

First Quarter Fiscal 2009 Financial Results

July 11, 2008

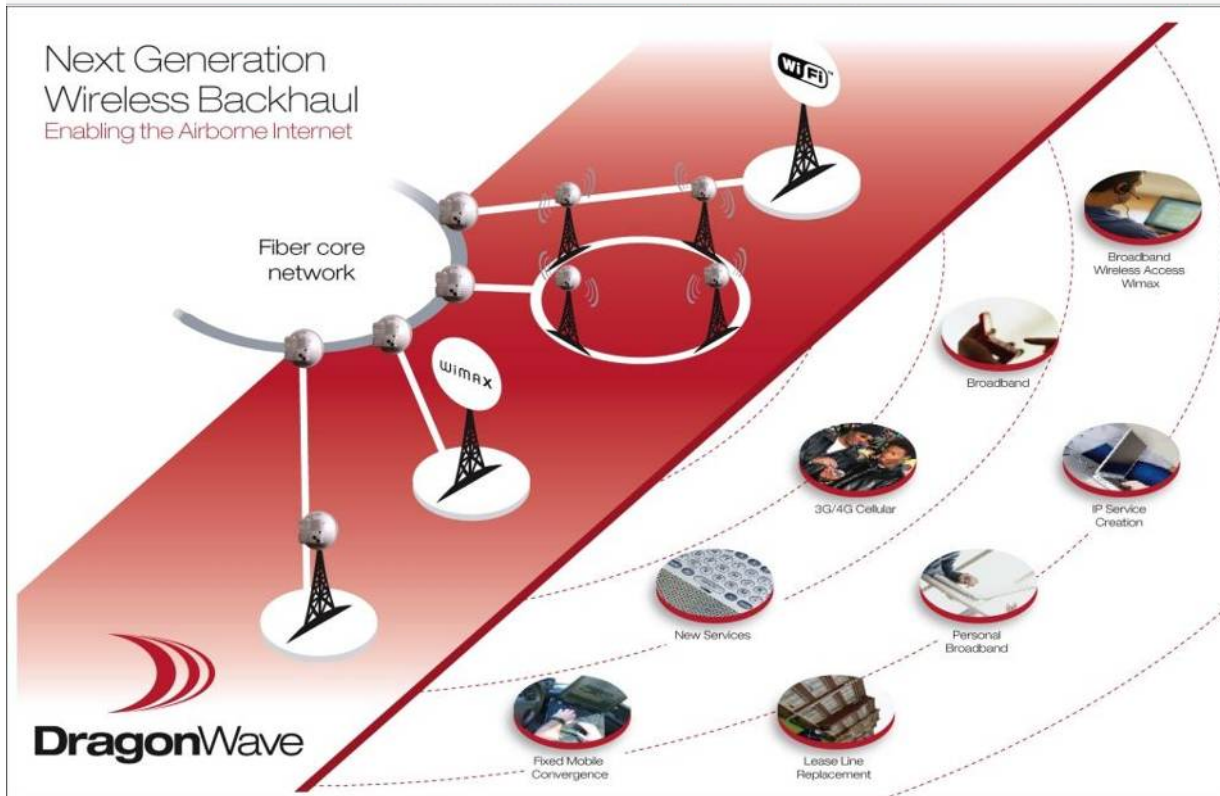
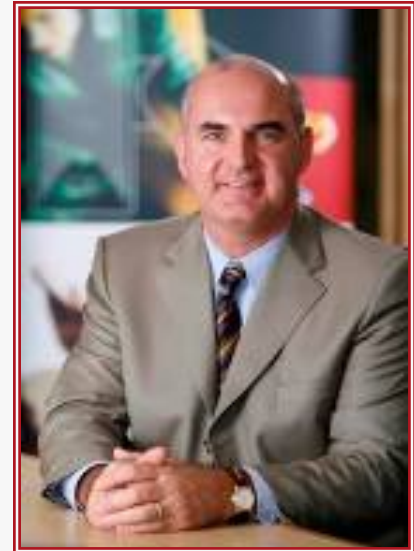


