

EXFO Analyst/Investor Day Financial Picture

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EXPERTISE REACHING OUT

Forward-Looking Statements

Certain statements in this presentation, or given in response to your questions, may constitute forward-looking statements within the meaning of the Securities Act of 1934. The Private Securities Litigation Reform Act of 1995 provides “safe-harbors” for such forward-looking statements and we intend that any forward-looking statements made today be subject to the safe harbors. We caution you that any forward-looking statements are just predictions. They are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those projected in forward-looking statements and we invite you to review the company’s most recent filings with the Securities and Exchange Commission or Canadian securities commissions for a discussion of the factors at risk.

This presentation is being made on April 7, 2009, and the content is accurate only for this date. Unless required by law or applicable regulations, EXFO will not be reviewing or updating the material that is contained herein.

Financial Highlights – First Half of FY 2009

- Sales increased 10.1% YoY to \$92.7 M amid challenging environment
- Telecom Division generated sales growth of 13.4% YoY to \$82.5 M
- Protocol business accounted for >35% of Telecom sales
- GAAP net earnings amounted to \$7.9 M (\$0.12/share)
- Gross margin reached 61.4%
- EBITDA margin attained 16.3% (FX gain of \$5.7 M)

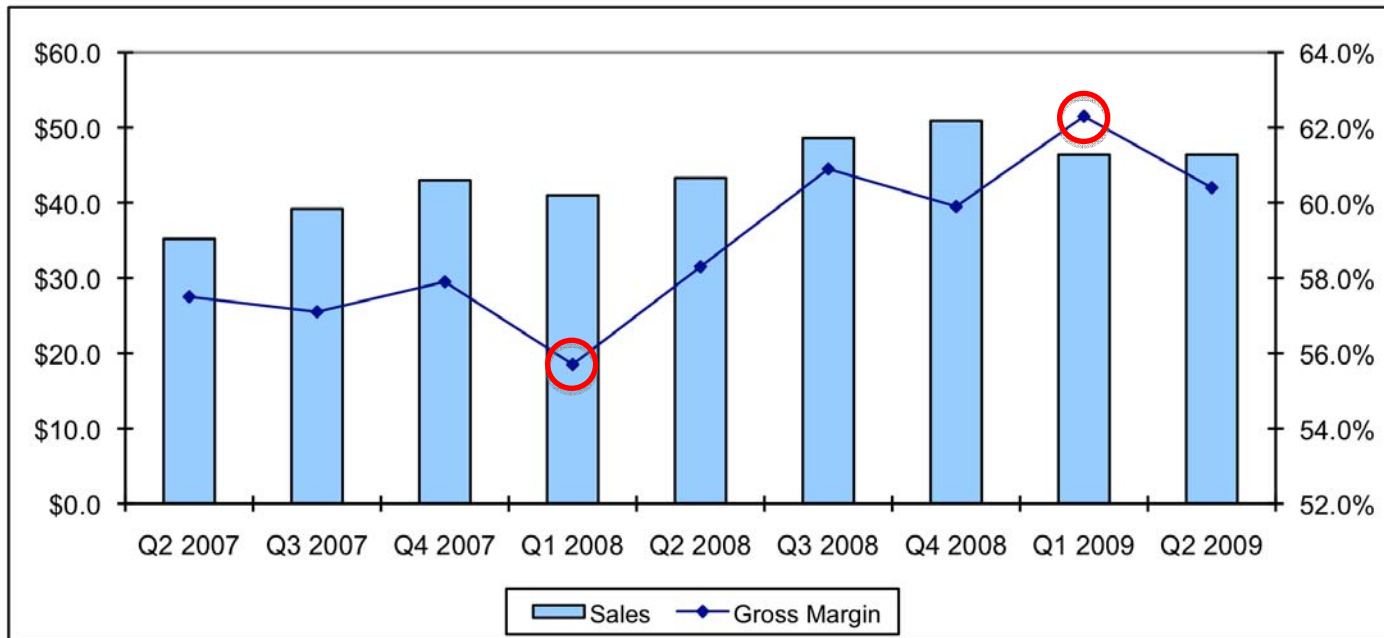
Positive impact of US/CDN exchange rate and strong execution delivered significant earnings

Real Sales Difference

	First-half '09	First-half '08	Difference
Sales	\$92,735	\$84,266	10.1%
Loss (gain) from FX contracts	1,534	(2,487)	
Sales excluding FX contracts	94,269	81,779	15.3%
Sales from recent acquisitions	13,754	-	
Sales excluding recent acquisitions and FX contracts	\$80,515	\$81,779	(1.5%)

