



FOR IMMEDIATE RELEASE

DRAGONWAVE ADOPTS SHAREHOLDER RIGHTS PLAN

Ottawa, January 29, 2009 – DragonWave Inc. (TSX:DWI) (the “Company”) today announced that its board of directors has approved the adoption of a shareholder rights plan (the “Rights Plan”) designed to encourage the fair and equal treatment of shareholders in connection with any take-over bid for the outstanding securities of the Company.

The Rights Plan is intended to provide the Company’s board with adequate time to assess a take-over bid, to consider alternatives to a take-over bid as a means of maximizing shareholder value, to allow competing bids to emerge, and to provide the Company’s shareholders with adequate time to properly assess a take-over bid without undue pressure. The Rights Plan is not intended to prevent take-over bids that treat shareholders fairly and offer fair value, and permits bids that meet certain requirements intended to protect the interests of all shareholders.

The Company’s board is not currently aware of any pending or threatened take-over bid for the Company. The Rights Plan is similar to plans adopted by other Canadian companies.

Under the terms of the Rights Plan, one right (a “Right”) will be issued by the Company in respect of each outstanding common share at the close of business today and in respect of each common share issued thereafter (subject to the terms of the Rights Plan). The Rights issued under the Rights Plan become exercisable only if a person acquires or announces its intention to acquire 25% or more of the common shares of the Company without complying with the “permitted bid” provisions of the Rights Plan or without the approval of the Company’s board. In this event, Rights holders (other than the offeror or related persons) can purchase common shares of the Company at a substantial discount to the prevailing market price (as defined in the Rights Plan) at the time the Rights become exercisable.

“Permitted bids” under the Rights Plan must be made to all holders of the Company’s common shares and must be open for acceptance for a minimum of 60 days. If at the end of 60 days at least 50% of the outstanding common shares (other than those owned by the offeror and certain related parties) have been tendered and not withdrawn, the offeror may take up and pay for the shares but must extend the bid for a further 10 days to allow other shareholders to tender to the bid.

The Rights Plan has received the conditional approval of the TSX. Although effective as of today, the Rights Plan is subject to ratification by the Company's shareholders within six months. If not ratified within six months from today, the Rights Plan and all of the Rights outstanding at the time will terminate.

A copy of the Rights Plan has been filed on SEDAR at www.sedar.com, and can also be obtained from the Company upon written request.

Forward-Looking Statements

This release contains certain forward-looking statements. Readers are cautioned not to place undue reliance upon any such forward-looking statements. Forward-looking statements are based on DragonWave'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. Risks which can also impact upon forward looking statements are identified in DragonWave's Annual Information Form which is available online at www.sedar.com. DragonWave assumes no obligation to update these forward-looking statements as a result of new information or future events.

About DragonWave

DragonWave is a leading provider of high-capacity wireless Ethernet equipment used in emerging IP networks. DragonWave designs, develops, and markets carrier-grade microwave radio frequency networking equipment that wirelessly transmit broadband voice, video and other data. DragonWave's wireless Ethernet products, which are based on a native Ethernet platform, function as a wireless extension to an existing fibre-optic core telecommunications network. The principal application for DragonWave's products is the backhaul function in a wireless communications network. Additional applications for DragonWave's products include point-to-point transport in private networks, including municipal and enterprise networks. DragonWave's corporate headquarters is located in Ottawa, Ontario, with sales locations in Europe, Middle East and North America. The company's Web site is <http://www.dragonwaveinc.com>

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