

Second Quarter Fiscal 2009 Financial Results

October 10, 2008

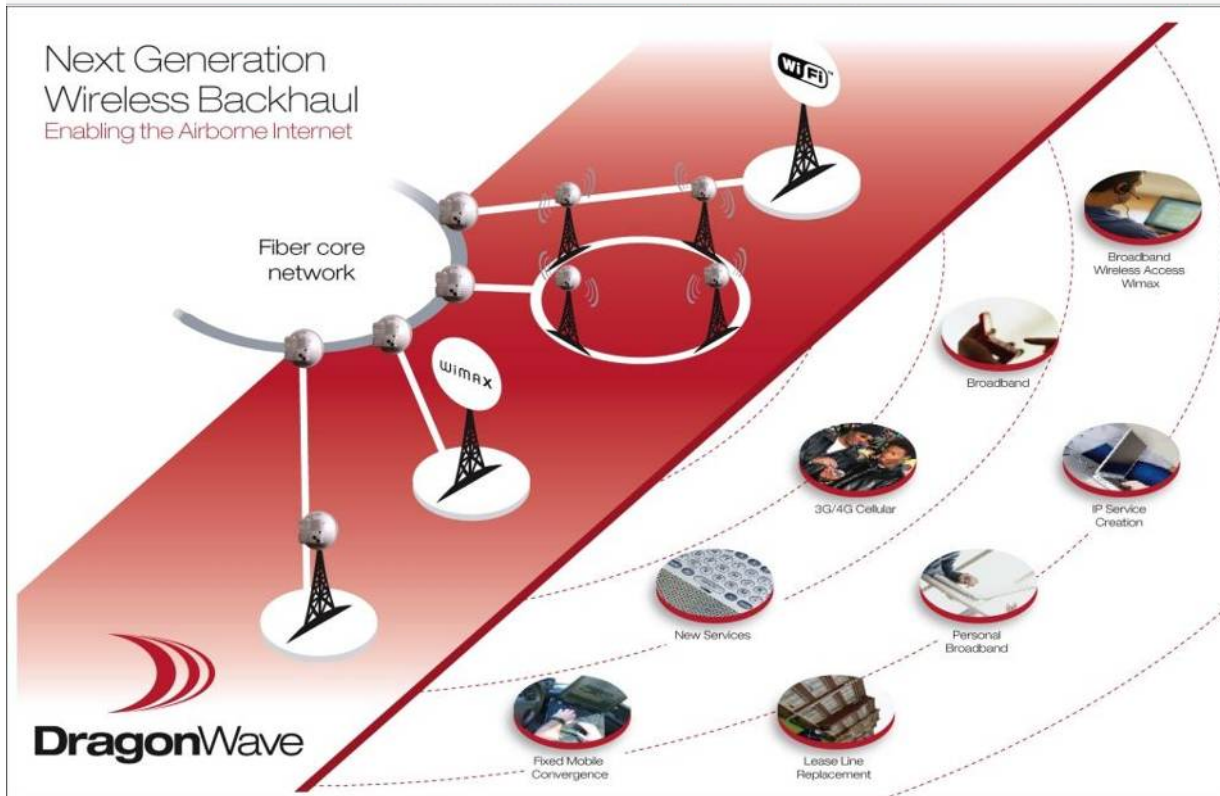
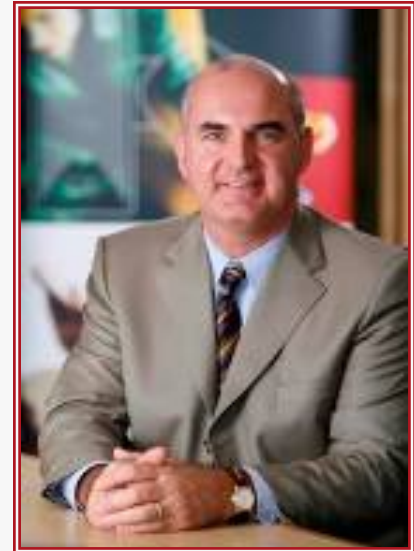


