

INVESTOR FACT SHEET

Q4 2007

Corporate Profile

EXFO is a Tier-1 test and measurement expert in the global telecommunications industry, especially in the portable test market segment. The Telecom Division, which represents more than 80% of the company's business, offers a full suite of test solutions and monitoring systems to network service providers, cable TV operators, telecom system vendors and component manufacturers in approximately 70 countries. EXFO is the global market leader for portable optical test solutions with an estimated 25.5% market share and a leading supplier of protocol and access test solutions to enable triple-play deployments and converged IP networking. Its Windows-based modular AXS-200, FTB-200, FTB-400 and IQS-500 test platforms host a wide range of modular test solutions across optical, physical, data and network layers, while maximizing technology reuse across several market segments. The Life Sciences and Industrial Division offers value-added light-based solutions in high-precision medical device and opto-electronics assembly sectors, and advanced fluorescence microscopy and electrophysiology solutions for the life sciences sector. For more information about EXFO's Telecom Division, visit www.EXFO.com, and for its Life Sciences and Industrial Division, visit www.EXFO-lifesciences.com.

Corporate Performance Objectives for FY 2008/Results for FY 2007

Objectives	2008 Metrics	2007 Metrics	2007 Results
Increase sales (% of year-over-year growth)	20%	20%	19.2%
Maximize profitability (operating margin in %)	8%	7%	11.0%*
Focus on innovation (sales % from products <2 years on market)	30%	35%	33.7%

*Operating margin of 8.2%, excluding \$3.2 M in R&D tax credits and \$1.1 M in a government grant recovery.

Selected Financial Information



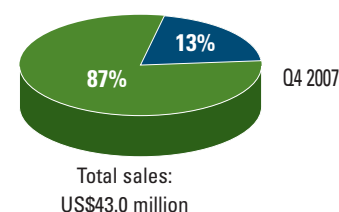
(In thousands of US dollars)

Segmented results:	Q4 2007	Q3 2007	Q4 2006	FY 2007	FY 2006
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales:					
Telecom Division	\$ 37,199	\$ 33,821	\$ 30,111	\$ 129,839	\$ 107,376
Life Sciences and Industrial Division	5,776	5,384	5,622	23,095	20,877
Total	\$ 42,975	\$ 39,205	\$ 35,733	\$ 152,934	\$ 128,253
Earnings (loss) from operations:					
Telecom Division	\$ 8,108	\$ 2,143	\$ 1,275	\$ 13,132	\$ 6,679
Life Sciences and Industrial Division	994	697	1,088	3,650	1,383
Total	\$ 9,102	\$ 2,840	\$ 2,363	\$ 16,782	\$ 8,062
Other selected information:					
GAAP net earnings	\$ 33,484	\$ 2,574	\$ 2,910	\$ 42,275	\$ 8,135
Amortization of intangible assets	\$ 699	\$ 653	\$ 1,043	\$ 2,864	\$ 4,394
Stock-based compensation costs	\$ 277	\$ 178	\$ 213	\$ 981	\$ 1,032
Impairment of long-lived assets	\$ -	\$ -	\$ -	\$ -	\$ 604
Government grants	\$ (1,079)	\$ -	\$ -	\$ (1,079)	\$ (1,307)
Recognition of previously unrecognized future income taxes	\$ (24,566)	\$ -	\$ -	\$ (24,566)	\$ -
Recognition of previously unrecognized R&D tax credits	\$ (3,162)	\$ -	\$ -	\$ (3,162)	\$ -

Revenue Mix

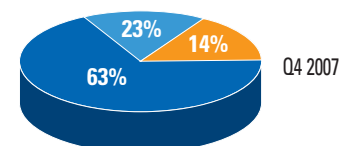
Segment Sales

- Telecom Division
- Life Sciences and Industrial Division



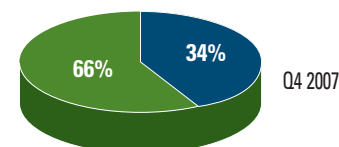
Geographic Sales

- Americas
- Asia-Pacific
- EMEA



New-Product Sales

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

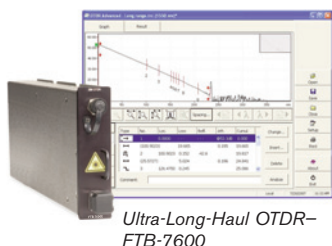


FY 2007 and Fourth-Quarter Business Highlights

Market expansion – EXFO increased its sales to an all-time high of US\$152.9 million in fiscal 2007 for an annual growth rate of 19.2%, while the company's published goal was 20%. Telecom Division sales improved 20.9% year over year, including 19.9% in the optical test segment, 48.2% in the protocol test segment and 15.5% in the copper access test segment (although Consultronics contributed only seven month's revenue in fiscal 2006). Confirming the highest market-share gains in the fiber-optic test equipment market, Frost & Sullivan named EXFO recipient of the Growth Strategy Leadership Award for the fourth consecutive year. In terms of market expansion, EXFO's sales to Europe, Middle East and Africa (EMEA) and the Americas increased 27.5% and 18.7%, respectively, in fiscal 2007. The Life Sciences and Industrial Division and Asia-Pacific region generated lower year-over-year sales growth of 10.6% and 7.8%, respectively, in 2007.

