

Fiscal 2008 Year End Financial Results

May 8, 2008

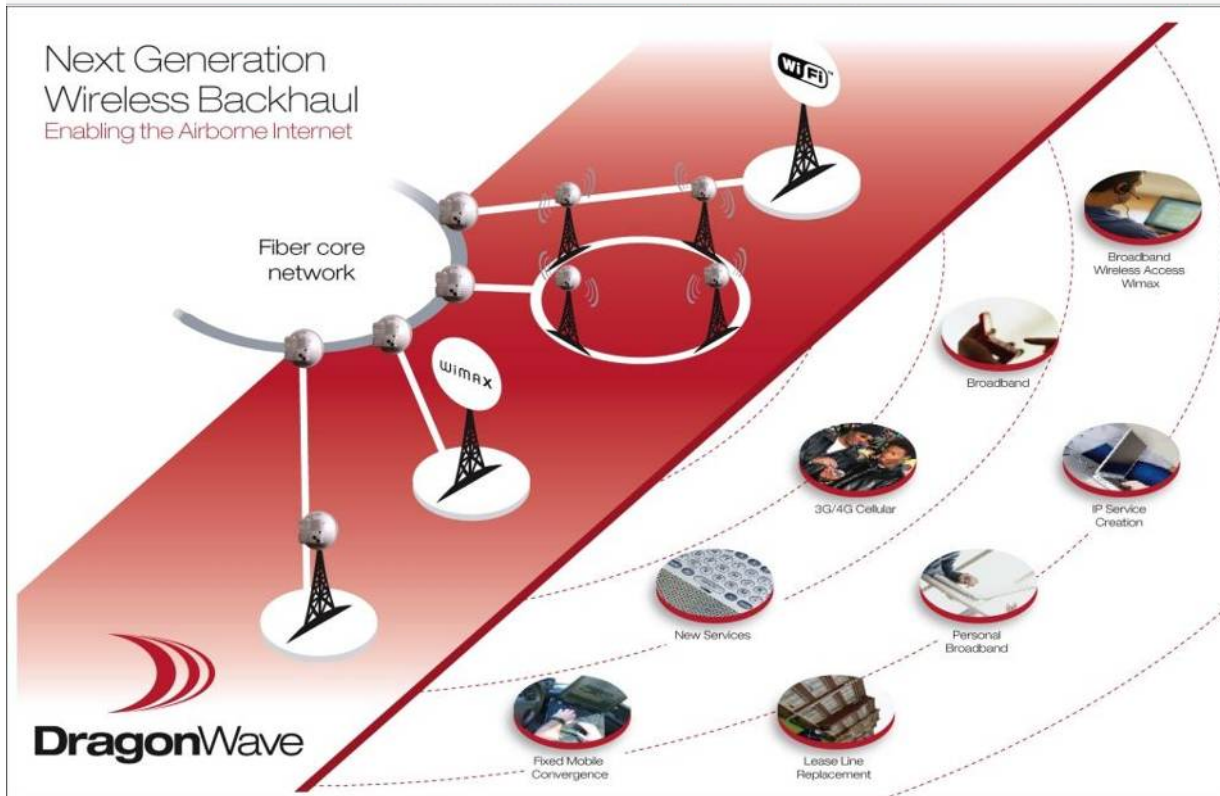
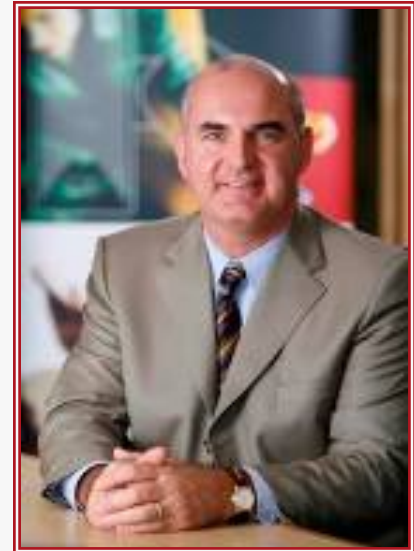