DragonWave

Wireless Broadband Ethernet

Financial Highlights

Russell Frederick – VP Finance & CFO



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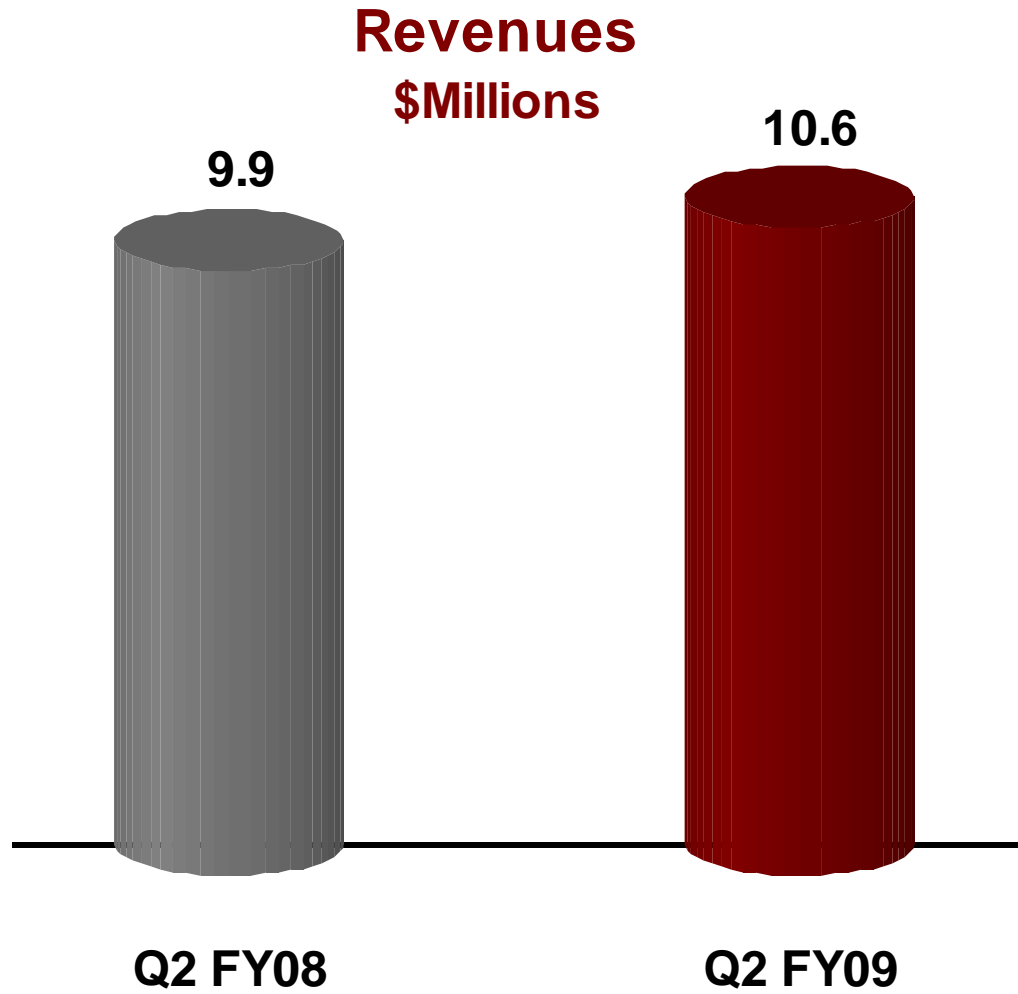


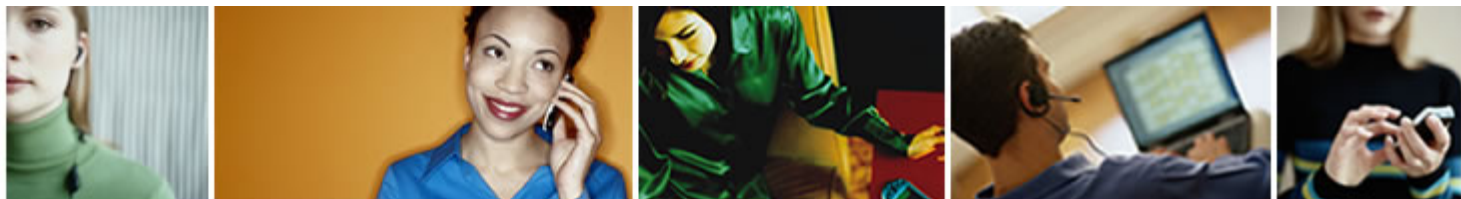
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- This presentation contains certain forward-looking information, including expectations of future business. This information is based on the company's current expectations and assumptions that are subject to a variety of risks and uncertainties that 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.