DragonWave

Wireless Broadband Ethernet

Financial Highlights

Russell Frederick – VP Finance & CFO



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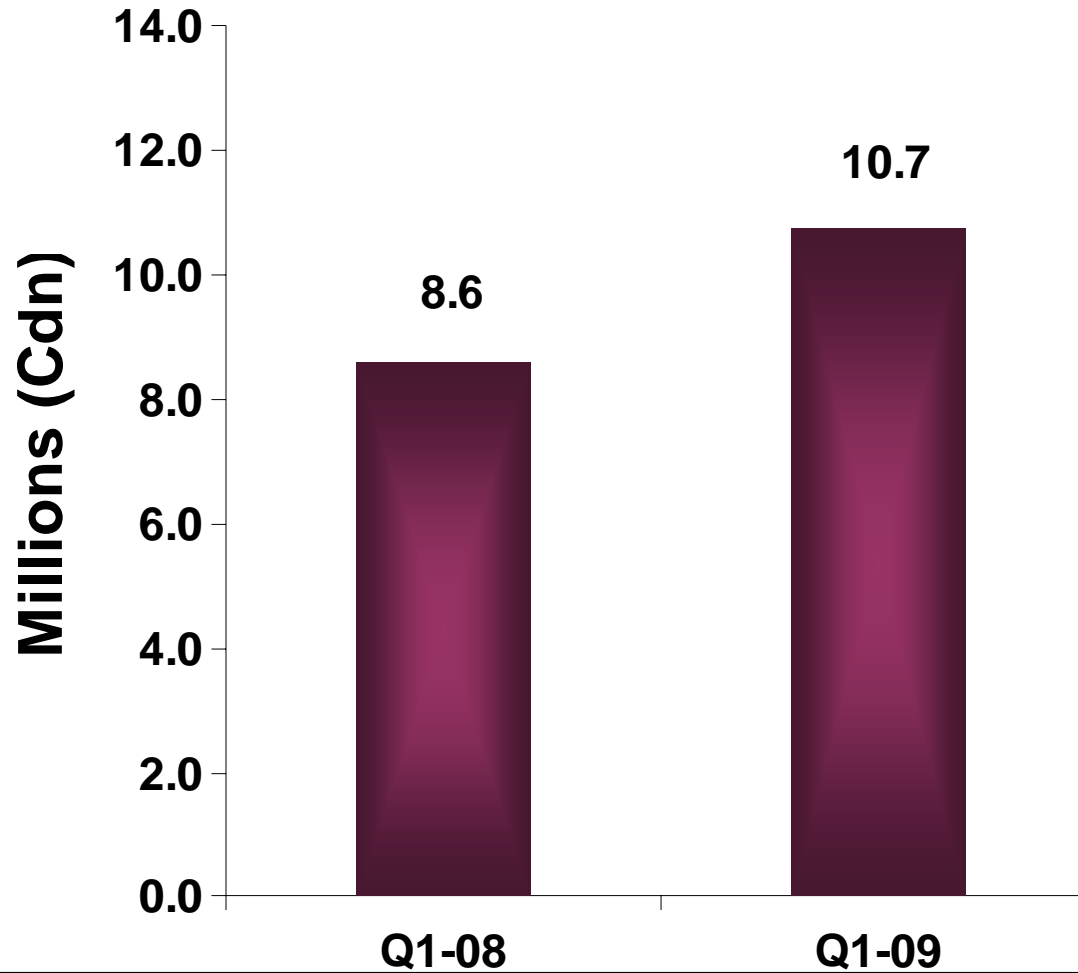


Legal Disclaimer

- 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.



