

DragonWave Fiscal 2007 Year End Financial Results



DragonWave

Wireless Broadband Ethernet



Legal Disclaimer

This presentation contains certain forward-looking information, including expectations of future business. This information is based on the company's current expectations and assumptions that are subject to a variety of risks and uncertainties that are difficult to predict and that may be beyond DragonWave's control. Actual results could differ materially from those expressed in any forward-looking statements due to factors such as customer demand and timing of purchasing decisions, increased levels of competition, technological changes and the successful development of new products, dependence on third-party manufacturers and suppliers, risks relating to intellectual property infringement claims, and other risks and factors identified in DragonWave's public filings with regulatory authorities. DragonWave assumes no obligation to update these forward-looking statements as a result of new information or future events.



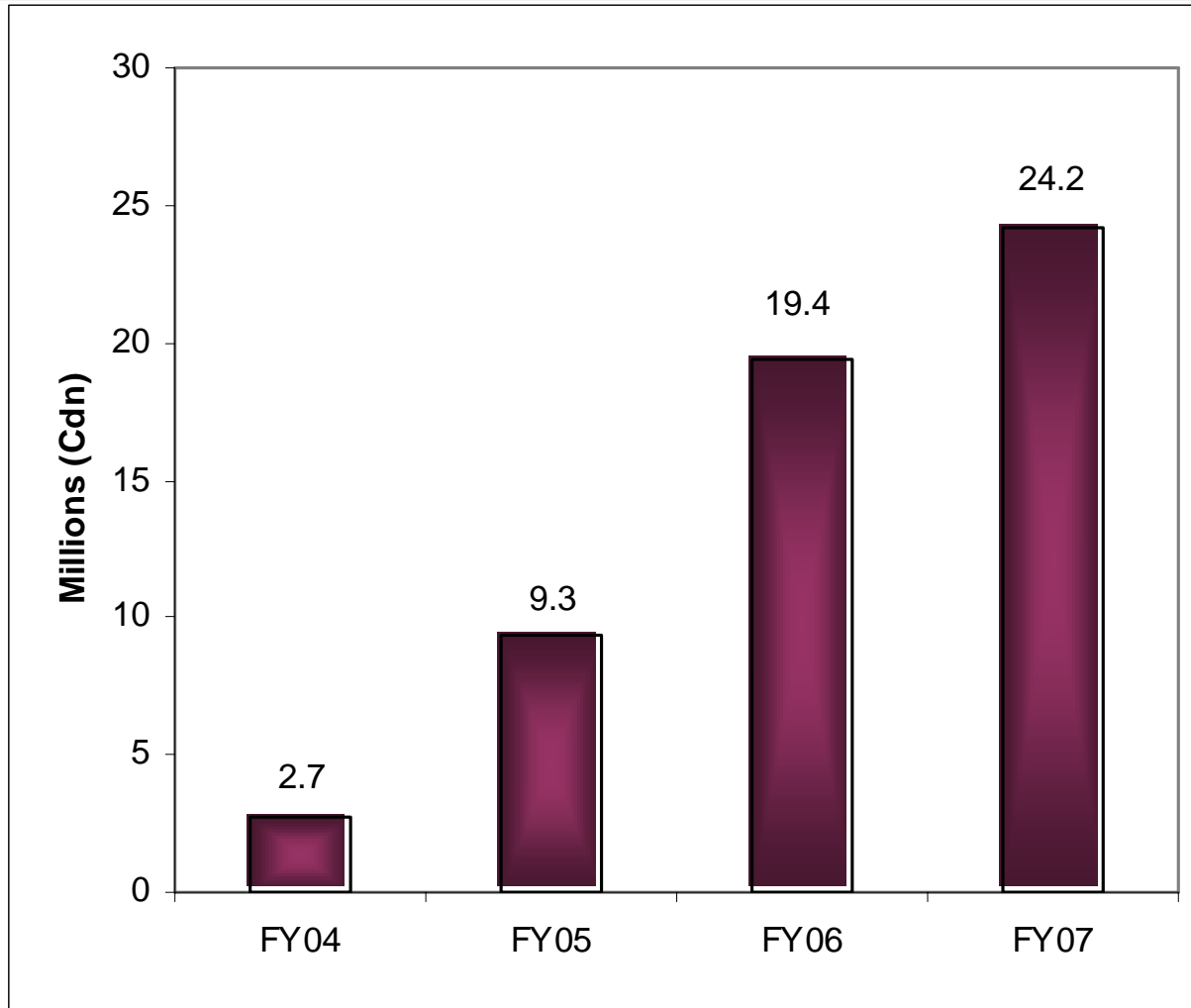
Next Generation Wireless Backhaul

Enabling the Airborne Internet



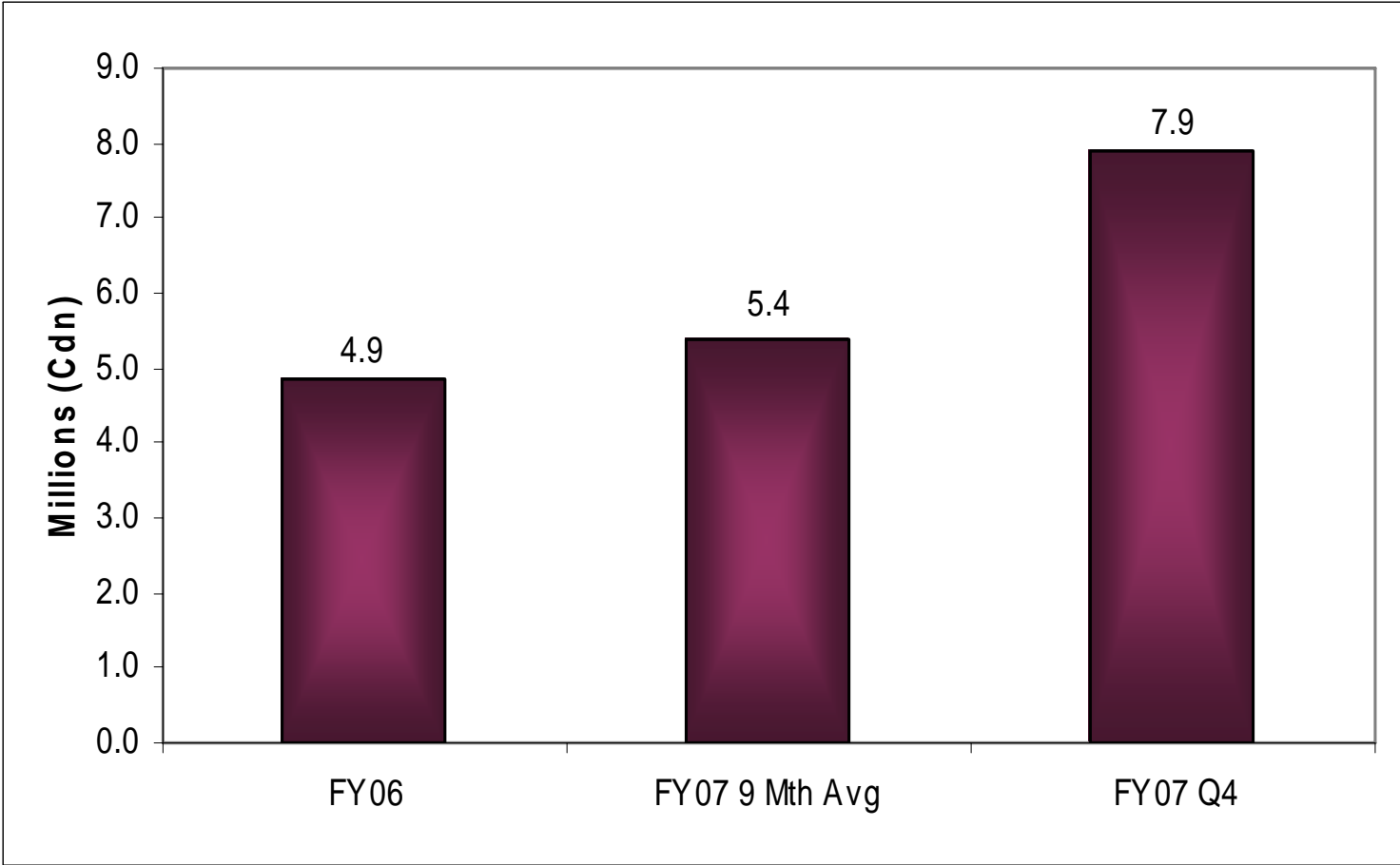


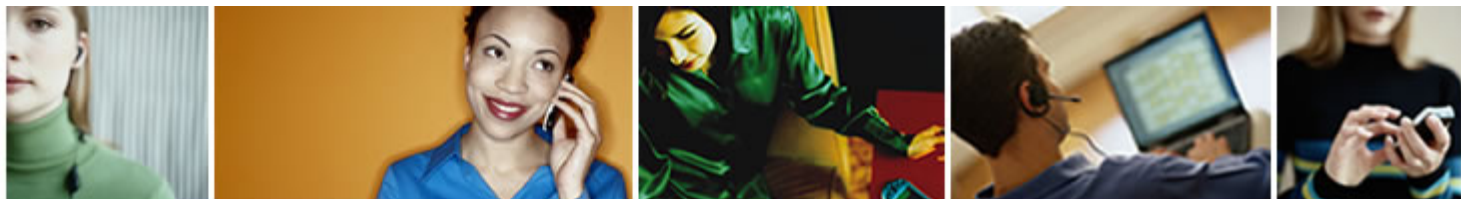
Annual Revenue Profile





Average Quarterly Revenue Comparison



