



FOR IMMEDIATE RELEASE

Horizon Compact Provides Robust, Reliable WiMAX Backhaul for IBW'S Costa Rica Rollout

***DragonWave Solution Selected for its High Throughput,
Low Latency and Rugged Resiliency***

Ottawa, Canada, September 1, 2009 - DragonWave Inc. (TSX: DWI), a leading global supplier of packet microwave radio systems for mobile and access networks, today announced that IBW has deployed the Horizon Compact to provide robust and reliable native Ethernet backhaul for its new WiMAX business services in Costa Rica. Additionally, IBW plans to leverage the DragonWave solution for dependable last-mile customer access as it introduces higher-speed services across the Central American country.

"The levels of throughput and latency that the Horizon Compact delivers are far superior to any other solution we have tested, and we could not be happier with the results since completing our deployment," said Paul Choiseul, Chief Technology Officer with IBW. "DragonWave's solution delivers native Ethernet without the frictional losses and overhead that are associated with traditional systems based on SONET/SDH (Synchronous Optical Network/Synchronous Digital Hierarchy), and this translates into the immediate and long-term performance gains that we sought. Plus, the Horizon Compact is simple to deploy and use, and it has demonstrated its ruggedness by continuing to deliver optimal service performance via adaptive modulation even during severe lightning storms."

IBW's network is the first 802.16e Mobile WiMAX deployment in Costa Rica. In this first phase of a nationwide rollout, IBW is offering Ethernet access services of up to 2 Mbps to business customers in Costa Rica's capital and largest city, San José. The Horizon Compact provides backhaul connectivity across a point-to-point network, yielding maximum throughput for the wireless spectrum that has been allocated to IBW. The company's business customers include financial institutions and other enterprises with challenging demands in terms of traffic security and service reliability; DragonWave's advanced failover and preemptive-handoff capabilities enable IBW to satisfy these requirements. With plans to introduce microwave-based services reaching 100 Mbps, IBW intends to also utilize the Horizon Compact to provide last-mile access to business customers as it grows its Costa Rica network.

IBW has gradually expanded into more Central American markets since the company's founding in Nicaragua and today, IBW has presence in Guatemala, El Salvador, Nicaragua and more recently Costa Rica. IBW incorporated in Costa Rica in 2008, led by directors Jaime Goldenberg and Mario Montero.

"IBW is at the vanguard of next-generation service delivery in Central America, and we are excited to be a key enabler in the company's growth strategy," said Peter Allen, President and Chief Executive Officer of DragonWave. "The Horizon Compact's unmatched combination of capacity, reliability and flexibility make it uniquely suited for building mobile 4G networks, and the solution's track record for enabling carrier-class services continues to extend into new markets around the world."

A class-leading packet microwave product, the Horizon Compact operates in bands from 6 GHz to 38 GHz and is capable of delivering scalable backhaul capacity from 10 Mbps to 800 Mbps. Introduced in 2007, it is the first packet microwave platform to deliver carrier-grade Ethernet performance in an all-outdoor, fully integrated enclosure. The scalable, ultra-low-latency DragonWave solution is extremely easy to deploy and operate, with a full suite of network management options, and is a highly reliable platform enabling carrier-grade, 99.999% service availability in next-generation IP networks. Combined with a comprehensive software-driven feature set, the Horizon Compact enables operators to fully exploit the cost savings that can be generated using Ethernet backhaul.

About IBW Costa Rica

IBW Costa Rica provides commercial grade high security connectivity to enterprise customers over a licensed spectrum 802.16e WiMAX network, utilizing a licensed microwave and fiber optic backbone. In addition, IBW Costa Rica is also a licensed provider of TV subscription services, planning to deliver next generation IPTV video services over a licensed MMDS network.

About DragonWave Inc.

DragonWave® is a leading provider of high-capacity packet microwave solutions that drive next-generation IP networks. DragonWave's carrier-grade point-to-point packet microwave systems transmit broadband voice, video and data, enabling service providers, government agencies, enterprises and other organizations to meet their increasing bandwidth requirements rapidly and affordably. The principal application of DragonWave's products is wireless network backhaul. Additional solutions include leased line replacement, last mile fiber extension and enterprise networks. DragonWave's corporate headquarters are located in Ottawa, Ontario, with sales locations in Europe, the Middle East and North America. For more information, visit <http://www.dragonwaveinc.com>.

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The company's Web site is <http://www.dragonwaveinc.com>.

Forward-Looking Statements

Certain statements in this release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include statements as to the potential benefits of, and demand for, DragonWave's products. These statements are subject to certain assumptions, risks and uncertainties, including our view of the relative position of DragonWave's products compared to competitive offerings in the industry. Readers are cautioned not to place undue reliance on such statements. Risk factors that may cause the actual results, performance, achievements or developments of DragonWave to differ materially from the results, performance, achievements or developments expressed or implied by such statements can be found in the public documents filed by DragonWave with Canadian securities regulatory authorities which are available on www.sedar.com. DragonWave assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

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