

SIERRA WIRELESS INC
Form F-10/A
September 27, 2007

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON SEPTEMBER 27, 2007

Registration No. 333-146174

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**AMENDMENT NO. 1 TO
FORM F-10
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933**

SIERRA WIRELESS, INC.

(Exact name of registrant as specified in its charter)

CANADA

3663

91-1876341

(Province or other jurisdiction of
incorporation or organization)

(Primary Standard Industrial
Classification Code Number)

(I.R.S. Employer
Identification No.)

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(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

PROVINCE OF BRITISH COLUMBIA, CANADA
(Principal jurisdiction regulating this offering)

It is proposed that this filing shall become effective (check appropriate box):

- A. Upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).
- B. At some future date (check the appropriate box below)
1. Pursuant to Rule 467(b) on () at () (designate a time not sooner than 7 calendar dates after filing)
 2. Pursuant to Rule 467(b) on () at () (designate a time 7 calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on ()
 3. Pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registration or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has issued with respect hereto
 4. After the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box.

PART I

Information required to be delivered to offerees or purchasers

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the corporate secretary of Sierra Wireless, Inc., at 13811 Wireless Way, Richmond, British Columbia, V6V 3A4, telephone: (604) 231-1100 and are also available electronically at www.sedar.com as well as on the website of the U.S. Securities and Exchange Commission at www.sec.gov. For the purposes of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record can be obtained without charge from the corporate secretary of Sierra Wireless, Inc. at the above mentioned address and telephone number and is also available electronically at www.sedar.com.

This document is only being and may only be distributed and directed at (i) persons outside the United Kingdom; or (ii) persons in the United Kingdom who are (a) a Qualified investor within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000 (FSMA) and (b) within the categories of persons referred to in Article 19 (Investment professionals) or article 49 (High net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Financial Promotion Order) (all such persons together being referred to as relevant persons). The securities being offered hereunder are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. This document is not a prospectus for the purposes of Section 85(1) of FSMA. Accordingly, this document has not been approved as a prospectus by the United Kingdom Financial Services Authority (FSA) under Section 87A of FSMA and has not been filed with the FSA pursuant to the United Kingdom Prospectus Rules nor has it been approved by a person authorized under the FSMA. See Underwriting .

SHORT FORM PROSPECTUS

New Issue

September 27, 2007

SIERRA WIRELESS, INC.
US\$78,400,000
3,500,000 Common Shares

This is an offering by Sierra Wireless, Inc. (Sierra Wireless or the Company) of 3,500,000 common shares (Common Shares of the Company (the Offering)). The Offering is being made concurrently in Canada under the terms of this prospectus and in the United States under the terms of a registration statement on Form F-10 filed with the United States Securities and Exchange Commission (the SEC). Common Shares are being offered in Canada by CIBC World Markets Inc. and RBC Dominion Securities Inc., and in the United States by CIBC World Markets Corp., Piper Jaffray & Co. and RBC Capital Markets Corporation.

Our Common Shares are traded on the Nasdaq Global Market (Nasdaq) under the symbol SWIR and on the Toronto Stock Exchange (the TSX) under the symbol SW . On September 18, 2007, the last trading day prior to the announcement of the Offering, the closing price of our Common Shares as reported on Nasdaq was US\$23.33 and on the TSX was CDN\$23.67 per Common Share.

Investing in the Common Shares involves risks. See Risk Factors beginning on page 5.

This Offering is made by a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that we are incorporated under the laws of Canada, that some of our officers and directors are residents of Canada, that some or all of the Underwriters or experts named in the registration statement are residents of Canada, and that a substantial portion of our assets and of such persons are located outside the United States.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY OTHER REGULATORY BODY NOR HAS THE SEC OR ANY OTHER REGULATORY BODY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Price: US\$22.40 per Common Share

	Price to Public	Underwriters Fee	Net Proceeds to the Company⁽¹⁾
Per Common Share	US\$ 22.40	US\$ 0.8960	US\$ 21.5040
Total Offering ⁽²⁾	US\$ 78,400,000	US\$ 3,136,000	US\$ 75,264,000

- (1) After deducting the Underwriters fee equal to 4% of the aggregate gross proceeds of the Offering, but before deducting the expenses of this Offering estimated at US\$1,500,000. We will pay all costs and expenses of this Offering.
- (2) We have granted the Underwriters an option (the Over-Allotment Option) to purchase up to an aggregate of 525,000 additional Common Shares at the offering price exercisable at any time, in whole or in part, for a period expiring 30 days following the closing date of this Offering. This prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Common Shares issuable upon exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the total Price to Public, Underwriters Fee and Net Proceeds to the Company will be US\$90,160,000, US\$3,606,400 and US\$86,553,600, respectively.