- Reported sales increased 10.1% to \$92.7 M in first half of FY 2009
- FX contract losses amounted to \$1.5 M in first half of 2009 vs. \$2.5 M gain in same period last year (hedging forward US dollars)
- Brix and Navtel contributed \$13.8 M in revenues in first half of 2009
- Real sales difference is -1.5% YoY
- Strong sales performance, considering global downturn

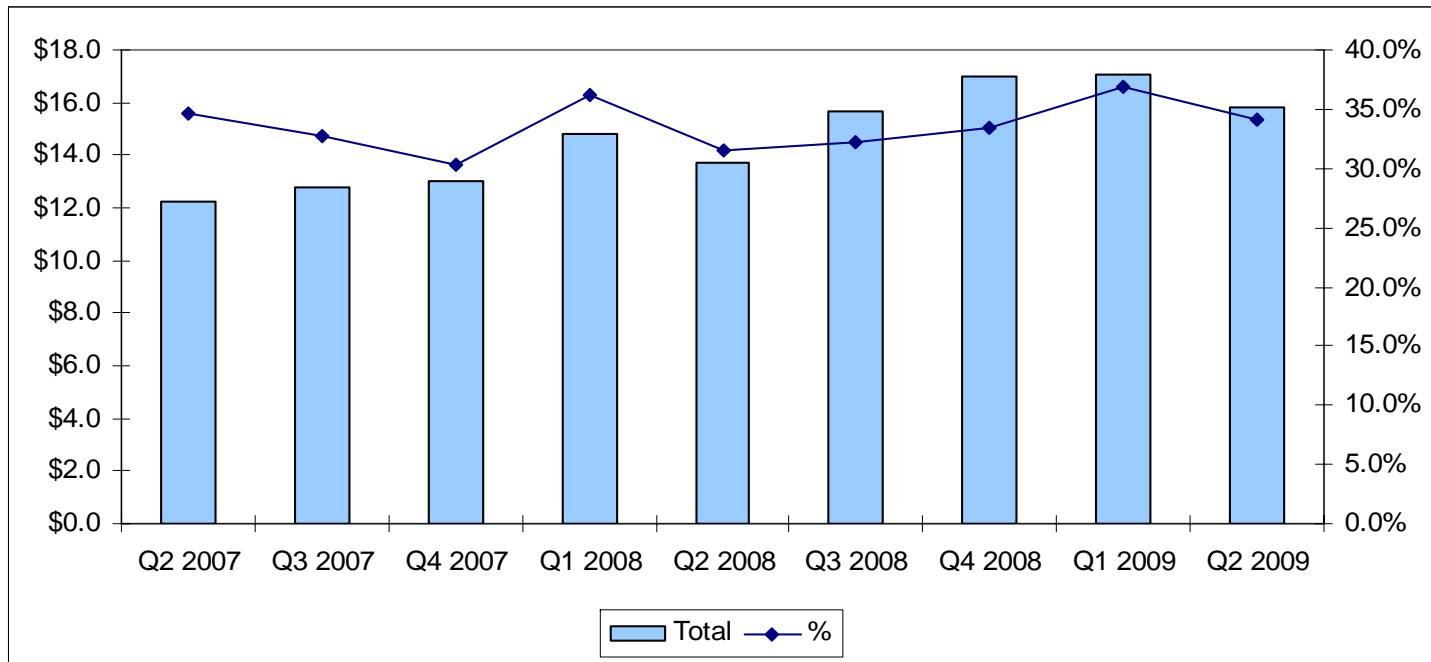
Gross Margin Profile



- Brix and Navtel acquisitions helped to lift corporate gross margin above 60%
- Increased sales of software-based Protocol products will further increase gross margin
- Increased manufacturing volumes at China plant will continue to lower costs
- Designing new products with COGs in mind
- Targeting 62% for mid-term

