



INVESTOR FACT SHEET

Q1 2005

Corporate Profile

EXFO is a recognized test and measurement expert in the global telecommunications industry through the design and manufacture of advanced and innovative solutions as well as best-in-class customer support. The Telecom Division, which represents the company's 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 EXFO's strongest competitive advantages is its PC/Windows-based modular platforms that host a wide range of tests across optical, physical, data and network layers, while maximizing technology reuse across several market segments. The Photonics and Life Sciences Division mainly leverages core telecom technologies to offer value-added solutions in the life sciences and high-precision assembly sectors.

Corporate Objectives for FY 2005

Goal	Metric	After Q1 2005
Increase sales through market-share gains	20% sales growth year-over-year, assuming a stable telecommunications market	35.3% sales growth year-over-year
Maximize profitability	Profitability on a pro-forma basis	Pro-forma net loss of \$814,000 (\$0.01 per share)
Focus on innovation	45% of sales from new products (on the market two years or less)	42.7% of sales from new products

Segmented Results



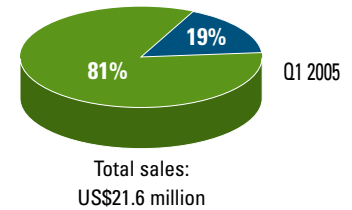
(in US\$ millions)

Business Segment	Sales		
	Q1 2005	Q4 2004	Q1 2004
Telecom Division	\$17.4	\$16.8	\$12.2
Photonics & Life Sciences Div.	\$ 4.2	\$ 4.5	\$ 3.8
Total	\$21.6	\$21.3	\$16.0
Business Segment	Earnings (loss) from operations		
	Q1 2005	Q4 2004	Q1 2004
Telecom Division	(\$1.0)	\$0.0	(\$2.4)
Photonics & Life Sciences Div.	(\$0.3)	(\$2.1)	(\$0.7)
Total	(\$1.3)	(\$2.1)	(\$3.1)

Revenue Mix

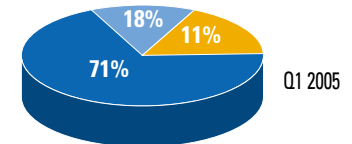
Segment Sales

- Telecom Division
- Photonics and Life Sciences Division



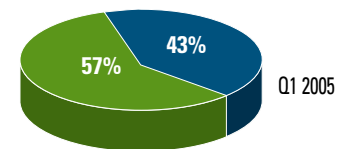
Geographic Sales

- Americas
- Asia-Pacific
- EMEA



New-Product Sales

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



EXPERTISE REACHING OUT

Q1 2005 Business Highlights

- Confirming its leadership position in the rapidly growing FTTx test market, EXFO shipped several FTTx-related orders to a Tier-1 network service provider who accounted for 25.0% of total sales in the first quarter of 2005. Subsequent to the quarter-end, EXFO also announced that a suite of FTTx products has been certified by a second major US-based network service provider on an exclusive basis for the next four years.
- EXFO's ongoing efforts to renew with profitability were impeded in the first quarter of 2005 by a 9.6% increase in the Canadian dollar versus the US dollar. This rapid and significant increase not only generated a foreign-exchange loss of US\$1.0 million, but also flowed through EXFO's entire statement of earnings since a significant amount of the company's operating expenses are denominated in Canadian dollars.
- Leveraging its ongoing R&D investments, EXFO launched seven products in the first quarter of 2005, including a next-generation SONET/SDH analyzer for testing data-centric IP networks, an Ethernet test solution with voice-over-IP (VoIP) test capabilities, and an optical spectrum analyzer for coarse wavelength division multiplexing (CWDM) applications in metro and access networks. Sales from new products that have been on the market two years or less rose to 42.7% of sales in the first quarter of 2005.



Ethernet test solution



SONET/SDH analyzer

Executive Team

Germain Lamonde

Chairman of the Board, President and Chief Executive Officer

Stephen Bull

Vice-President, Research and Development Telecom Division

Normand Durocher

Vice-President, Human Resources

Allan Firhoj

Vice-President and General Manager Photonics and Life Sciences Division

Benoît Fleury

Vice-President, Protocol-Layer Product Management and Business Development

Étienne Gagnon

Vice-President, Optical-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, 2004)

Listings: EXFO, NASDAQ; EXF.SV, TSX
 Shares outstanding: 68.5 million
 Market capitalization: US\$356.2 million
 Closing share price: US\$5.20
 12-month price range: US\$3.29 to US\$7.09

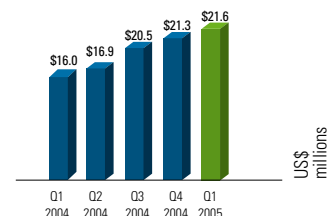
Contact Information

Vance Oliver
 Manager, Investor Relations
 Tel.: (418) 683-0913, Ext. 3733
 E-mail: vance.oliver@exfo.com

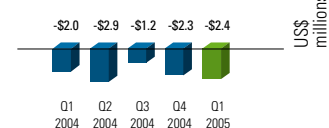
All financial information in this document is accurate only for the stated period and is not indicative of the future performance of the company.

Financial Highlights

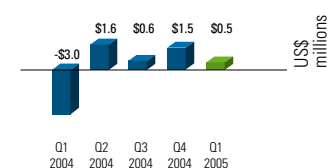
Sales



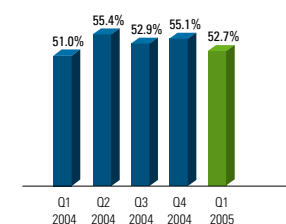
Net Loss



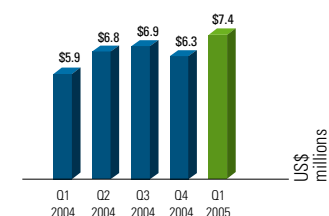
Cash Flows (Used) from Operations



Gross Margin



SG&A



Gross R&D