CIBC World Markets Inc., Piper Jaffray & Co. and RBC Dominion Securities Inc. (the Underwriters), as principals, conditionally offer the Common Shares subject to prior sale if, as and when issued and delivered by us to, and accepted by, the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under the section titled Underwriting and subject to approval of certain legal matters on our behalf by Blake, Cassels & Graydon LLP, with respect to Canadian legal matters, and by Davis Wright Tremaine LLP, with respect to U.S. legal matters, and on behalf of the Underwriters by McCarthy Tétrault LLP, with respect to Canadian legal matters, and by Simpson Thacher & Bartlett LLP, with respect to U.S. legal matters. **After the Underwriters have made a bona fide effort to sell all of the Common Shares offered under this prospectus at the public offering price fixed in this prospectus, the Underwriters may decrease the offering price or otherwise change the selling terms from time to time. See Underwriting .**

Underwriters Position	Maximum size or number of securities held	Exercise period/ Acquisition date	Exercise price or average acquisition price
Over-Allotment Option	up to 525,000 Common Shares	until 30 days following Closing Date	\$22.40 per Common Share
Compensation option			
Any other option granted by issuer or insider of issuer			

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Total securities under option	up to 525,000 Common Shares	until 30 days following Closing Date	up to \$11,760,000.00
Other compensation securities			

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. We expect that share certificates representing the Common Shares will be available for delivery at closing, which is anticipated to be on or about October 2, 2007 or such other date as may be agreed upon by us and the Underwriters, but in any event, not later than October 25, 2007.

The Underwriters may effect transactions which stabilize or maintain the market price of our Common Shares at levels other than those which might otherwise prevail in the open market in accordance with applicable market stabilization rules. See Underwriting .

RBC Dominion Securities Inc. is an affiliate of a Canadian chartered bank that entered into a credit agreement with us as borrower dated December 1, 2004 and amended by a letter agreement dated December 4, 2006. **Consequently, we may be considered a connected issuer of RBC Dominion Securities Inc. within the meaning of applicable Canadian securities laws.** See Relationship Between the Company and A Certain Underwriter .

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You should rely only on the information contained or incorporated by reference in this prospectus and on the other information included in the registration statement of which this prospectus forms a part. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell or seeking an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front of this document and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this prospectus or of any sale of our Common Shares. Our business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in this prospectus and the documents incorporated by reference in this prospectus were obtained from market research, publicly available information and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. We have not independently verified this information, and we do not make any representation as to the accuracy of this information.

We publish our financial statements in United States dollars in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. In this prospectus, unless otherwise indicated, all dollar amounts and references to "US\$" or "\$" are to United States dollars and references to "CDN\$" are to Canadian dollars. This prospectus contains a translation of some Canadian dollar amounts into United States dollars solely for your convenience. See

Exchange Rate Information . Unless otherwise indicated, all information in this prospectus assumes that the Underwriters' Over-Allotment Option will not be exercised.

This prospectus contains forward-looking statements which involve risks and uncertainties. See Forward-Looking Statements .

In this prospectus, Sierra Wireless, Company, we, us and our each refers to Sierra Wireless, Inc. and its consolidated subsidiaries unless the context requires otherwise.

Certain names used in this prospectus are our trademarks. This prospectus also includes references to trademarks, product names and company names of other companies.

EXCHANGE RATE DATA

The following table sets out, for each period indicated, the exchange rate at the end of the period and the average of the exchange rates on each day during the period for one U.S. dollar expressed in Canadian dollars, based on the noon exchange rate quoted by the Bank of Canada. As of September 18, 2007 the rate was US\$1.00 equals CDN\$1.0236.