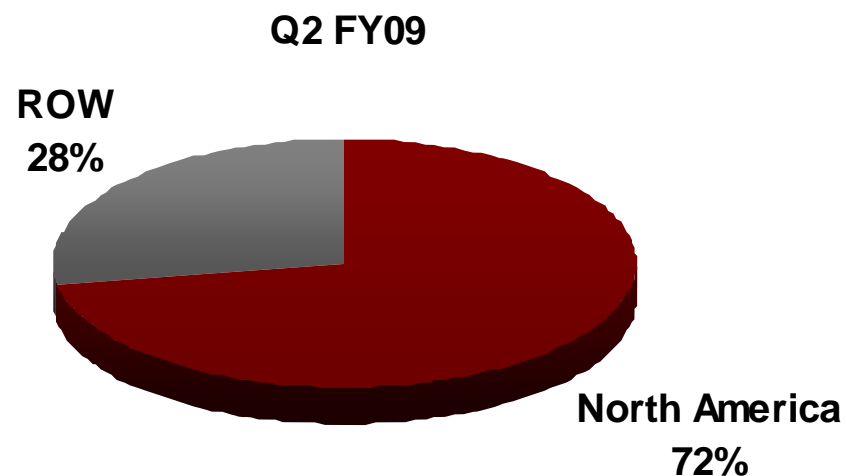
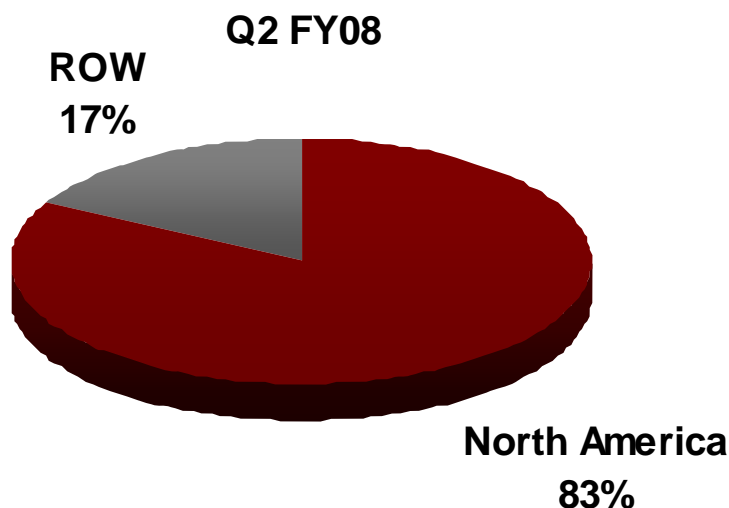