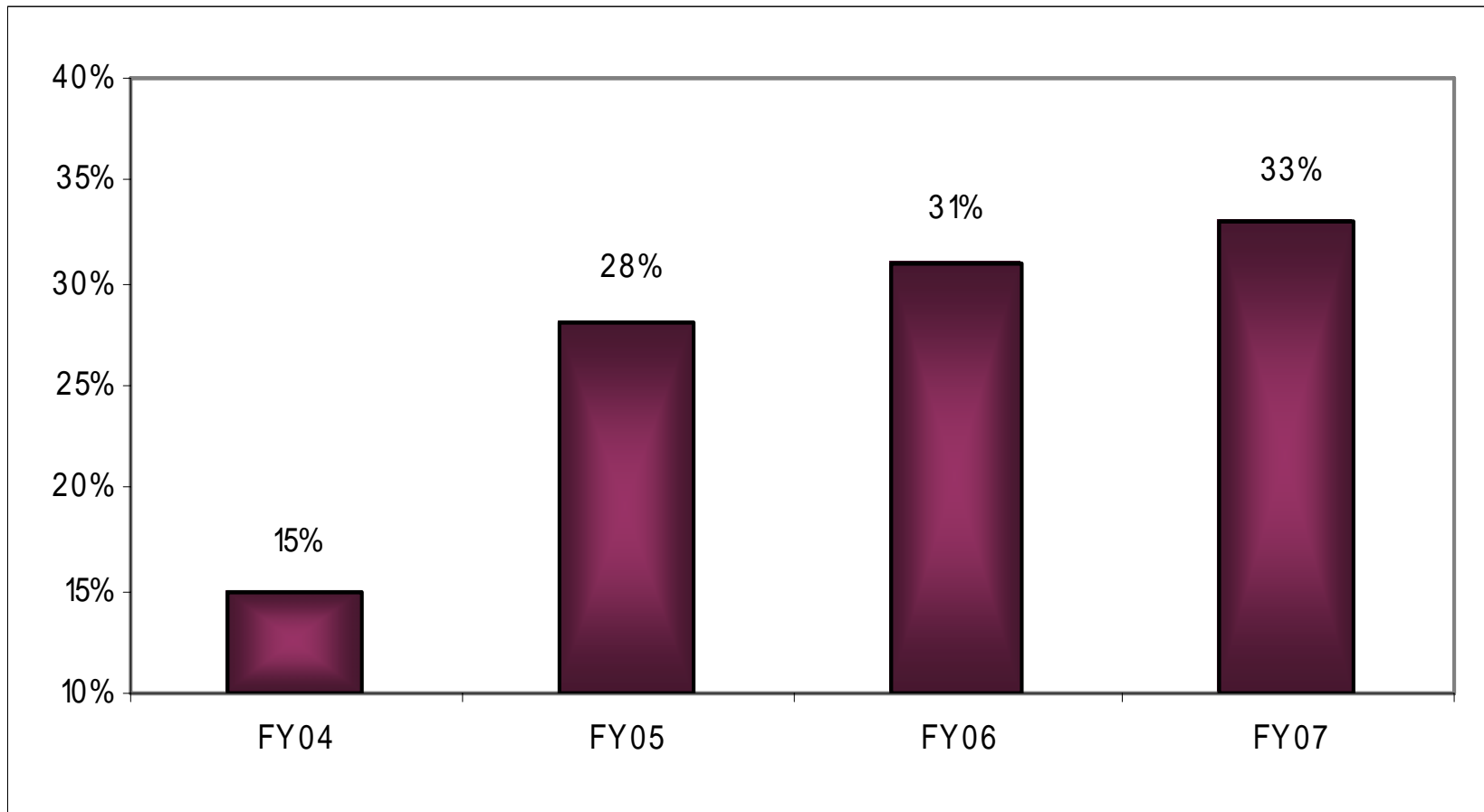


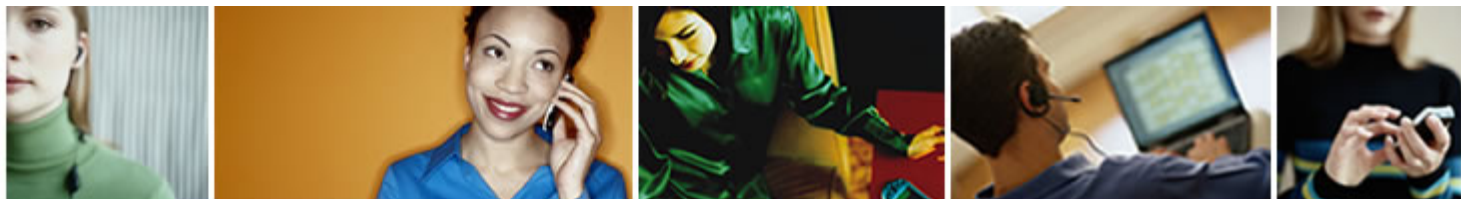
Geographical Revenue Profile

<i>(Cdn \$ Millions)</i>	FY07		FY06		FY05		FY04	
Region	\$	%	\$	%	\$	%	\$	%
North America	19.4	80%	17.1	88%	8.6	91%	2.6	96%
ROW	<u>4.8</u>	<u>20%</u>	<u>2.3</u>	<u>12%</u>	<u>0.8</u>	<u>9%</u>	<u>0.1</u>	<u>4%</u>
Total	<u>24.2</u>	<u>100%</u>	<u>19.4</u>	<u>100%</u>	<u>9.4</u>	<u>100%</u>	<u>2.7</u>	<u>100%</u>