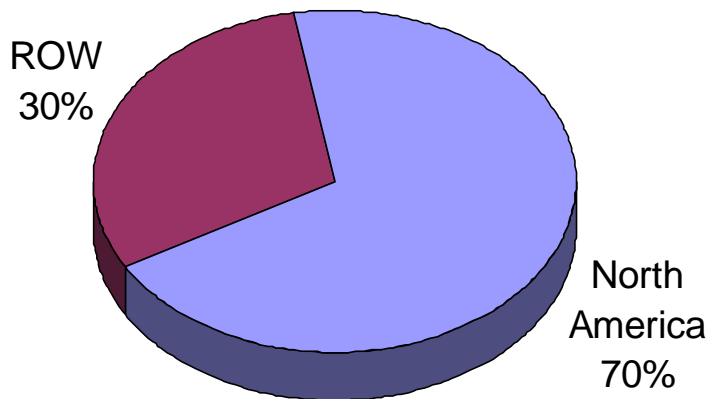
First Quarter Revenue Comparison





Revenue by Geography

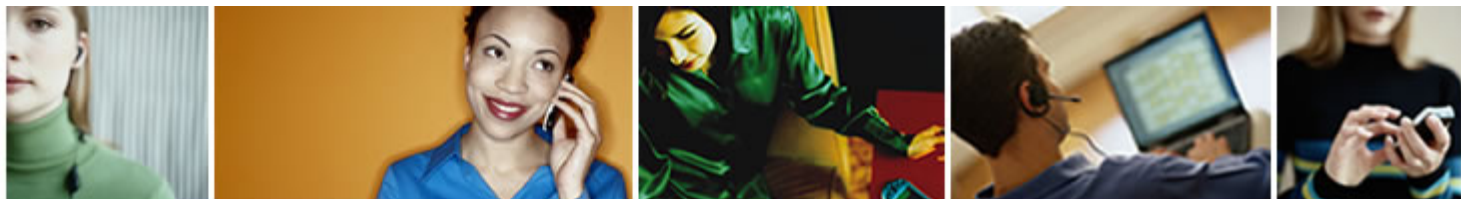
Q1FY08



Q1FY09



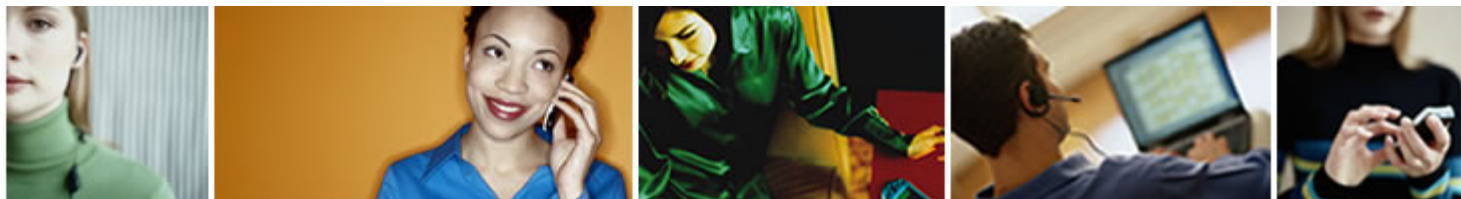
<i>(Cdn \$ Millions)</i>	<u>Q1 FY08</u>		<u>Q1 FY09</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
North America	6.0	70%	8.0	75%
ROW	2.6	30%	2.7	25%
Total	8.6	100%	10.7	100%



Comparative Revenue, Margin and Operating Expenses

(Cdn \$ Millions)

	<u>Q1 FY2009</u>	<u>Q1FY2008</u>
REVENUE	10.7	8.6
Cost of Sales	6.3	5.6
Gross Margin	4.4	3.0
%	41%	35%
EXPENSES		
Research and development	3.1	2.4
Selling and marketing	2.6	1.8
General and administrative	1.1	1.0
Investment Tax Credits	-	(0.3)
	<u>6.8</u>	<u>4.9</u>
Loss from Operations	(2.4)	(1.9)
Interest Income/(Expense)	0.2	(0.5)
Foreign Exchange Gain/(Loss)	0.3	(0.3)
Net Loss	<u>(1.9)</u>	<u>(2.7)</u>
Basic and diluted weighted average number of shares outstanding	<u>28,480,522</u>	



Balance Sheet Highlights

(Cdn \$ Thousands)

