

Acquisition of PicoSolve, Inc.

The industry's fastest optical sampling oscilloscopes

Date: February 9, 2009



Design

Deployment

Service Assurance

EXFO

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 February 9, 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.

Why PicoSolve?

- Next-generation 40G and new 100G systems will be based on advanced modulation schemes like DPSK, QPSK and DP-QPSK* to improve spectral efficiency and reduce dispersion sensitivity
- Current test instruments on the market do not allow for proper characterization and testing of these new systems
- PicoSolve offers the fastest bit-rate-independent optical sampling oscilloscopes with bandwidth that exceeds 500 GHz
- Brings rich intellectual property that can be leveraged in the future
- Important synergy with existing and future Transport & Datacom products, especially for NEM applications

*DPSK: Differential phase-shift keying

QPSK: Quadrature phase-shift keying

DP-QPSK: Dual-polarization quadrature phase-shift keying

PicoSolve Overview

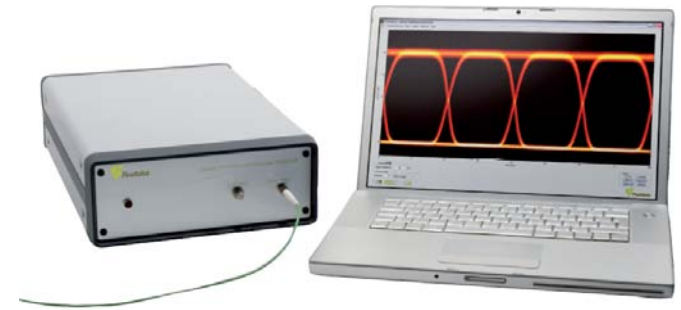


- Founded in 2004, PicoSolve is a spin-off of Chalmers University of Technology in Sweden
- Small, highly qualified R&D staff (all with doctorates)
- Recognized expertise in advanced modulation-scheme analysis within the telecom R&D community
- Have sold products in several European countries, USA and Japan over the last three years
- Revenues of approximately US\$1 million in 2008

Product Portfolio

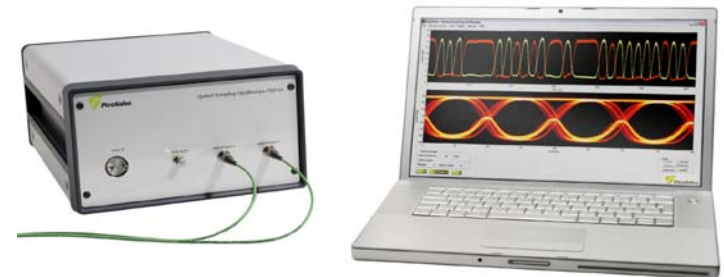
■ PSO-101

- Single-channel oscilloscope
- Analysis of return-to-zero (RZ) and non-return-to-zero (NRZ) signals up to 640 Gbit/s
- Bit-rate-independent
- Winner of 2008 R&D 100 Award

