inventories.....	27,346	
33,031		
Deferred income taxes.....	5,383	
5,565		
Prepaid expenses.....	17,307	
6,233		
-	-----	-----
-		
	254,540	
384,621		
Fixed assets.....		
	36,263	
22,935		
Intangible assets.....		
	73,165	
15,291		
Goodwill.....		
	103,835	
33,013		
Deferred income taxes.....		
	2,074	
2,296		
Other.....		
	7,401	
4,230		
-	-----	-----
-		
	\$ 477,278	\$
462,386		
-	-----	-----
-		
-		
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable.....	\$ 54,749	\$
38,631		
Accrued liabilities.....	54,730	
47,568		
Deferred revenue and credits.....	1,670	
683		
Current portion of long-term obligations.....	533	
193		
Current portion of obligations under capital leases.....	361	
-		
-	-----	-----
	112,043	
87,075		

316	Long-term obligations.....	1,424	
-	Obligations under capital leases.....	317	
14,789	Other long-term liabilities.....	34,640	
2,758	Deferred income taxes.....	2,354	
	Shareholders' equity:		
325,893	Share capital.....	325,893	
(1,487)	Treasury shares, at cost.....	(2,852)	
12,518	Additional paid-in capital.....	13,804	
21,273	Retained earnings (deficit).....	(8,263)	
(749)	Accumulated other comprehensive loss.....	(2,082)	
-		-----	-----
357,448		326,500	
-		-----	-----
462,386		\$ 477,278	\$
-		-----	-----
-		-----	-----

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

ended	Three months ended		Six months	
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	June 30,		June 30,	
	2009	2008	2009	2008
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-				
2008				
-				
	Cash flows from operating activities:			
	Net earnings (loss) for the period.....			
20,648	\$ (6,493)	\$ 10,971	\$ (30,445)	\$
	Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
7,799	Amortization.....	11,620	4,028	18,366
	Stock-based			

	compensation.....	2,631	1,657	4,734
3,295				
	Deferred income taxes....	5	(54)	-
(170)				
	Loss (gain) on disposal..	(50)	(2)	(49)
73				
	Unrealized foreign exchange (gain) loss on restricted cash.....	(66)	-	15,653
-				
	Unrealized foreign exchange loss on term loan.....	-	-	1,215
-				
	Changes in operating assets and liabilities			
	Accounts receivable.....	15,317	2,434	34,175
(16,311)				
	Inventories.....	12,287	3,215	12,804
(1,924)				
	Prepaid expenses and other assets.....	(6,293)	2,115	(17)
2,967				
	Accounts payable.....	(8,437)	(11,867)	(17,517)
5,535				
	Accrued liabilities.....	(1,863)	2,124	(10,102)
9,354				
	Deferred revenue and credits.....	(204)	(15)	91
(171)				
		-----	-----	-----
-				
	Net cash provided by operating activities.....	18,454	14,606	28,908
31,095				
	Cash flows from investing activities:			
	Business acquisition, net of cash acquired of \$139,785.....	(19,575)	(35)	(26,493)
(35)				
	Acquisition of OCEANE convertible bonds.....	-	-	(104,767)
-				
	Decrease in restricted cash.....	29,543	-	175,820
-				
	Proceeds on disposal.....	96	2	96
2				
	Purchase of fixed assets.....	(4,343)	(5,110)	(6,819)
(10,019)				
	Increase in intangible assets.....	(453)	(595)	(1,480)
(884)				
	Purchase of short-term investments.....	(2,497)	(38,024)	(24,447)
(75,596)				
	Proceeds on maturity of short-term investments..	23,591	69,723	24,060
115,920				

-				
	Net cash provided by investing activities.....	26,362	25,961	35,970
29,388				
	Cash flows from financing activities:			
	Proceeds on issuance of term loan.....	-	-	102,716
-				
	Repayment of term loan...	-	-	(103,931)
-				
	Financing costs.....	7	-	(3,914)
-				
	Issuance of common shares, net of share issue costs.....	-	607	-
684				
	Purchase of treasury shares for RSU distribution.....	-	(1,011)	(2,518)
(1,011)				
	Proceeds on exercise of Wavecom options.....	-	-	4,148
-				
	Repayment of long-term liabilities.....	(34)	(46)	(566)
(139)				
	Net cash used in financing activities.....	(27)	(450)	(4,065)
(466)				
	Effect of foreign exchange changes on cash and cash equivalents.....	(7,847)	-	(11,088)
-				
	Net increase in cash and cash equivalents.....	36,942	40,117	49,725
60,017				
	Cash and cash equivalents, beginning of period.....	76,041	103,524	63,258
83,624				
	Cash and cash equivalents, end of period.....	\$ 112,983	\$ 143,641	\$ 112,983
143,641				\$
-				
-				