

# Investor Fact Sheet

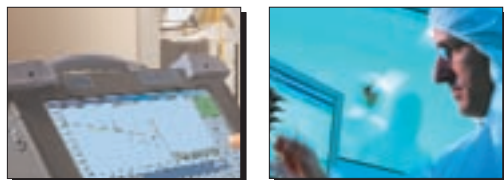
## Q1 2004



### Corporate Profile

EXFO is the recognized expert in the global telecommunications industry through the design and manufacture of advanced and innovative test and measurement solutions. The Telecom Division, which represents our main business activity, offers fully integrated and complete test solutions to network service providers, system vendors and component manufacturers in approximately 70 countries. One of our strongest competitive advantages is our modular platform design, providing PC-based, Windows-centric test solutions that maximize technology reuse across several market segments. The Photonics and Life Sciences Division mainly leverages core telecom technologies to offer value-added solutions in high-tech industrial manufacturing and research sectors.

### Segment Results



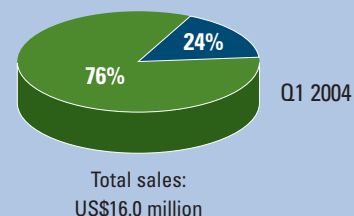
	Telecom Division	Photonics and Life Sciences Division
	US\$ millions	
Q1 2004 Sales	\$12.2	\$3.8
Q4 2003 Sales	\$10.8	\$3.5
Q1 2003 Sales	\$14.2	\$3.5
Q1 2004 Loss from operations*	(\$2.4)	(\$0.7)

\*Segmented loss from operations is not available for comparative periods.

### Revenue Mix

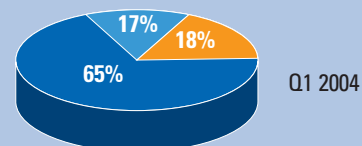
#### Segment Sales

- Telecom Division
- Photonics and Life Sciences Division



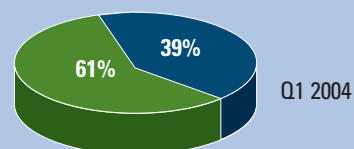
#### Geographic Sales

- Americas
- Asia-Pacific
- EMEA



#### New-Product Sales

- Products on the market two years or less
- Products on the market for more than two years



## EXFO's Strategy

### Strategic Objectives

Increase sales through market-share gains

Maximize profitability and growth on a long-term basis

Innovate our way out of this downturn

Maintain a sound financial position

### Key Performance Indicators

10% sales growth year-over-year, assuming a stable or slightly declining communications market

50% gross margin in fiscal 2004

45% of sales from new products (on the market two years or less) during fiscal 2004

Positive cash flows from operating activities during fiscal 2004\*

\*Assuming no major acquisitions of businesses and/or technologies and stability in the value of the Canadian dollar compared to the US dollar.

## Business Highlights

EXFO introduced seven new products in the first quarter of fiscal 2004, including the 10+ Gigabit Multi-Rate Transceiver with deep channelization and mixed payload concatenations for next-generation optical networks. This protocol-layer test module simulates and monitors live traffic on each individual channel, enabling system manufacturers to reduce test time and increase test thoroughness on the production floor.



10+ Gigabit Multi-Rate Transceiver

## Executive Team

### Germain Lamonde

Chairman of the Board, President and Chief Executive Officer

### Stephen Bull

Vice-President, Research and Development, Telecom Division

### Allan Firhoj

Vice-President and General Manager, Photonics and Life Sciences Division

### Étienne Gagnon

Vice-President, Physical-Layer Product Management and Customer Service

### Luc Gagnon

Vice-President, Telecom Manufacturing Operations

### Juan Felipe González

Vice-President, Global Telecom Sales

### Pierre Plamondon, CA

Vice-President, Finance and Chief Financial Officer

## Stock Information

(as of November 30, 2003)

Listings: EXFO, NASDAQ; EXF, TSX  
 Shares outstanding: 63.1 million  
 Market capitalization: US\$239.8 million  
 Closing share price: US\$3.80  
 12-month price range: US\$1.91 to US\$4.35

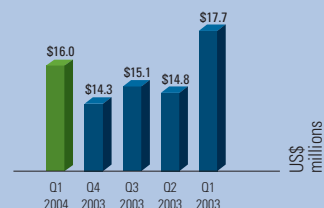
### Contact Information

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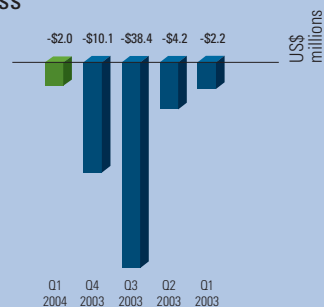
All financial information in this document is accurate only for the stated date and is not indicative of the future performance of the company.

## Financial Highlights

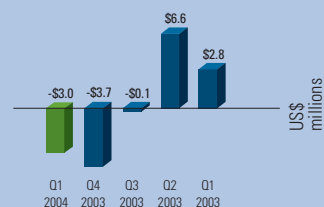
### Sales



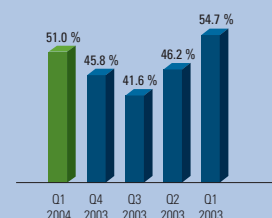
### Net Loss



### Cash Flows (Used) from Operations

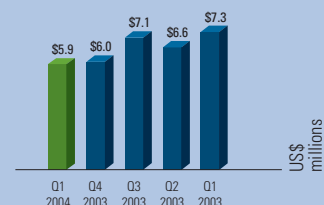


### Gross Margin<sup>1,2</sup>



<sup>1</sup> Excluding inventory write-offs of \$1.6 million in Q3 2003 as well as inventory write-offs of \$2.5 million and a non-recurring gain of \$473,000 in Q4 2003.  
<sup>2</sup> Certain expenses reclassified from SG&A to Cost of Sales in fiscal 2003.

### SG&A<sup>1</sup>



<sup>1</sup> Certain expenses reclassified from SG&A to Cost of Sales in fiscal 2003.

### Gross R&D