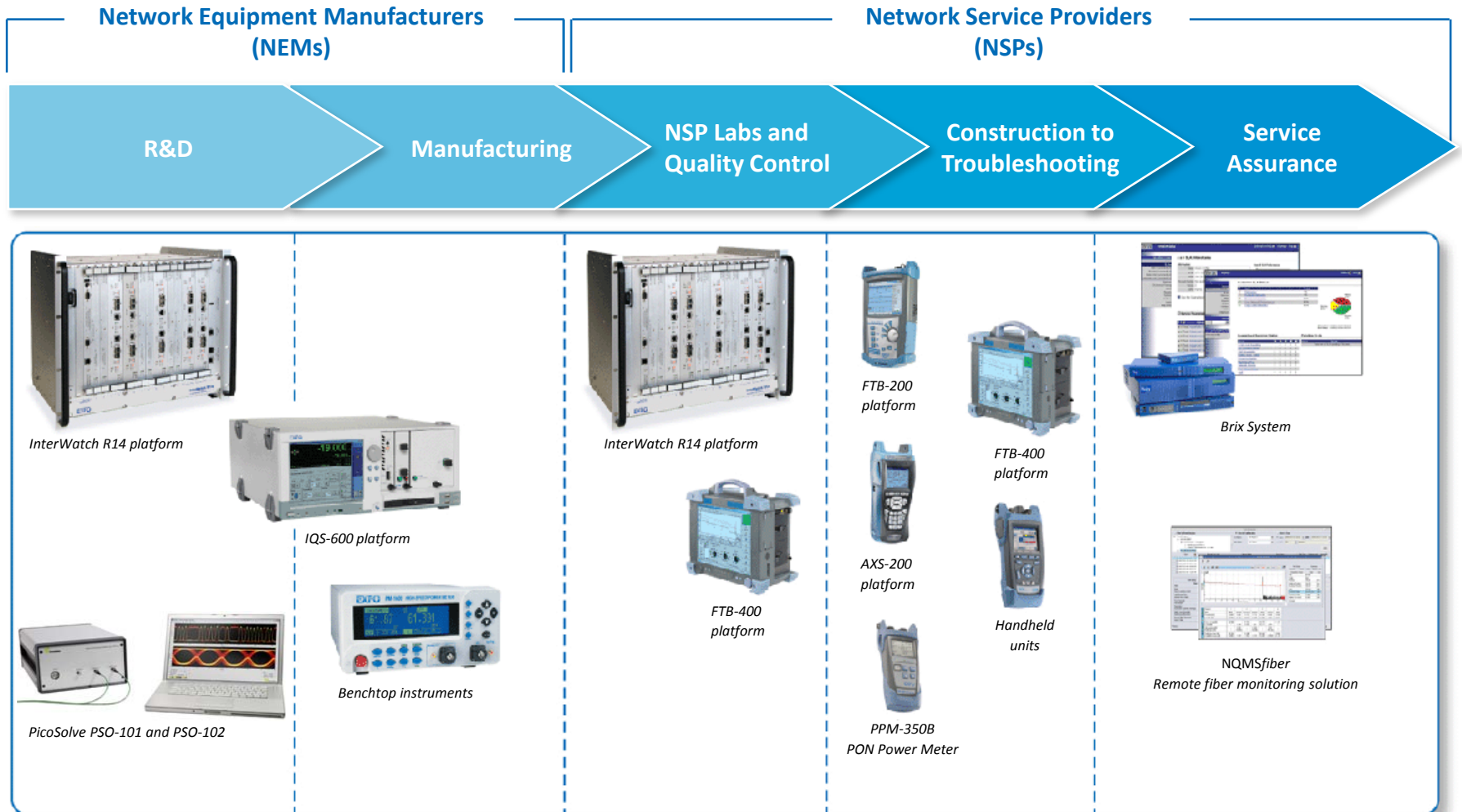


■ PSO-102

- Dual- and quadruple-channel version of PSO-101
- Two independent channels for RZ and NRZ signal analysis
- Combine the channels to analyze DPSK and DQPSK signals up to 640 Gbit/s



Leveraging PicoSolve Technologies



Value Proposition to Customers

MULTIPLE

Transmission rates

Modulation schemes

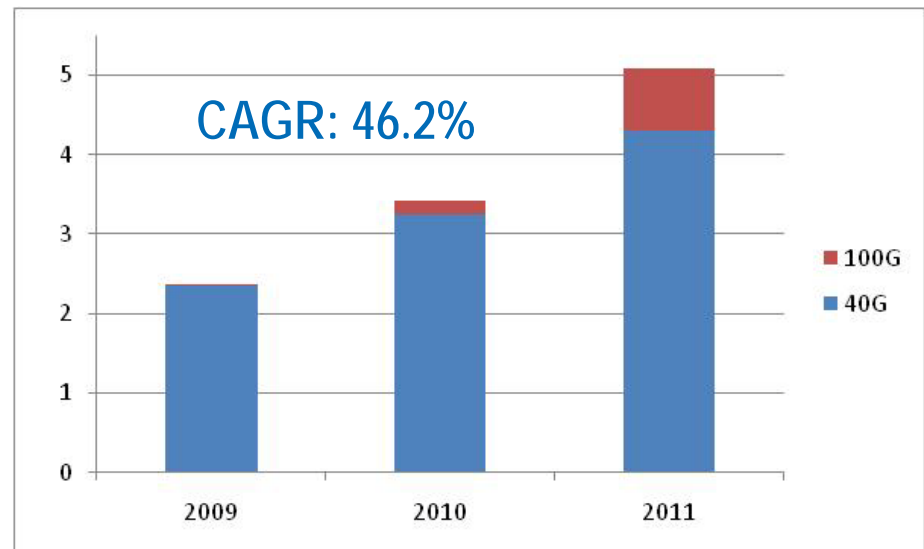
Tests (eye diagram, jitter, etc.)

ONE

Optical Sampling
Oscilloscope

Market Opportunities

- **R&D market:** Main market opportunity today
 - NEMs working on next-generation 40G and 100G solutions
- **Manufacturing market:** Customer demand expected in 2010
 - Sub-assembly manufacturers and NEMs ramping up production
- **Deployment market:** First commercial 100G rollouts mid-2011
 - Network operators responding to exponential bandwidth demand
- 40G and 100G optical network equipment market should grow from US\$2.4 billion in 2009 to US\$5.1 billion in 2011



Source: Infonectics Research, October 2008

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