	Fiscal Year Ended December 31,			Six Months Ended	
	2004	2005	2006	June 30,	2007
End of period	1.2036	1.1659	1.1653	1.1150	1.0634
Average for period	1.3015	1.2116	1.1341	1.1384	1.1349

SIERRA WIRELESS, INC.

We provide leading edge wireless wide area modem solutions for the mobile computing, rugged mobile and machine-to-machine (M2M) markets. We develop and market a range of products that include wireless modems for mobile computers, embedded modules for original equipment manufacturers, or OEMs, and high value fixed and mobile wireless data solutions for industrial, commercial and public safety applications. We also offer professional services to OEM customers during their product development, leveraging our expertise in wireless design and integration to provide built-in wireless connectivity for notebook computers and other mobile computing devices. Our products and solutions connect people, their mobile computers and fixed terminals to wireless voice and mobile broadband networks around the world.

We believe that wide area wireless for both mobile computing and wireless M2M are rapidly growing markets. We believe that the key growth enablers for these markets include the continued deployment of mobile broadband networks around the world, aggressive promotion of mobile broadband services by wireless operators, attractive mobile broadband rate plans, growing customer awareness of mobile broadband and compelling return on investment rationale for users. Given our extensive experience in wireless data, mobile computing and, as a result of our acquisition of AirLink Communications, Inc. (AirLink), M2M, we believe that we are well positioned to benefit from the rapid growth in our key market segments.

Our mobile computing products are used by businesses, consumers and government organizations to enable high speed wireless access to a wide range of applications, including the Internet, e-mail, corporate intranet, remote databases and corporate applications. Our rugged mobile and M2M products are primarily used in the public safety, oil and gas, utility and transaction processing markets. We sell our products primarily through indirect channels, including wireless operators, value added resellers and OEMs.

Key factors that we expect will affect our revenue in the near term are the timing of deployment of mobile broadband networks by wireless operators, technology transitions in both CDMA EV-DO and UMTS/HSPA, the relative competitive position our products have within the wireless operator's sales channels in any given period, the rate of adoption by end-users, the timely launch and ramp up of sales of our new products currently under development, the level of success OEMs achieve with sales of embedded solutions to end customers, our ability to secure future design wins with both existing and new OEM customers, our ability to compete effectively and our successful integration of AirLink. We expect that product and price competition from other wireless communications device manufacturers will continue to be intense. As a result of these factors, we may experience volatility in our results on a quarter to quarter basis.

We launched a considerable number of new products during 2006 and in the first half of 2007. Our rejuvenated product line, expanded roster of sales channels, the addition of AirLink and strong market growth underpin our expectation of solid revenue growth and continued profitability in 2007. Specific product development and business development initiatives during 2007 include:

AirCard Products

PC Cards: We are continuing to supply UMTS/HSDPA PC cards to several wireless operators around the world including AT&T in the US, Telstra in Australia, debitel in Germany, Bouygues Telecom and Orange in

France, O2 and Orange in the UK, Swisscom Mobile and sunrise in Switzerland, Telefonica in Spain, ONE in Austria and to several other operators in the EMEA region.

We began shipping our new CDMA EV-DO ExpressCards, built for notebook computers with ExpressCard expansion slots, with Sprint in North America and Telecom New Zealand in the Asia-Pacific region during the second quarter of 2007.

We introduced our PC cards and ExpressCards for HSUPA networks during the first quarter of 2007. HSUPA AirCards offer significant speed advantages over our current HSDPA AirCards with a maximum theoretical downlink speed of up to 7.2 Mbps and uplink speed of up to 2 Mbps. We expect to commence commercial shipments of our first HSUPA PC Card products late in the third quarter of 2007.

USB Wireless Modems: Our USB wireless modems plug into the USB ports of both notebook and desktop computers. Late in the first quarter of 2007, we began commercial shipments of our AirCard 875U for HSDPA networks to an operator in Latin America. In the second quarter of 2007, we began commercial shipments of our AirCard 595U for EV-DO Revision A networks to Sprint and our AirCard 875U for HSDPA networks to AT&T and to O2 in the UK. We also launched our AirCard 595U with Telecom New Zealand and Telus. In the third quarter of 2007, we began commercial shipments of our AirCard 595U to Verizon Wireless. We also introduced our USB modems for HSUPA networks and expect to commence commercial shipments late in the third quarter of 2007. Form factor design is an important differentiator among USB products. We expect that the timing of the introduction of new USB form factors by ourselves and our competitors may lead to volatility in our revenue, on a quarterly basis, as new form factors enter the market at different times.