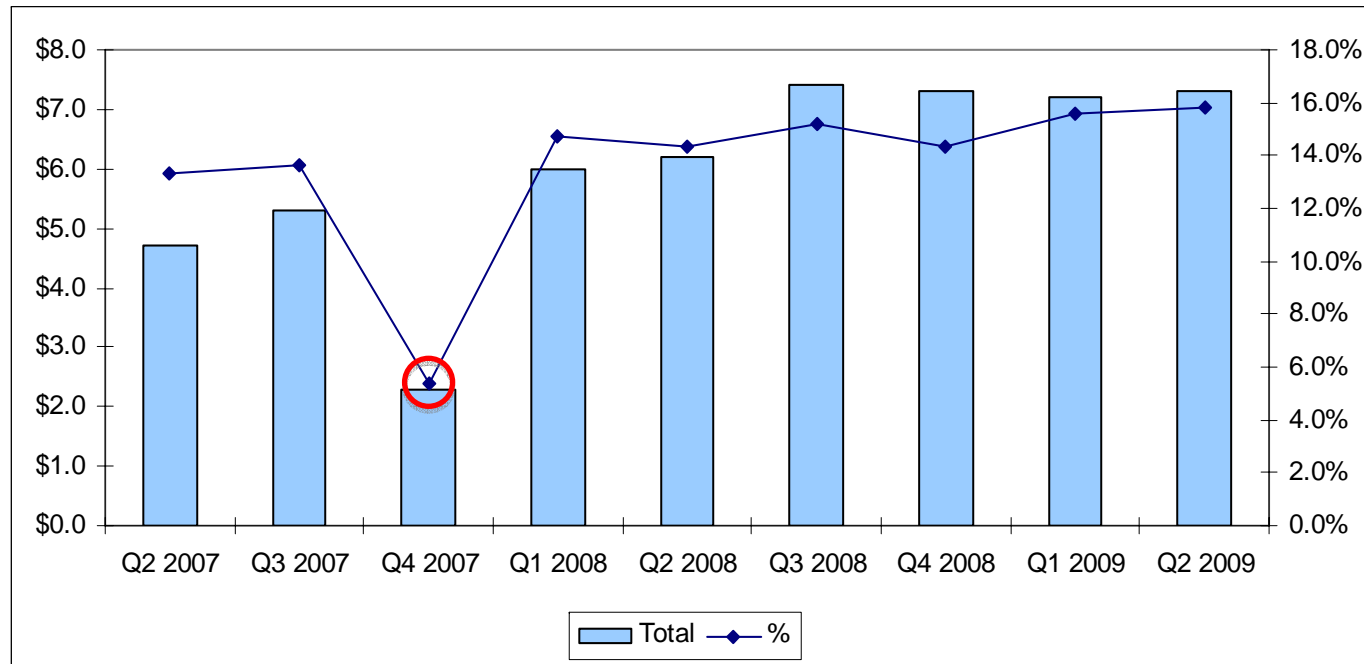
○ Significant fluctuations in FX rate impacted gross margin.

SG&A Profile



- Must invest in sales & marketing to deliver on higher gross margins from Brix & Navtel products
- Selling SA systems requires highly technical staff and longer sales cycles
- Forecasting 32-34% for FY 2009 (35.5% YTD 2009)
- Targeting 30-32% for mid-term

Net R&D Profile



- Must invest in R&D with increased software-intensive products (T&D, Brix, Navtel)
- Launched a number of game-changing test solutions in recent months
- More than 1/3 of sales derived from new products
- Targeting 14-16% for FY 2009 and mid-term

○ Recognized \$3.2 M for previously unrecognized R&D tax credits.