DragonWave

Wireless Broadband Ethernet

Financial Highlights

Russell Frederick – VP Finance & CFO



DragonWave

Wireless Broadband Ethernet

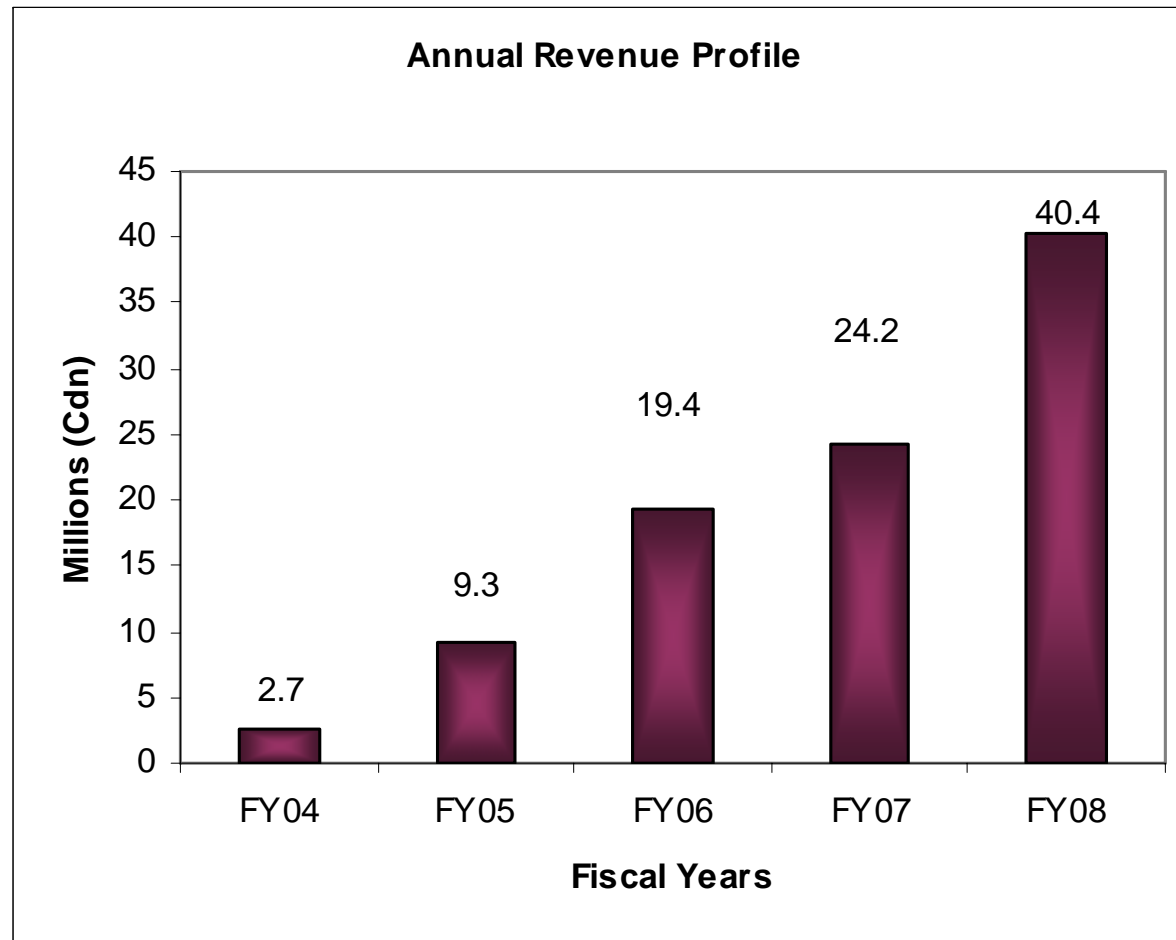


Legal Disclaimer

- 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.

