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M3 WIRELESS STANDARDIZES ON DRAGONWAVE FOR CONVERGED VOICE AND DATA BACKHAUL SOLUTIONS IN BERMUDA

Service Provider Cuts Capital and Operational Expenses for Offering WiMAX and GSM Services to Businesses and Consumers

Ottawa, Canada, May 5, 2008 - DragonWave Inc. ("DragonWave") (TSX/AIM: DWI) a leading global supplier of next-generation wireless networks, today announced that M3 Wireless is cost-effectively converging its WiMAX data and GSM voice services for business and residential customers on a DragonWave IP backhaul solution. DragonWave's AirPair product interlinks 27 sites across M3's meshed Ethernet network spanning Bermuda.

"DragonWave gives us a robust transport solution that stands to meet our needs now and into the future," said Lloyd Fray, chief executive officer (CEO) of M3 Wireless. "We selected the AirPair product initially because of its unique Ethernet functionality, such as rapid-link shutdown and Quality of Service support. As we deployed DragonWave across more and more of our network, we were able to realize the terrific cost savings of converging data and voice on the same IP, pseudowire infrastructure."

M3 is the only purely Bermuda-operated provider of cellular data and voice services. It offers broadband connectivity to business and consumer customers, and in 2006 the service provider extended its innovative WiMAX offerings to island-wide deployment. As service uptake intensified, M3 sought a more scalable backhaul solution that would provide interference-free, licensed-band wireless performance. In standardizing on the DragonWave solution, M3 was able to backhaul not only the data services but also its GSM voice services on the wireless, 100 Megabits per second (Mbps) infrastructure. AirPair has dramatically reduced M3's capital and operational expenses for transporting mixed services by merging the backhaul data and voice traffic on a single IP-based infrastructure.

"With demand intensifying for personal broadband services such as WiMAX, wireless backhaul is a growing concern for service providers," said Peter Allen, president and CEO of DragonWave. "Our AirPair product has a strong track record of providing cost-effective, dependable backhaul in markets worldwide, and we look forward to working with M3 Wireless as it continues to expand its offerings in Bermuda."

DragonWave's Horizon and AirPair products operate within both licensed and unlicensed radio frequencies in the 6-to-38-GHz range, ensuring interference-free performance for customers' traffic. The DragonWave solution provides scalable, ultra-low latency, wire-speed native Ethernet connectivity up to 800 Mbps full duplex. The system is extremely easy to deploy and manage, with a full suite of network management options. AirPair has indoor and outdoor deployment options, and is a highly reliable platform enabling 99.999% service availability.

About M3 Wireless Ltd.

M3 Wireless Ltd. - a subsidiary of KeyTech Ltd. - is the only Bermudian wireless service provider on the Island. M3 Wireless first introduced cellular service to Bermuda in 1987 as a division of BTC (The Bermuda Telephone Company, Limited) with AMPS (analogue) cellular phone service. In March 1994, the company introduced TDMA digital PCS service, making Bermuda the first country outside of the USA & Canada to introduce 100% TDMA digital service. In November 2002, the Company launched its new GSM/GPRS network, bringing it in line with the dominant wireless technology in the world. M3 Wireless continues to innovate; in July 2006, they launched "easyConnect", a wireless Internet access service offering high-speed, affordable Internet access. The web site is <http://www.m3wireless.bm/>

About DragonWave Inc.

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 fiber-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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