

INVESTOR FACT SHEET

Q3 2005

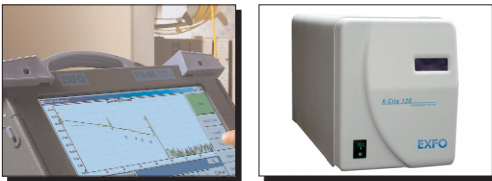
Corporate Profile

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 Q3 2005
Increase sales through market-share gains	20% sales growth year-over-year, assuming a stable telecommunications market	33.0% sales growth year-over-year
Maximize profitability	Profitability on a pro-forma basis	Pro forma net earnings of \$2.5 million or \$0.04 per share
Focus on innovation	45% of sales from new products (on the market two years or less)	44.7% of sales from new products

Segmented Results



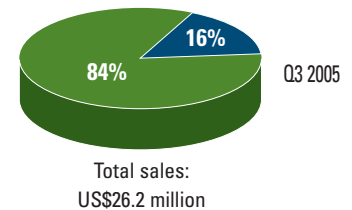
(in US\$ millions)

Business Segment	Sales		
	Q3 2005	Q2 2005	Q3 2004
Telecom Division	\$22.1	\$19.4	\$16.7
Photonics & Life Sciences Div.	\$ 4.1	\$ 3.7	\$ 3.8
Total	\$26.2	\$23.1	\$20.5
Business Segment	Earnings (loss) from operations		
	Q3 2005	Q2 2005	Q3 2004
Telecom Division	\$0.6	\$0.6	(\$0.8)
Photonics & Life Sciences Div.	(\$0.1)	(\$0.8)	(\$1.1)
Total	\$0.5	(\$0.2)	(\$1.9)

Revenue Mix

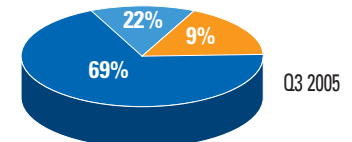
Segment Sales

- Telecom Division
- Photonics and Life Sciences Division



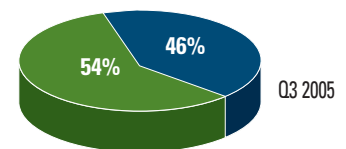
Geographic Sales

- Americas
- Asia-Pacific
- EMEA



New-Product Sales

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



Q3 2005 Business Highlights

- Market-share gains—EXFO increased sales 33.0% nine months into fiscal 2005 compared to the same period last year amidst a telecom marketplace growing in single digits. EXFO had targeted 20% sales growth at the beginning of the fiscal year.
- Leadership in the fiber-to-the-x (fiber-to-the-premises, fiber-to-the-node, fiber-to-the curb) test market—EXFO shipped several FTTx-related orders to a US-based, Tier-1 telecom carrier, who accounted for 30.8% of sales in the third quarter of 2005. The company also began recognizing revenue for its FTTx solutions from a second Tier-1 carrier in the United States. The top three customers for EXFO in the quarter represented 38.1% of sales.
- Profitability—EXFO reached GAAP break-even for a second consecutive quarter and was profitable on a pro forma basis* for the fourth time in the last five quarters. After nine months into fiscal 2005, the company has delivered pro forma net earnings of US\$2.5 million, or US\$0.04 per share, while its stated goal for the fiscal year is break-even on a pro forma basis.
- Market-driven innovation—EXFO released a new software suite for its highly acclaimed Packet Blazer™ Gigabit Ethernet tester, which is designed for remote Ethernet testing and commissioning applications. Subsequent to the quarter-end, the company launched a 10 Gigabit Ethernet test solution for network commissioning and quality assurance requirements. Sales of new products that have been on the market two years or less accounted for 45.6% of sales in the third quarter of 2005 and 44.7% for the first nine months of fiscal 2005, while the company's stated goal is 45.0% for the fiscal year.



New 10 Gigabit
Ethernet test solution

*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 May 31, 2005)

Listings: EXFO, NASDAQ; EXFSV, TSX
 Shares outstanding: 69.0 million
 Market capitalization: US\$271.2 million
 Closing share price: US\$3.93
 12-month price range: US\$3.93 to US\$5.51

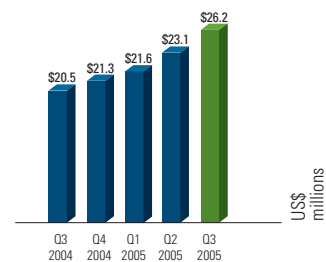
Contact Information

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



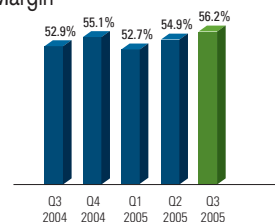
Net Earnings (Loss)



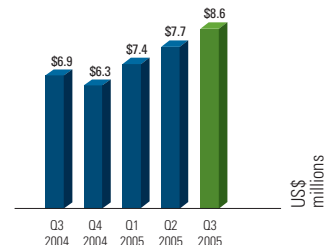
Cash Flows from Operations



Gross Margin



SG&A



Gross R&D