Continued success with our AirCard products will depend in part on our ability to develop AirCard products that meet our customers' evolving design, schedule and price requirements.

Embedded Modules

In late 2005, several leading notebook computer manufacturers (PC OEM) commenced the integration of mobile broadband capability inside their products. Similar to our other OEM customers, the PC OEM customers award design wins for the integration of wide area wireless embedded modules on a platform by platform basis. We currently have embedded module design wins with twelve PC OEM customers, including Lenovo, HP, Panasonic, Fujitsu-Siemens Computers, ASUSTeK Computers, Dialogue Technology Corp., Flipstart Labs and Itronix, a division of General Dynamics. Our design wins span multiple generations of both CDMA EV-DO and HSDPA/HSUPA technologies. Ten of our PC OEM customers currently have commercially available products featuring our embedded mobile broadband solutions. While we have been successful securing many design wins, we are not guaranteed future design wins. Our continued success in the PC OEM market will continue to depend on end customer adoption as well as our ability to develop products that meet our customers' design, schedule and price requirements.

We continue to have a solid position with our non-PC OEM customers providing solutions for a variety of applications, including design wins for fixed wireless terminal solutions. In the first quarter of 2007, we announced that Cisco Systems selected our embedded modules for their Integrated Service Routers for enterprise disaster recovery and rapid deployment applications. We also have design wins with Ericsson, Digi and others for fixed wireless terminal and router solutions.

We introduced our MC8780/8781 embedded modules for HSUPA networks during the first quarter of 2007 and expect to begin commercial shipments in the third quarter of 2007.

Rugged Mobile and M2M Products

Our rugged mobile products are sold to public safety and field service organizations and are among our highest gross margin products. We experienced a decline in sales of products in this segment in 2006 as a result of not having 3G products to offer to our customers. Late in the first quarter of 2007, we began initial commercial shipments of both our MP 595 for EV-DO Revision A (Rev A) networks and MP 875 for UMTS/HSDPA 3.6 Mbps networks. The MP 595 is now certified for use on the Sprint Mobile Broadband Network and the MP 875 is certified for use on AT&T s Broadband Connect network. We completed the acquisition of AirLink on May 25, 2007. During

the second quarter of 2007, AirLink introduced the PinPoint X and Raven X, a new line of intelligent modems. Both of these products have been certified and are commercially available for use on the Verizon Wireless and Bell Mobility EV-DO Rev A networks.

With the launch of our new rugged mobile products, and the addition of AirLink's high value fixed and mobile wireless data solutions for industrial and public safety applications, we expect the rugged mobile and M2M segments of our business to grow and positively impact our financial results.

Additional Information

Additional information relating to us may be found in the documents incorporated by reference herein, all of which may be found on SEDAR at www.sedar.com or the SEC's website at www.sec.gov in the case of documents filed with or furnished to the SEC. See Documents Incorporated by Reference .

RISK FACTORS

Any investment in our Common Shares involves a high degree of risk due to the nature of our business. The following risk factors, as well as the risk factors set out in the documents incorporated by reference in this prospectus and risks not currently known to us, could materially adversely affect our future business, operations and financial condition and results and could cause them to differ materially from the estimates described in our forward-looking statements. Before investing, prospective purchasers should carefully consider, in light of their own financial circumstances, the factors set out below or incorporated by reference in this prospectus, as well as other information included or incorporated by reference in this prospectus (including subsequently filed documents incorporated by reference). Prospective purchasers should note in particular the risk factors set out at pages 62 to 68 of our Annual Information Form and pages 15 to 19 of our Management Discussion and Analysis for the six months ended June 30, 2007. See Documents Incorporated by Reference .

Risks Relating to the Offering

Our stock price has been volatile, is likely to continue to be volatile and could decline substantially.