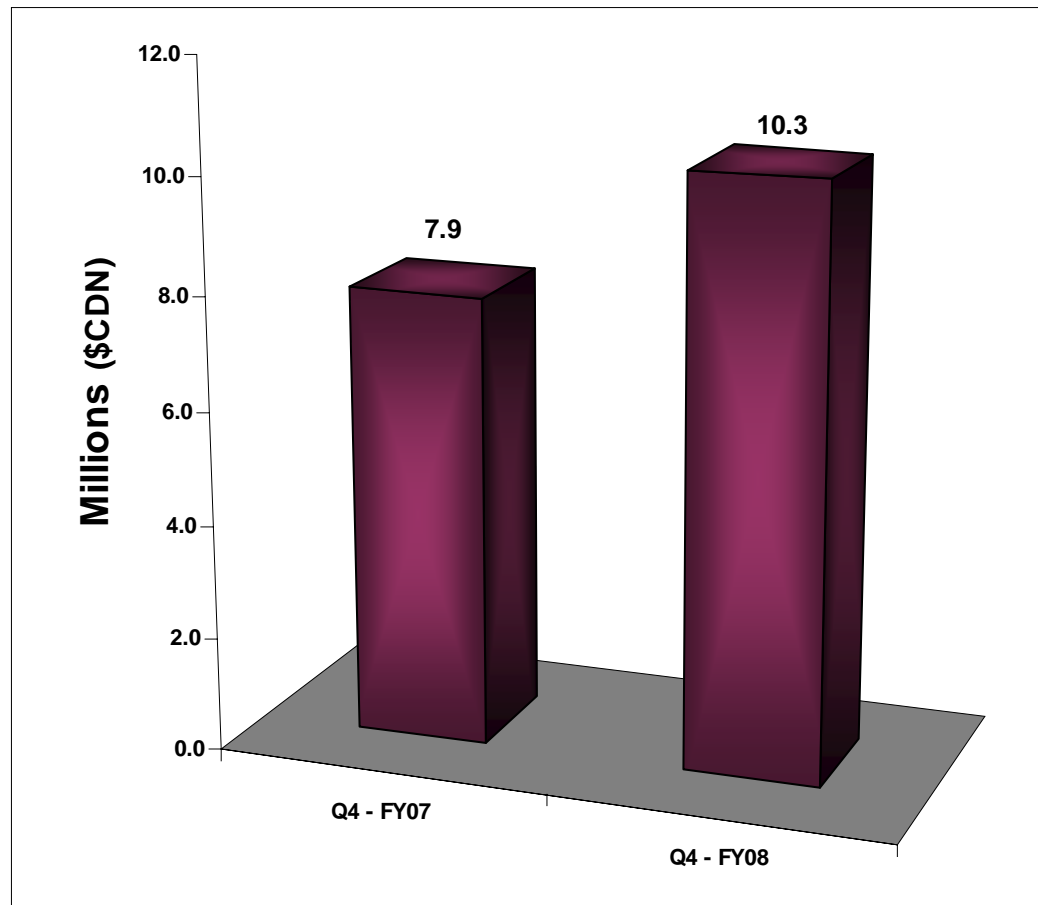


Annual Revenue Profile





Fourth Quarter Revenue Comparison

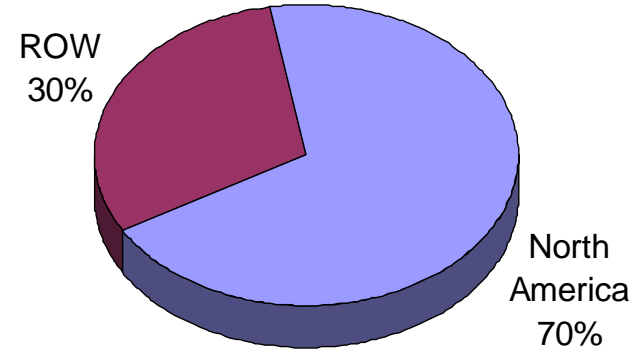
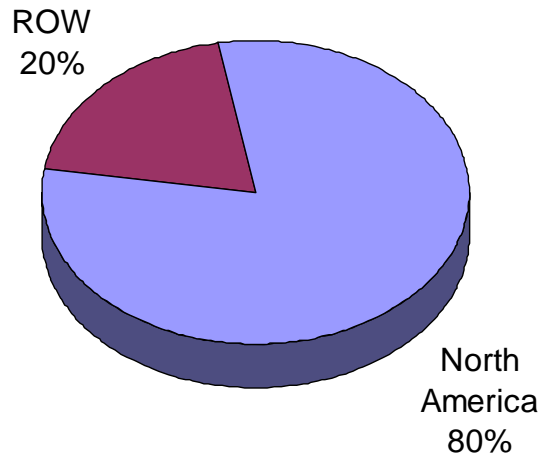




Annual Revenue by Geography

FY2007

FY2008



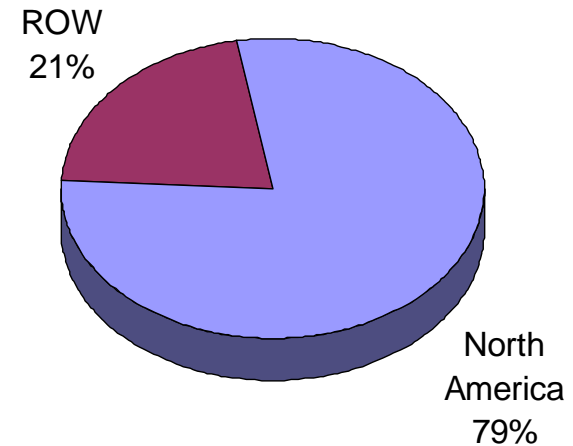
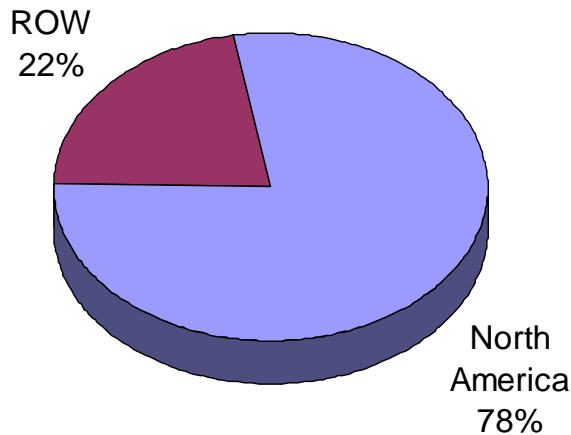
(Cdn \$ Millions)	<u>FY2007</u>		<u>FY2008</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