Profitability – EXFO completed fiscal 2007 with record-high GAAP net earnings of US\$42.3 million or US\$0.61 per diluted share, including US\$33.5 million or US\$0.48 per diluted share in the fourth quarter. GAAP net earnings in fiscal 2007 included US\$24.6 million in recognition of previously unrecognized future income tax assets, US\$3.2 million in recognition of previously unrecognized R&D tax credits, US\$2.9 million in amortization of intangible assets, US\$1.1 million from a government grant recovery and US\$1.0 million in stock-based compensation costs. In comparison, the company generated US\$8.1 million in GAAP net earnings in 2006. The significant improvement is mainly due to increased revenue contribution from the Telecom Division and a strong focus on operations, despite a headwind from a strengthening Canadian dollar. Looking at GAAP operating margin, it reached 11.0% of sales in fiscal 2007, while the company's stated goal was 7%. Excluding the recognition of previously unrecognized R&D tax credits of US\$3.2 million and a government grant recovery of US\$1.1 million, operating margin would have attained 8.2% in 2007. EXFO also generated an all-time high of US\$14.4 million in cash flows from operating activities in 2007, raising its cash and short-term investments to US\$129.8 million.

Innovation – EXFO introduced 20 new products in fiscal 2007, including two in the fourth quarter, compared to 18 in 2006. Two product releases in the fourth quarter of 2007 included a high-performance OTDR for ultra-long-haul network applications and a quality assurance system for real-time monitoring of triple-play IP services. Following the year-end, the company released three additional test solutions: a multi-service, multi-medium handheld platform for characterizing and troubleshooting rapidly growing access networks (AXS-200 SharpTESTER); a compact multi-service transport test set that combines next-generation SONET/SDH and Ethernet testing inside a single module (FTB-8120NGE/FTB-8130NGE Power Blazer); and a cost-effective handheld tester for the rapid installation and maintenance of ADSL/ADSL2/ADSL2+ services (EXD-350 ADSL2+ Test Set). Products on the market two years or less accounted for 33.7% of sales in fiscal 2007, while the company's published goal was 35%.



Executive Team

Germain Lamonde

Chairman of the Board, President and Chief Executive Officer

Jon Bradley

Vice-President, International Telecom Sales

Stephen Bull

Vice-President, Research and Development Telecom Division

Normand Durocher

Vice-President, Human Resources

Allan Firhoj

Vice-President and General Manager Life Sciences and Industrial Division

Robert Fitts

Vice-President, Corporate Development

Étienne Gagnon

Vice-President, Product Management and Marketing

Luc Gagnon

Vice-President, Telecom Manufacturing Operations and Customer Service

Pierre Plamondon, CA

Vice-President, Finance and Chief Financial Officer

Dana Yearian

Vice-President, Americas Telecom Sales

Stock Information

(as of August 31, 2007)

Listings: EXFO, NASDAQ; EXF, TSX
 Shares outstanding: 69.6 million
 Market capitalization: US\$463 million
 Closing share price: US\$6.66
 12-month price range: US\$4.89 to US\$7.57

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.

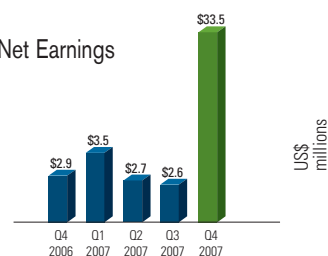
www.EXFO.com

Financial Highlights

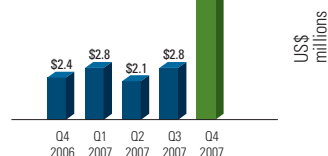
Sales/Bookings



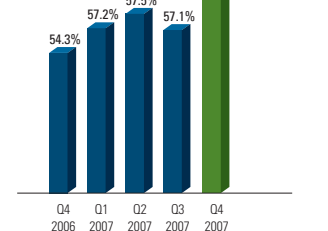
GAAP Net Earnings



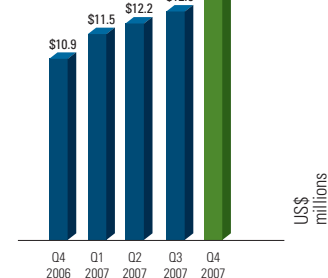
Earnings from Operations



Gross Margin



SG&A



Gross/Net R&D