Our Common Shares have been, and are likely to continue to be, highly volatile. For example, in the last 12 months, our Common Shares traded on Nasdaq and the TSX have closed at a high of \$27.86 and CDN\$29.10, respectively, and at a low of \$11.42 and CDN\$12.79, respectively. Our share price could fluctuate significantly in the future for various reasons, including the following:

Quarterly variations in operating results;

Changes in earnings estimates by analysts;

Future announcements concerning us or our competitors;

The introduction of new products or changes in product pricing policies by us or our competitors;

An acquisition or loss of significant customers, distributors and suppliers;

A failure to successfully achieve the desired benefits of the acquisition of AirLink;

Regulatory developments;

Intellectual property developments;

The commencement of material litigation against us or our collaborators;

Fluctuations in the economy or general market conditions; or

The other risk factors set forth in this prospectus.

In addition, stock markets in general, and the market for shares of communications companies in particular, have experienced extreme price and volume fluctuations in recent years that may be unrelated to the operating performance of the affected companies. These broad market fluctuations may cause the market price for our Common Shares to

decline substantially. The market price of our Common Shares could decline below its current price and may fluctuate significantly in the future. These fluctuations may or may not be related to our performance or prospects.

We may be subject to class action litigation in the United States or Canada, which may materially affect our stock value.

In the past, investors have instituted securities class action litigation against us, after a period of volatility in the market price of our securities, alleging one or more violations of U.S. securities laws. While we have successfully settled or had such lawsuits dismissed in the past, if any of our shareholders in the United States or Canada files such litigation, we could incur substantial legal fees and our management's attention and resources could be diverted from operating our business in order to respond to the litigation.

U.S. investors may not be able to enforce civil liabilities against us.

We were formed under the federal laws of Canada. A significant part of our assets are located outside the United States. In addition, a majority of the members of our board of directors and our officers are residents of countries other than the United States. As a result, it may be impossible for U.S. investors to affect service of process within the United States upon us or these persons or to enforce against us or these persons any judgments in civil and commercial matters, including judgments under U.S. federal securities laws. In addition, a Canadian court may not permit U.S. investors to bring an original action in Canada or to enforce in Canada a judgment of a court in the United States based upon civil liability provisions of the U.S. federal securities laws. No treaty exists between the United States and Canada for the reciprocal enforcement of foreign court judgments.

The Company may be a passive foreign investment company under the U.S. Internal Revenue Code and if it is or becomes a passive foreign investment company there may be adverse U.S. tax consequences for investors in the United States.

Potential investors that are U.S. taxpayers should be aware that the U.S. Internal Revenue Service may determine that the Company is a passive foreign investment company under Section 1297(a) of the U.S. Internal Revenue Code (a PFIC). If the Company is or becomes a PFIC, any gain recognized on the sale or other taxable disposition of the Common Shares and any excess distributions (as specifically defined in the Internal Revenue Code) paid on the Common Shares is taxed as ordinary income and must be ratably allocated to each day in a U.S. taxpayer's holding period for the Common Shares. The amount of any such gain or excess distribution allocated to prior years when the Company was a PFIC generally will be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each prior year, calculated as if the tax liability had been due in each prior year.

Alternatively, if a U.S. taxpayer makes a QEF election, the taxpayer generally will be subject to U.S. federal income tax on the U.S. taxpayer's pro rata share of the Company's net capital gain and ordinary earnings (calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by the Company. U.S. taxpayers should be aware that the Company does not intend to satisfy recordkeeping requirements or to supply U.S. taxpayers with required information under the QEF rules in the event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. Thus, U.S. taxpayers should not expect to be able to make a QEF election. As another alternative, a U.S. taxpayer may make a mark-to-market election if the Common Shares are marketable stock (as specifically defined in the Internal Revenue Code). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Common Shares as of the close of such taxable year over (b) the U.S. taxpayer's tax basis in such Common Shares. See Certain Tax Considerations for U.S. Shareholders .

The Company expects that it will not be a PFIC for the taxable year ending December 31, 2007, and the Company expects that it will not be a PFIC for each subsequent taxable year. The determination of whether the Company will be a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether the Company will be a PFIC for the taxable year ending December 31, 2007, and each subsequent taxable year, depends on the assets and income of the Company over the course of each such taxable year and, as a result, cannot be predicted with certainty as of the date of this prospectus.