North America	19.4	80%	28.1	70%
ROW	4.8	20%	12.3	30%
Total	24.2	100%	40.4	100%



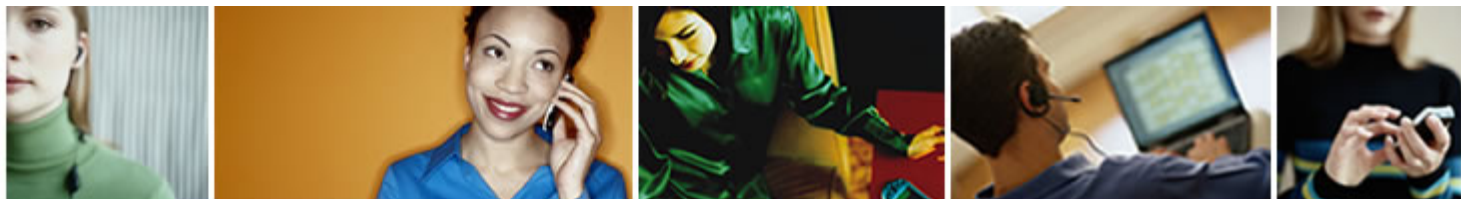
Revenue by Geography

Q4FY07

Q4FY08



(Cdn \$ Millions)	<u>Q4 FY07</u>		<u>Q4 FY08</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
North America	6.2	78%	8.1	79%
ROW	<u>1.7</u>	<u>22%</u>	<u>2.2</u>	<u>21%</u>
Total	<u>7.9</u>	<u>100%</u>	<u>10.3</u>	<u>100%</u>

