



INVESTOR FACT SHEET

Q2 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 Q2 2005
Increase sales through market-share gains	20% sales growth year-over-year, assuming a stable telecommunications market	36.2% sales growth year-over-year
Maximize profitability	Profitability on a pro-forma basis	Pro-forma net earnings of \$718,000 or \$0.01 per share
Focus on innovation	45% of sales from new products (on the market two years or less)	44.2% of sales from new products

Segmented Results



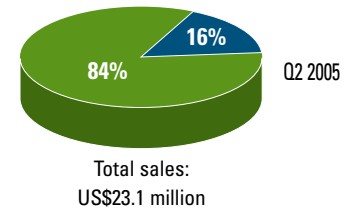
(in US\$ millions)

Business Segment	Sales		
	Q2 2005	Q1 2005	Q2 2004
Telecom Division	\$19.4	\$17.4	\$13.3
Photonics & Life Sciences Div.	\$ 3.7	\$ 4.2	\$ 3.6
Total	\$23.1	\$21.6	\$16.9
Business Segment	Earnings (loss) from operations		
	Q2 2005	Q1 2005	Q2 2004
Telecom Division	\$0.6	(\$1.0)	(\$2.5)
Photonics & Life Sciences Div.	(\$0.8)	(\$0.3)	(\$1.0)
Total	(\$0.2)	(\$1.3)	(\$3.5)

Revenue Mix

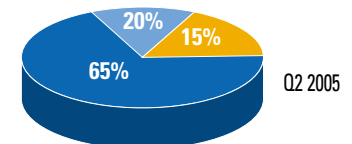
Segment Sales

- Telecom Division
- Photonics and Life Sciences Division



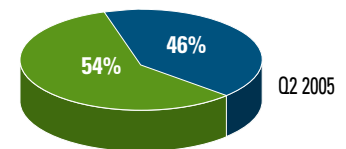
Geographic Sales

- Americas
- Asia-Pacific
- EMEA



New-Product Sales

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



Q2 2005 Business Highlights

- Growing through market-share gains, EXFO received for the second consecutive year the Growth Strategy Leadership Award from Frost & Sullivan following the quarter-end. The award is presented annually to the company whose visionary growth strategy generates the largest market-share gains in the global fiber-optic test equipment (FOTE) market. Based on a report by Frost & Sullivan, EXFO increased its market share from 8.4% to 10.4% overall in 2004 to attain the second overall position worldwide, while expanding its leadership position from 17.4% to 22.2% of the portable test solutions market.
- Continuing its leadership in the FTTx (fiber-to-the-premises, fiber-to-the-node, fiber-to-the curb) test market, EXFO shipped several such orders to a US-based, Tier-1 telecom carrier, who accounted for 21.4% of sales in the second quarter of 2005, and the company received long-term, sole-source approval for a suite of FTTx test solutions from a second Tier-1 carrier in the United States.
- Focusing on profitability, EXFO reached GAAP break-even in the second quarter of 2005 and was profitable on a pro forma basis* for the third time in the last four quarters.
- Taking advantage of its strong R&D program, EXFO launched five new products in the second quarter, including amongst others an All-Band Component Analyzer for FTTx and coarse-wavelength division multiplexing (CWDM) manufacturing/R&D applications. Sales of new products that have been on the market two years or less accounted for 45.5% of sales in the second quarter of 2005.



IQS-12008 All-Band Component Analyzer

*Please see the Investors section of EXFO's Website for a detailed reconciliation of pro forma net earnings (loss) with GAAP net earnings (loss).

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 February 28, 2005)

Listings: EXFO, NASDAQ; EXF.SV, TSX
 Shares outstanding: 69.0 million
 Market capitalization: US\$324.3 million
 Closing share price: US\$4.70
 12-month price range: US\$4.08 to US\$5.51

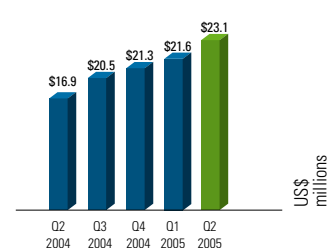
Contact Information

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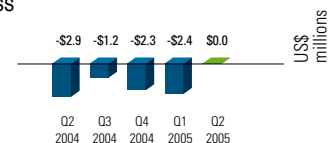
All financial information in this document is accurate only for the stated period and is not indicative of the future performance of the company.

Financial Highlights

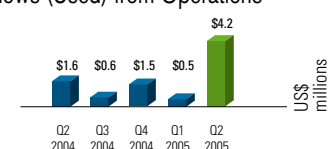
Sales



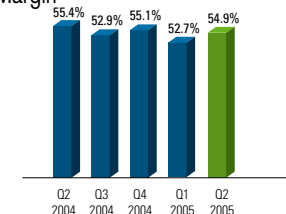
Net Loss



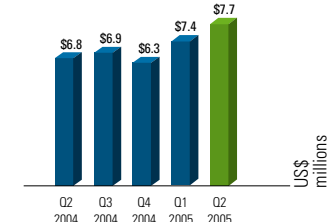
Cash Flows (Used) from Operations



Gross Margin



SG&A



Gross R&D