Accordingly, there can be no assurance that the Internal Revenue Service will not challenge the determination made by the Company concerning its PFIC status or that the Company will not be a PFIC for any taxable year.

Laws and provisions in our articles, by-laws and shareholder rights plan could delay or deter a change in control.

Our articles and by-laws allow the issuance of preference shares. Our board of directors may set the rights and preferences of any series of preference shares in its sole discretion without the approval of the holders of our Common Shares. The rights and preferences of the preference shares may be superior to those of the Common Shares. Accordingly, the issuance of preference shares also could have the effect of delaying or preventing a change of control of our company. There are at present no preference shares outstanding.

In addition, under our governing statute, the *Canada Business Corporations Act* (Canada), some business combinations, including a merger or reorganization or the sale, lease or other disposition of all or a substantial part of our assets, must be approved by at least two-thirds of the votes cast by our shareholders or, sometimes, holders of each class of shares. In some cases shareholders may have a right to dissent from the transaction, in which case we would be required to pay dissenting shareholders the fair value of their Common Shares provided they have followed the required procedures. The requirement to make payments to dissenting shareholders may deter a third party from making an offer to acquire the Company in any of the transactions described above.

In addition, we have adopted a shareholder rights plan that provides the potential for substantial dilution to an acquiror unless either the acquiror makes a bid to all shareholders, which is held open for at least 45 days and is accepted by shareholders holding at least 50% of the outstanding Common Shares, or the bid is otherwise approved by our board of directors. This could discourage a potential acquiror from making a take-over bid and make it more difficult for a third party to acquire control of us.

Furthermore, all of our executive officers have contractual rights under employment agreements to have their stock options vest immediately and obtain up to 24 months in the case of our Chief Executive Officer and at least 18 months severance pay in the case of our other executive officers in the event of their termination without cause within 12 months following a change of control of the Company.

Limitations on the ability of third parties to acquire and hold our Common Shares may be imposed by the *Competition Act* (Canada). This legislation permits the Commissioner of Competition to review any acquisition of a significant interest in our company. This legislation grants the Commissioner jurisdiction to challenge such an acquisition before the Competition Tribunal if the Commissioner believes that it would, or would be likely to, result in a substantial lessening or prevention of competition in any market in Canada. The *Investment Canada Act* (Canada) subjects an acquisition of control of a company by a non-Canadian to government review if the value of our assets as calculated pursuant to the legislation exceeds a threshold amount. A reviewable acquisition may not proceed unless the relevant minister is satisfied or is deemed to be satisfied that there is likely to be a net benefit to Canada from the transaction.

Each of these matters could delay or deter a change in control that would be attractive to, and provide liquidity for, shareholders, and could limit the price that investors may be willing to pay in the future for our Common Shares.

You will incur substantial and immediate dilution if you purchase shares in this Offering.

The offering price of our Common Shares in this Offering will significantly exceed the net tangible book value of our Common Shares. Accordingly, if you purchase Common Shares in this Offering, you will incur immediate and substantial dilution of your investment. If outstanding options and warrants to purchase, or rights to acquire, our Common Shares are exercised, you will incur additional dilution.

We do not currently anticipate paying any dividends in the foreseeable future.

Since incorporation, we have not paid any dividends on our Common Shares. We currently intend to retain our future earnings, if any, to finance the growth of our business. We do not currently anticipate that we will pay any dividends on our Common Shares in the immediate or foreseeable future.

Management has broad discretion as to the use of the proceeds from this Offering.

We intend to use the proceeds from this Offering for general corporate purposes, working capital and future acquisitions. Our management will have broad discretion with respect to the use of proceeds from this Offering. You will be relying on the judgment of our management about these uses. If we do not allocate the proceeds of this Offering effectively or use the proceeds beneficially, our prospects, business, financial condition and results of operations could be harmed. See Use of Proceeds .

Future sales or issuances of Common Shares could lower our share price, dilute investors' voting power and may reduce our earnings per share.

We may sell additional Common Shares in subsequent offerings. We may also issue additional Common Shares to finance future acquisitions. We cannot predict the size of future issuances of Common Shares or the effect, if any, that future issuances and sales of Common Shares will have on the market price of our Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and we may experience dilution in our earnings per share.