Second Quarter Revenue Comparison

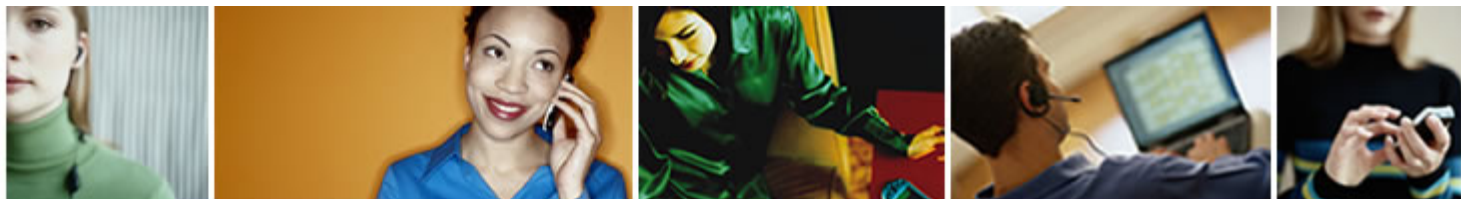




Revenue by Geography

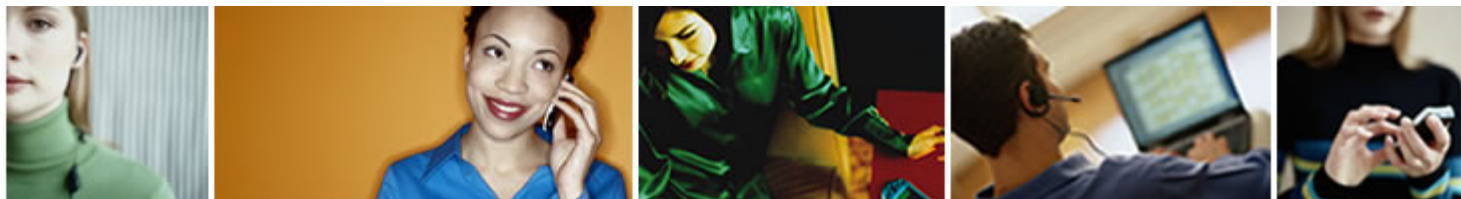


(Cdn \$ Millions)	<u>Q2 FY08</u>		<u>Q2 FY09</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
North America	8.2	83%	7.7	72%
ROW	<u>1.7</u>	<u>17%</u>	<u>2.9</u>	<u>28%</u>
Total	<u>9.9</u>	<u>100%</u>	<u>10.6</u>	<u>100%</u>



Comparative Revenue, Margin and Operating Expenses

<i>(Cdn \$ Millions)</i>	Q2 FY2009	Q2FY2008
REVENUE	10.6	9.9
Cost of Sales	7.0	6.3
Gross Margin	3.6	3.6
% GM	34%	37%
EXPENSES		
Research and development	2.6	2.5
Selling and marketing	2.8	1.9
General and administrative	1.1	1.1
Investment Tax Credits	(0.0)	(0.1)
	6.5	5.4
Loss from Operations	(2.8)	(1.8)
Interest Income/(Expense)	0.2	0.1
Foreign Exchange Gain/(Loss)	1.0	(0.4)
Net Loss	(1.7)	(2.1)
Basic and diluted weighted average number of shares outstanding	28,555,335	24,639,351



Balance Sheet Highlights

(Cdn \$ Thousands)

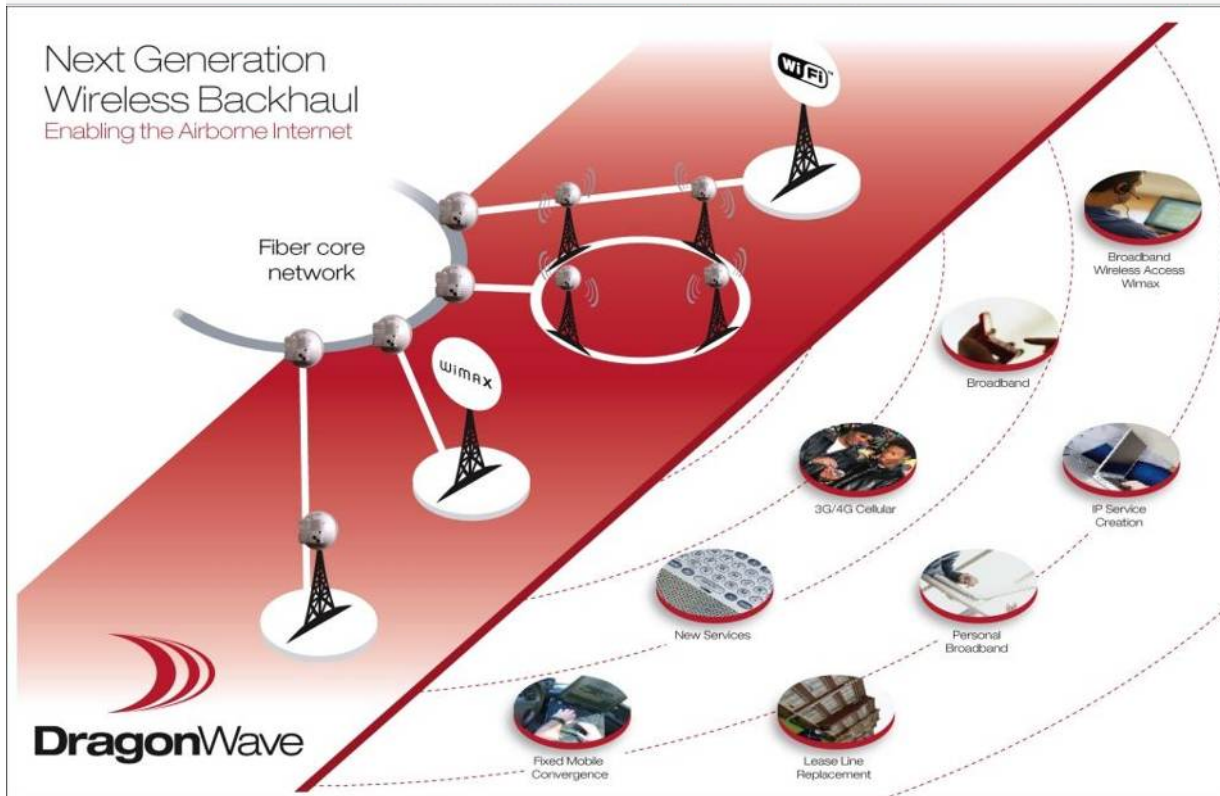
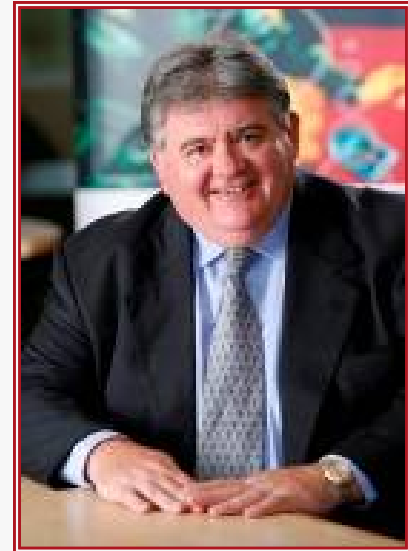
Q2FY2009 Q1FY2009 Q4FY2008