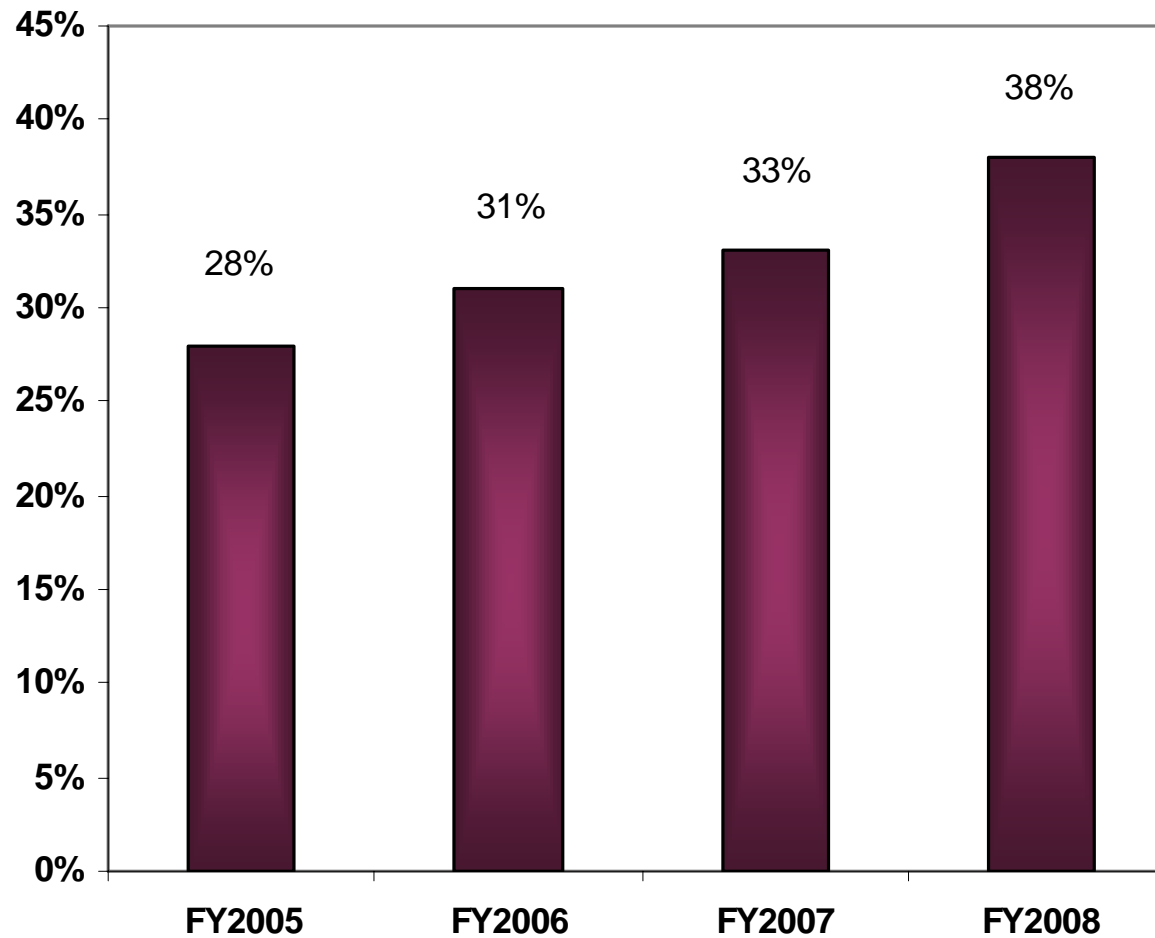


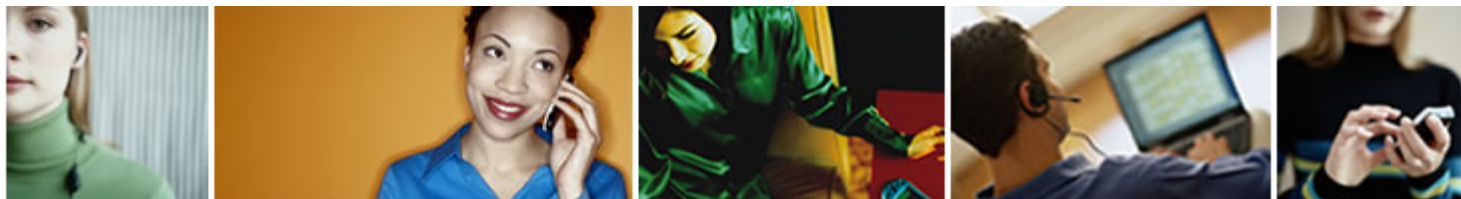
Comparative Statement of Operations

<i>(Cdn \$ Millions)</i>	<u>Q4 FY2008</u>	<u>Q4FY2007</u>
REVENUE	10.3	7.9
Cost of Sales	6.0	5.3
Gross Margin	4.3	2.7
%	41%	34%
 EXPENSES		
Research and development	2.8	1.7
Selling and marketing	2.7	1.6
General and administrative	1.0	0.7
Investment Tax Credits	-	(0.1)
	<u>6.5</u>	<u>3.9</u>
 Loss from Operations	(2.2)	(1.2)
 Interest Income/(Expense)	0.5	(1.2)
Patent Fee	-	(0.4)
Foreign Exchange Loss	(0.5)	0.1
Net Loss	<u>(2.2)</u>	<u>(2.7)</u>



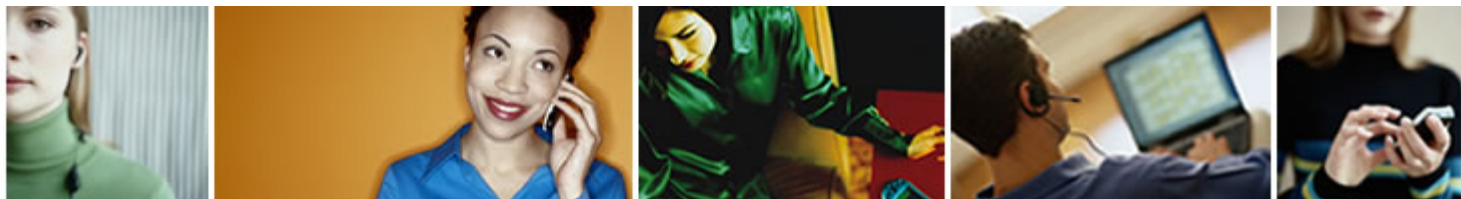
Annual Gross Margin Profile





Comparative Revenue, Margin and Operating Expenses

<i>(Cdn \$ Millions)</i>	FY2008	FY2007	FY2006	FY2005
REVENUE	40.4	24.2	19.4	9.3
Cost of Sales	25.0	16.2	13.5	6.7
Gross Margin	15.4	8.0	5.9	2.6
%	38%	33%	31%	28%
EXPENSES				
Research and development	10.4	6.1	5.7	5.2
Selling and marketing	8.8	6.0	4.7	3.2
General and administrative	3.9	2.5	2.1	1.7
Investment Tax Credits	(0.5)	(0.7)	(1.1)	(1.1)
	<u>22.6</u>	<u>13.9</u>	<u>11.4</u>	<u>9.0</u>
Loss from Operations	(7.2)	(5.9)	(5.5)	(6.4)
Interest Income/(Expense)	0.9	(0.5)	(0.2)	
Interest on Debt	(0.5)	(3.6)	(2.9)	(1.8)
Other			3.6	
Foreign Exchange Loss	(1.5)	(0.3)	(0.2)	(0.3)
Patent Fee		(0.4)		
Net Loss	<u>(8.3)</u>	<u>(10.7)</u>	<u>(5.2)</u>	<u>(8.5)</u>



