

DragonWave slashes losses in Q3

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DragonWave Inc. ([TSX:DWI](#)) saw third-quarter revenues fall 7.3 per cent to C\$10.7 million, but it also sharply reduced net losses during the period.

The Ottawa-based wireless Ethernet technology maker said its net and comprehensive losses fell to \$221,000 or a penny a share, from \$1.2 million or four cents per share a year earlier.

DragonWave CEO Peter Allen attributed the bottom-line improvement in part to [restructuring measures announced in early December](#), which saw 20 positions from "every function in the company," or 13 per cent, eliminated from the company's global workforce, including some Ottawa jobs.

"DragonWave's results for the quarter showed the company's resilience as we maintained revenue, reduced the cash burn and took restructuring measures to keep the business healthy," said Mr. Allen in a statement.

The company had to book a one-time charge of \$484,000 during the quarter as a result of the move.

However, at least part of the net loss reduction had to do with a large foreign exchange gain of \$2.4 million as a result of the greenback's appreciation against its Canadian counterpart, since DragonWave sells in U.S. dollars (although it reports in Canadian dollars). The foreign exchange impact was -\$206,000 during the same quarter a year earlier.

Mr. Allen noted that DragonWave had managed to ship to 14 new customers in the third quarter, 12 of which were outside of North America. Revenues from customers within North America rose to \$6.4 million or 59 per cent of total sales, from \$5.7 million or 50 per cent of sales a year earlier, while sales to customers outside of North America totalled \$4.3 million or 41 per cent of total revenue.