Cash & Cash Equivalents	27,697	31,002	33,459*
Current Assets (excl. Cash & Cash Equivalents)	24,675	21,075	23,533
Current Liabilities	10,035	8,124	11,318
Day Sales Outstanding	88 days	49 days	97 days
Inventory Turnover	2.1 times	2.4 times	3.2 times

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

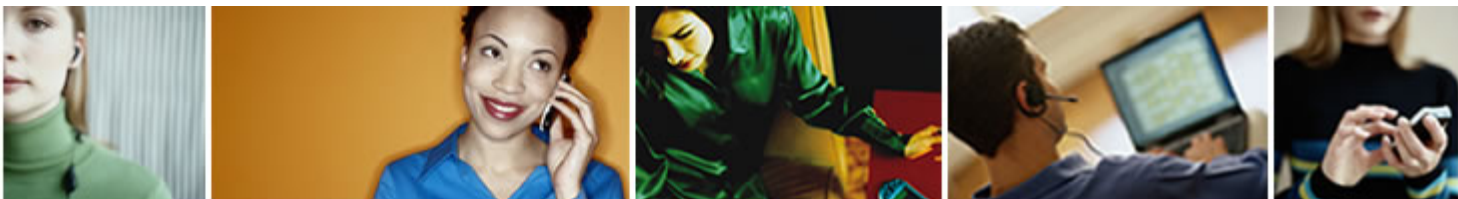
Business Highlights & Market Update

Peter Allen – President & CEO



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Key Strategies – Update on Progress

Revenues

	<u>Revenue</u>	<u>YOY</u>
FY 2007	\$24.2M	24%
FY 2008	\$40.4M	67%
Q2 2008	\$9.9M	91%
Q2 2009	\$10.6M	7%

New Customers

Q2 FY2009 – 13 New Customers,

➤ 9 outside of NA

Customer Announcements

- Sprint XOHM
- Altitude (France)
- Brightstar (CALA)

International Expansion

	<u>NA</u>	<u>ROW</u>
FY 2007	80%	20%
FY 2008	70%	30%
Q2 2008	83%	17%
Q2 2009	72%	28%

Gross Margin

	<u>GM</u>
FY 2007	33%
FY 2008	38%
Q2 2008	37%
Q2 2009	34%



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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