Q1FY2009 Q4FY2008

Cash & Cash Equivalents	31,002	33,459*
Current Assets (excl. Cash & Cash Equivalents)	21,075	23,533
Current Liabilities	8,124	11,318
Day Sales Outstanding	49 days	97 days
Inventory Turnover	2.4 times	3.2 times

*Q4FY08 Balance included \$1,551 in Cash and \$31,908 Short Term Investments

Business Highlights & Market Update

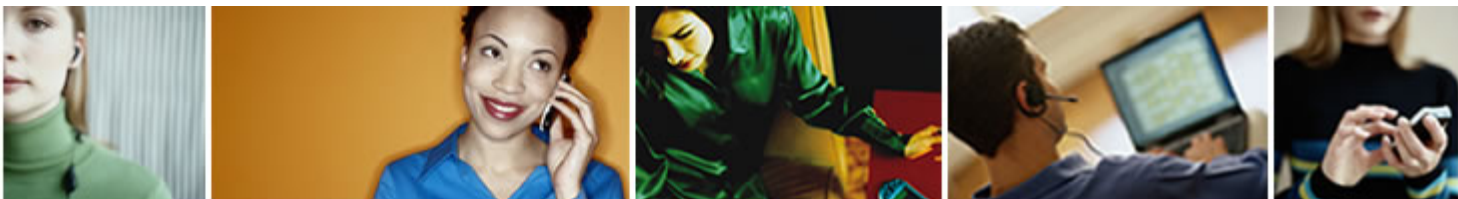
Peter Allen – President & CEO



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Slide 8



Key Strategies – Update on Progress

Revenues

	<u>Revenue</u>	<u>YOY</u>
FY 2007	\$24.2M	24%
FY 2008	\$40.4M	67%
Q1 2008	\$8.6M	38%
Q1 2009	\$10.7M	24%

New Customers

Q1 FY2009 – 14 New Customers,

➤ **11 outside of NA**

Customer Announcements

➤ Omnivision (Venezuela)

➤ M3 Wireless (Bermuda)

International Expansion

	<u>NA</u>	<u>ROW</u>
FY 2007	80%	20%
FY 2008	70%	30%
Q1 2008	70%	30%
Q1 2009	75%	25%

Margin Improvement

	<u>GM</u>
FY 2007	33%
FY 2008	38%
Q1 2008	35%
Q1 2009	41%



Sprint Press Release

- **DragonWave Selected by Sprint for XOHM**
 - Sprint selected DragonWave for IP Backhaul solutions for XOHM Network
 - Initial Markets - Baltimore/Washington & Chicago
 - Horizon Compact & Horizon Duo will be deployed
 - DragonWave efficiency and cost effectiveness was important to Sprint
 - Shipments to support Sprint timeline



Clearwire's Public Statements

- **Vision: Seamless Nationwide 4G Communications**
- **Regulatory approval: Should be completed by end of 2008**
- **Largest 2.5 GHz spectrum holding in United States**
- **Clearwire currently covers 16.5 million people in 50 markets worldwide**
- **Clearwire expects to cover in the United States:**
 - 2009: 60 – 80M people
 - 2010: 120 – 140M people
 - 2011: 140 – 160M people
- **Injection of \$3.2 billion in new capital**



International Momentum

Europe

- **Active**
 - **France**
 - **Italy**
 - **Romania**
- **Quieter**
 - **Germany**
 - **Spain**

Middle East

- **Active Bids**
 - **Saudi Arabia**
 - **UAE**
 - **Jordan**

Pakistan

- **Mobilink – next Phase**
- **New WiMAX Customer**

CALA

- **Focus**
 - **Distribution Partner**
 - **Key Accounts**



Summary

- **Backhaul** – More widely understood that wireless backhaul economics, performance and capacity is critical to the overall business case of WiMAX, 3G and LTE.
- **Sale Cycles** – Sales cycles starting for those carriers who are planning to deploy LTE technology.
 - Delivering value to these operators also represents a strong focus for DragonWave.

Q & A



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