

Sprint, Dragonwave Make Deal

MAY 22, 2007

OTTAWA -- DragonWave Inc. ("DragonWave") announced today that it proposes to grant a warrant to purchase up to 126,250 common shares of DragonWave to Sprint/United Management Company, a wholly-owned subsidiary of Sprint Nextel Corporation. The warrant will be granted on a private placement basis, and will be subject to vesting conditions based on the volume of future business DragonWave receives from Sprint prior to December 31, 2008. On the date of grant, no portion of the warrant will have vested. The warrant will be exercisable at a price of Cdn.\$3.55 and will expire ten years after its date of issue. Sprint Nextel is currently evaluating DragonWave's equipment for use in its 4G network. The private placement of the warrant is subject to receipt of shareholder consent, as described below.

DragonWave currently has 23,944,473 common shares outstanding, and accordingly, the maximum number of common shares issuable pursuant to the warrant represents, as of today's date, approximately 0.5% of DragonWave's issued and outstanding common shares. The private placement of the warrant will not materially affect the control of DragonWave. The number of common shares issuable on the exercise of the warrant is subject to customary adjustments on any stock split, dividend, distribution or combination affecting DragonWave's common shares. Neither Sprint Nextel Corporation nor Sprint/United Management Company currently own or control any securities of DragonWave.

Since the proposed exercise price of the warrant is below the market price of DragonWave's common shares, the Toronto Stock Exchange (the "TSX") requires DragonWave to obtain the written consent to the private placement from shareholders holding more than 50% of the common shares of DragonWave in order for DragonWave to avail itself of an exemption from the requirements of Section 608(a) of the TSX Company Manual. Pursuant to the exemption set forth in Section 604(d) of the TSX Company Manual, the required shareholder approval is expected to be obtained by written consent rather than a resolution passed at a shareholder meeting. The private placement will close on May 29, 2007 subject to receipt of shareholder consent.

[DragonWave Inc.](#) (AIM: [DWI](#) - [message board](#); TSX: DWI)