Operating Model

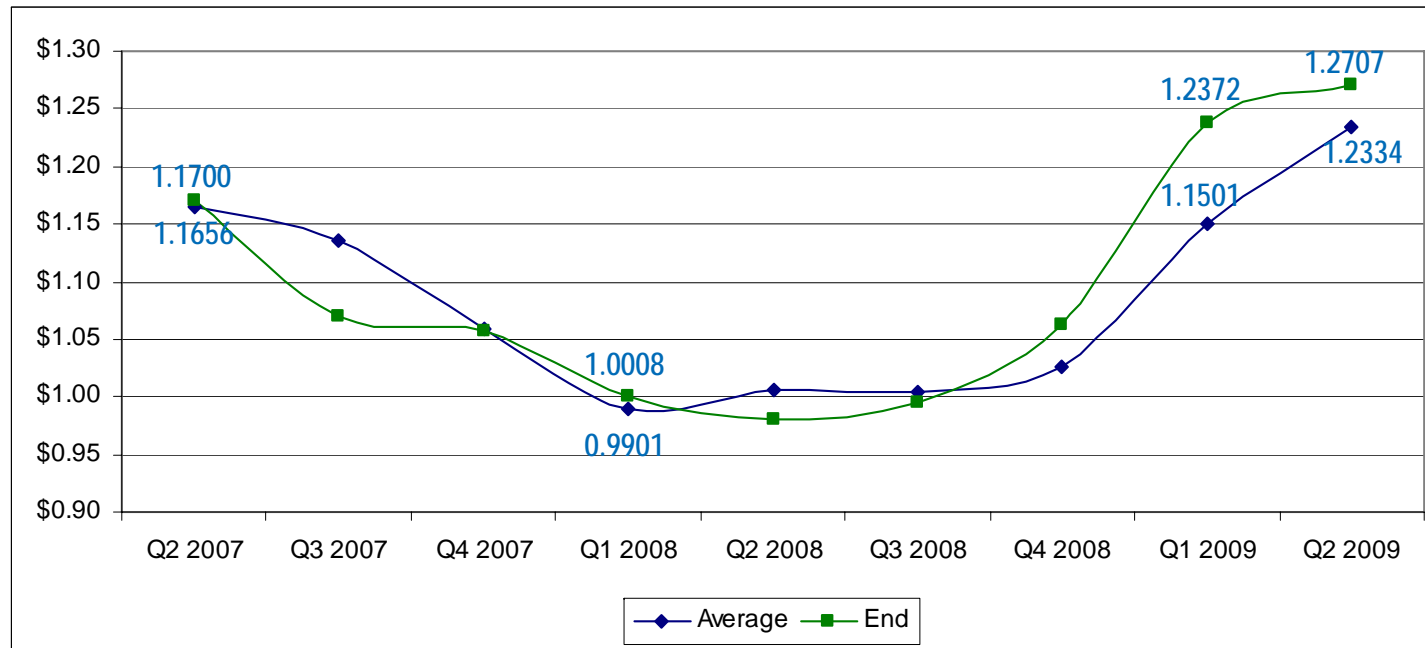
	FY 2008 (Actual)	YTD FY 2009 (Actual)	Mid-Term (Estimates)
Gross Margin	58.9%	61.4%	62%
SG&A	33.3%	35.5%	30-32%
Net R&D	14.6%	15.7%	14-16%
EBITDA ¹	11.2%	16.3%	16.0% ²

- EBITDA margin positively impacted by FX gain of \$5.7 M in first half of FY 2009
- Adjusted EBITDA margin would amount to 10.2% YTD 2009
- EBITDA margin of 16% attainable on a mid-term basis (FY 2011)
- Mid-term operating model well in sight

¹ EBITDA is defined as net earnings before interest, income taxes, amortization of property, plant and equipment, amortization of intangible assets, and extraordinary gain. For a reconciliation with GAAP net earnings (loss), see the Investors section of EXFO's Website at www.EXFO.com/investors.

² Based on mid-point of estimates.

Canadian/US Exchange Rate



- Weaker Canadian dollar now providing EXFO with a competitive advantage
- Quarterly end-rate included in FX line on income statement
- Quarterly average rate flows through all line items on income statement

Hedge Book

	Contractual amounts	Weighted average contractual forward rates
<i>As at Feb. 28, 2009:</i>		
March 2009 to Aug. 2008	\$18.8 M	1.0567
Sept. 2009 to Aug. 2010	\$24.2 M	1.0760
Sept. 2010 to Aug. 2011	\$14.6 M	1.1221
Sept. 2011	\$1.0 M	1.1278

- Hedging forward US sales (recognized as sales gain/loss in corresponding period)
- Foreign exchange contracts total \$58.6 M at a weighted average contractual forward rate of 1.0822
- Hedge book playing against us now, but more than offset by impact of weaker CDN currency on operating costs
- Helped mitigate impact of strengthening CDN dollar in previous years

Creating Shareholder Value

Share Repurchase Program	FY'08	YTD FY'09
Normal Course Issuer Bid (NCIB)	\$8.1 M	\$0.5 M
Substantial Issuer Bid (SIB)	—	\$25.6 M
Total	\$8.1 M	\$26.1 M

Cancelled 8.0 M shares for a total of
\$34.2 million since start of program in Nov. 2007

Key Takeaways

- Strong execution amid challenging macro-economic environment
- Mid-term operating model well in sight
- Weaker Canadian dollar positively impacting financial results despite hedge book
- Share repurchase program creating shareholder value
- Committed to protecting earnings during downturn

Well positioned to increase profitability

The background is a solid blue color with several faint, overlapping white lines that create a sense of motion and depth. These lines are curved and intersect, resembling a stylized network or a series of paths. The overall effect is modern and abstract.

Questions