Balance Sheet Highlights

*IPO Closed April 19, 2007 – Net Proceeds \$26.9 million**

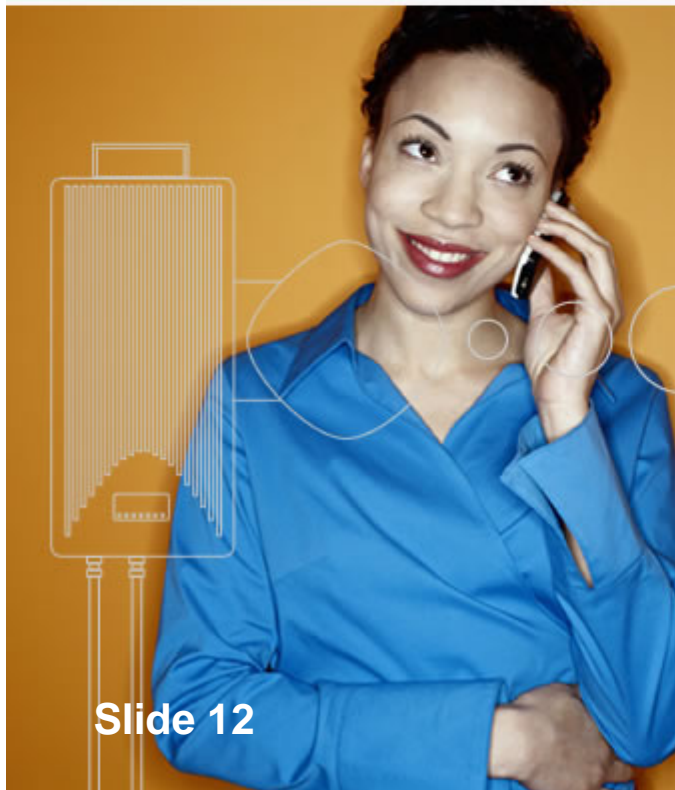
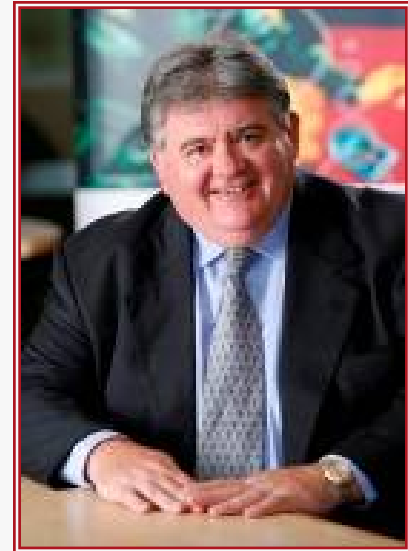
Follow on Round September 20, 2007 – Net Proceeds \$22.1 million

<i>(Cdn \$ Thousands)</i>	FY2008	FY2007	FY2006	FY2005
Cash and Short Term Investments	33,459	1,334	5,121	3,076
Current Assets (excl. Cash)	23,533	15,893	10,870	6,489
Current Liabilities (excl. convertible debt)	11,318	13,720	6,243	3,777
Day Sales Outstanding	97 days	77 days	92 days	56 days
Inventory Turnover	3.2 times	3.2 times	2.0 times	2.4 times