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus, or incorporated by reference herein, that are not based on historical facts, constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (forward-looking statements). These forward-looking statements are not promises or guarantees of future performance but are only predictions that relate to future events, conditions or circumstances or our future results, performance, achievements or developments and are subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause our actual results, performance, achievements or developments in our business or in our industry to differ materially from those expressed, anticipated or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions, circumstances or results of operations that are based on assumptions about future economic conditions, courses of action and other future events. We caution you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements include statements regarding the outlook for our future operations, plans and timing for the introduction or enhancement of our services and products, statements concerning strategies, developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, the outcome of legal proceedings, and other expectations, intentions and plans that are not historical fact. Forward-looking statements include, without limitation:

Information concerning possible or assumed future results of operations, trends in financial results and business plans;

Statements about our product development activities and schedules;

Statements about our expectations for regulatory approvals for any of our product candidates;

Statements about our potential or prospects for future product sales and royalties;

Statements about the level of our costs and operating expenses relative to our revenues, and about the expected composition of our revenues;

Statements about our future capital requirements and the sufficiency of our cash, cash equivalents, investments and other sources of funds to meet these requirements;

Statements about the outcome of contingencies such as legal proceedings;

Other statements about our plans, objectives, expectations and intentions; and

Other statements that are not historical fact.

In some cases, you can identify forward-looking statements by words such as *may*, *estimates*, *projects*, *anticipates*, *believes*, *plans*, *expects*, *intends* or their negatives or other comparable words, but the absence of those words does not necessarily mean that a statement is not forward-looking. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including but not limited to the factors described in the section titled *Risk Factors* in this prospectus. The risk factors and uncertainties that may affect our actual results, performance, achievements or developments are many and include, amongst others, our ability to develop, manufacture, supply and market new products that we do not produce today that meet the needs of customers and gain commercial acceptance, our reliance on the deployment of next generation networks by major wireless operators, the continuous commitment of our customers, increased competition and other risks detailed herein under the heading *Risk Factors* or included in the documents incorporated by reference herein. Many of these factors and uncertainties are beyond our control. Consequently, all forward-looking statements in this prospectus, or the documents incorporated by reference herein, are qualified by this cautionary statement and there can be no assurance that actual results, performance, achievements or developments anticipated by us will be realized. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and, except as required by applicable securities laws, we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change.

Except as required by applicable securities laws, we undertake no obligation to publicly update any forward-looking statements to reflect circumstances or events after the date of this prospectus, or to reflect the occurrence of unanticipated events. You should review the factors and risks we describe in the reports we file from time to time with the applicable Canadian securities commissions or similar regulatory authorities or the SEC after the date of this prospectus.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of Common Shares we are offering will be \$73.8 million after deducting the Underwriters' fees and estimated offering expenses. We estimate that the net proceeds will be approximately \$85.1 million if the Over-Allotment Option is exercised in full.

Of the combined total of the net proceeds of this Offering and the Company's existing cash and investments, the Company intends to allocate approximately 40% of this amount to working capital and general corporate purposes, with the balance being allocated to potential future acquisitions. There may be circumstances, however, where for sound business reasons, a reallocation of funds may be necessary, and we reserve the right to reallocate the proceeds of the Offering in these circumstances.

CAPITALIZATION

The following table sets forth the capitalization of the Company as at the dates indicated and as adjusted to give effect to the Offering. The table should be read in conjunction with (1) the audited annual consolidated financial statements of the Company for the year ended December 31, 2006 and Management's Discussion and Analysis thereon; and (2) the unaudited interim consolidated financial statements of the Company as at and for the three and six months ended June 30, 2007 and Management's Discussion and Analysis thereon; all of which are incorporated by reference in this short form prospectus. There has been no material change in the capitalization of the Company since June 30, 2007.

				As Adjusted June 30, 2007 Assuming Full Exercise of the
	Actual December 31, 2006 (audited)	Actual June 30, 2007 (unaudited)	As Adjusted June 30, 2007 (unaudited)	Over-Allotment Option (unaudited)
Cash and cash equivalents	\$ 46,438	\$ 71,227	69,727	69,727
Short-term investments	40,554	18,826		