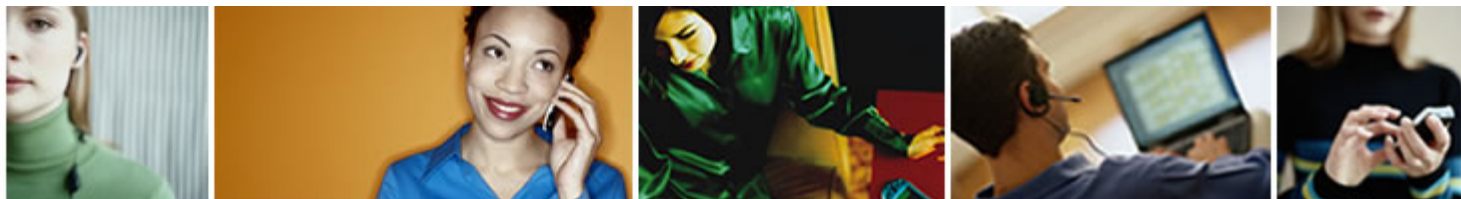
Gross Margin Profile





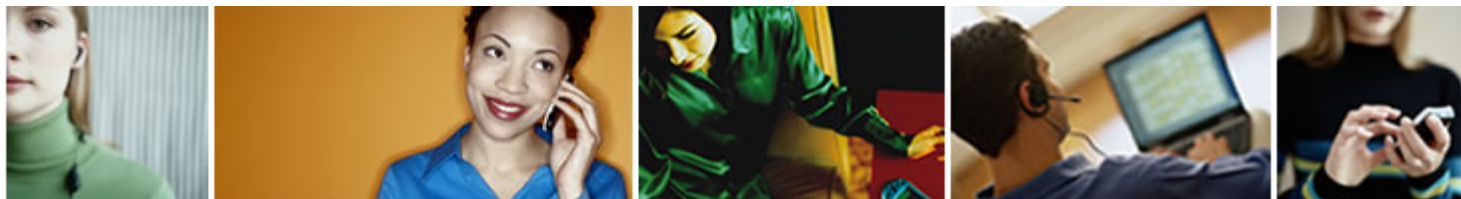
Comparative Revenue, Margin and Operating Expenses

<i>(Cdn \$ Millions)</i>	<u>FY07</u>	<u>FY06</u>	<u>FY05</u>	<u>FY04</u>
Revenue	24.2	19.4	9.3	2.7
Cost of Sales	16.1	13.5	6.7	2.3
Gross Margin	8.0	5.9	2.6	0.4
%	33%	31%	28%	15%
Expenses				
Research & Development	6.1	5.7	5.2	6.6
Sales & Marketing	6.0	4.7	3.2	2.1
G & A	2.5	2.1	1.7	1.6
Investment Tax Credits	(0.7)	(1.1)	(1.1)	(1.3)
Total Expenses	<u>13.9</u>	<u>11.4</u>	<u>9.0</u>	<u>9.0</u>
Loss from Operations	(5.9)	(5.5)	(6.4)	(8.6)



Comparative Net Loss

<i>(Cdn \$ Millions)</i>	<u>FY07</u>	<u>FY06</u>	<u>FY05</u>	<u>FY04</u>
Loss from Operations	(5.9)	(5.5)	(6.4)	(8.6)
Interest Expense	(0.5)	(0.2)		(0.2)
Interest on Debt	(3.6)	(2.9)	(1.8)	(0.2)
Other		3.6		
Foreign exchange loss	(0.3)	(0.2)	(0.3)	(0.1)
Patent Fee	(0.4)			
Net Loss	<u>(10.7)</u>	<u>(5.2)</u>	<u>(8.5)</u>	<u>(9.1)</u>



Balance Sheet Highlights

IPO Closed April 19, 2007 – Net Proceeds \$25.1 million

<i>(Cdn \$ Thousands)</i>	FY07	FY06	FY05	FY04
Cash	1,334	5,121	3,076	2,394
Current Assets (excl. cash)	15,893	10,870	6,489	2,652
Current Liabilities (excl. convertible debt)	13,720	6,243	3,777	1,779
DSO	77 days	92 days	56 days	76 days
Inventory Turnover	3.2 times	2.0 times	2.4 times	2.1 times



Other

- **There was One 10% Customer in the Quarter who represented 41% of the quarter's revenue.**
- **IPO and Over-Allotment update**



Sprint

- **Proposed Warrant**
 - 0.5% of shares outstanding
 - Warrant priced at \$3.55 CDN
- **Subject to 50% Shareholder Approval**
- **Warrant vests based on business level placed with DragonWave**
- **Warrant valid for 10 years**



Growth Strategy

Revenue Growth → **Expansion**

- Geographic
- Channels
- Market driven R&D

Balance Sheet

- Working Capital Needs
- Demonstrable Reserves

**Continued
Margin
Improvement**

→ **Improved Sales Mix**

- Higher capacity

Cost Reduction

- Continued Design R&D
- Volume Economics