** Including Over-Allotment*

Business Highlights & Market Update

Peter Allen – President & CEO



DragonWave

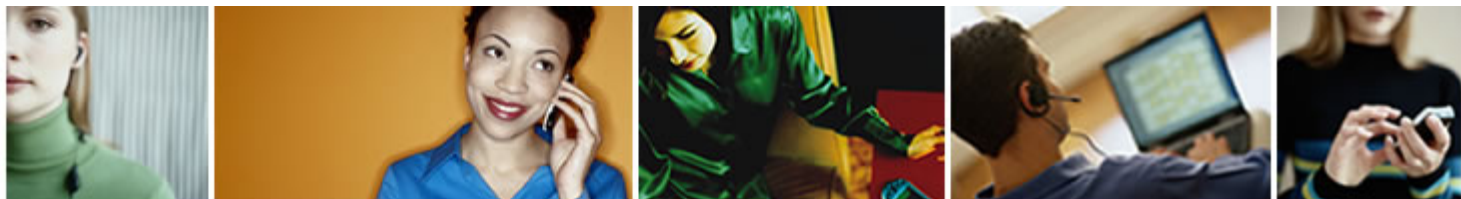
Wireless Broadband Ethernet

Slide 12



Strategic Vectors for FY2008

- › **Revenue Growth**
- › **Expand Customer Base**
- › **International Expansion**
- › **Margin Improvement**
- › **Access Public Market Financing**
- › **Introduce New Product Platform**



Key Strategies – Update on Progress

Revenues

	Revenue	YOY
FY 2007	\$24.2M	24%
Q1 2008	\$8.6M	38%
Q2 2008	\$9.9M	91%
Q3 2008	\$11.5M	139%
Q4 2008	\$10.3M	31%
FY 2008	\$40.4M	67%

New Customers

FY2008 – 50 New Customers:

- NextWave (NA)
- Prosystem (France)
- COTA (Spain)
- Orascom – Mobilink (ME)
- Business Only Broadband (NA)

International Expansion

	NA	ROW
FY 2006	88%	12%
FY 2007	80%	20%
FY 2008	70%	30%

Margin Improvement

	GM
FY 2007	33%
Q1 2008	35%
Q2 2008	37%
Q3 2008	39%
Q4 2008	41%
FY 2008	38%



Financing FY2008

- **IPO**
 - IPO Closed April 19, 2007 – Net Proceeds \$26.9* million
- **Follow on Round**
 - Closed September 20, 2007 – Net Proceeds \$22.1 million
- **Current Cash and Equivalents**
 - \$32.1 million on February 29, 2008

** Including Over-Allotment*



New Carrier-Grade Products



➤ **Horizon Compact**

- All outdoor single, native Gigabit Ethernet microwave transmission system
- 800 Mbps full duplex capacity



➤ **Horizon Duo**

- Highest Carrier-Grade Capacity
- 1.6 Gbps Wireless Platform
- Lowest Cost-per-Mbit
- Upgrade path for AirPair with 4X capacity increase

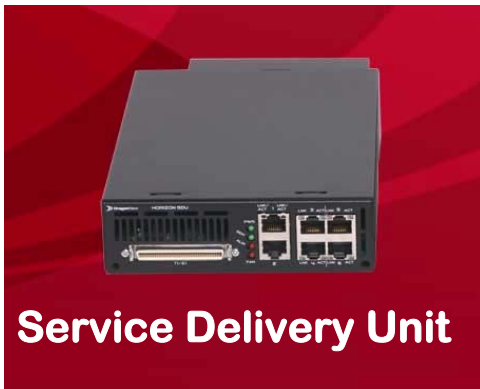


New Carrier-Grade Products



➤ AirPair Unite

- AirPair with our Pseudowire
- Converges Ethernet and Time Division Multiplexing (TDM) traffic across a single wireless, Internet Protocol (IP) stream



➤ Service Delivery Unit

- TDM to Packet migration
- Pseudowire Product Line



Strategic Vectors – FY2009

- › **Revenue Growth**
- › **International Expansion**
- › **Expand Customer Base**
- › **Margin Improvement**

Q & A



DragonWave

Wireless Broadband Ethernet