

# RBC Capital Markets Technology, Media & Communications Conference

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**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 June 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.

**EXFO**

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## EXFO at a Glance

- Leading supplier of telecom test and service assurance solutions for 23 years
- Helping network operators and equipment manufacturers ensure their networks are up and running at full capacity throughout technology lifecycle
- Telecom Division (~88% of sales)
  - Offering a wide range of test and service assurance solutions to enable triple-play services and next-gen IP networking
- Life Sciences and Industrial Division (~12% of sales)
  - Leveraging solutions for medical-device and opto-electronics assembly, fluorescence microscopy and other life science sectors
- Global reach
  - ~2000 customers in 95 countries

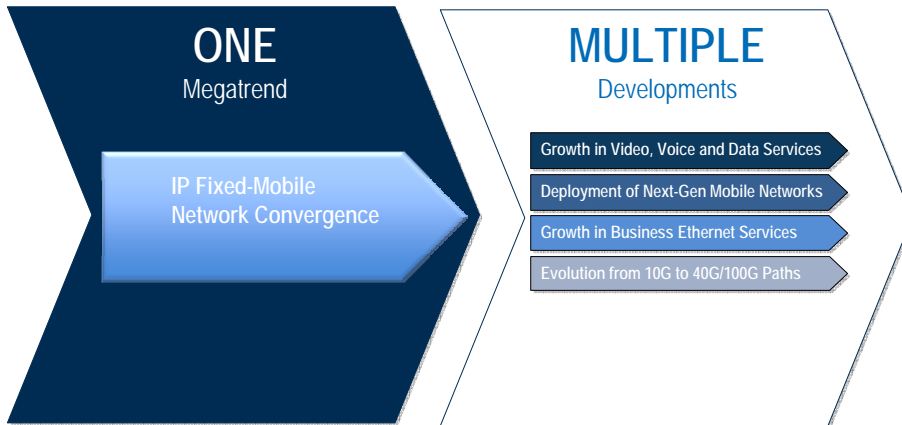
Second-largest supplier of portable test solutions

## Strong Financial Performance

- Strong financial performance in first half of FY 2009
  - 10.1% growth (~ flat organic, strong Protocol growth)
  - GAAP net earnings: \$7.9 M (\$0.12/share vs. \$0.06/share last year)
  - EBITDA: \$15.1 M (16.3% margin vs. 7.7% last year)
  - Benefited from positive impact of CDN currency
- Telecom industry not immune to global economic recession
  - Committed to protect earnings during market downturn
  - Fluctuations in CDN/US exchange rate can have positive/negative impact on earnings
- Strengthening long-term position
  - Launched 12 new products in first half of FY 2009
  - New products accounting for 37% of YTD revenues

Focused on protecting earnings

# Key Market Developments



# Long-Term Vision and Strategy



Become a strong market leader in converged IP network test and service assurance industry

# Telecom Division

## Optical      Protocol      Access



Market size	\$567 M	\$2,544 M	\$350 M
Addressable market	\$401 M	\$1,058 M	\$150 M
Industry growth trend	0-5%	5-10%	0-5%
Sales – FY 2008	\$115.1 M	\$33.7 M	\$7.4 M
Sales growth – FY '08/'07	12.7%	97.4%	-3.9%
Three-year sales CAGR	16.0%	74.4%	NA
Gross margin profile	High-50s (%)	High-60s to high-70s (%)	High-50s (%)
Major competitors	Anritsu, JDSU, Agilent	JDSU, Agilent, Anritsu	Sunrise, JDSU, Fluke

Protocol business is a key growth vector

\* Protocol includes Transport and Datacom, IMS and VoIP testing (Navtel) and IP Network Service Assurance (Britx) businesses.



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# Global Fiber-Optic Test Equipment Market

	2001	2004	2005	2006	2008
<b>EXFO</b> <sup>1</sup>	6.4%	10.3%	11.0%	12.7%	18.0%
Agilent	20.4%	21.0%	20.8%	19.3%	16.7%
Anritsu <sup>2</sup>	19.0%	17.8%	16.6%	16.6%	13.8%
JDSU <sup>3</sup>	9.2%	9.6%	9.8%	10.2%	12.2%
Yokogawa <sup>4</sup>	7.5%	7.7%	7.8%	8.4%	6.9%
Others <sup>5</sup>	37.5%	33.5%	34.0%	32.8%	32.4%

Frost & Sullivan and EXFO, Feb. 2009

<sup>1</sup>Frost & Sullivan did not provide market-share numbers for 2002, 2003 and 2007.

<sup>2</sup>Anritsu acquired NetTest in August 2005; market-share numbers for both companies were combined for 2005, 2004 and 2001 to demonstrate the impact on merged company.

<sup>3</sup>JDSU acquired Acterna in August 2005; 2004 and 2001 numbers represent Acterna's market share.

<sup>4</sup>Formerly Ando; merged with Yokogawa in October 2004.

<sup>5</sup>Others include Fluke Networks, Kingfisher International, Noyes Fiber Systems, Luna Technologies, Ntest, Inc., Santec Corporation and Sunrise Telecom, among others.

- Fifth consecutive Growth Strategy Leadership Award from Frost & Sullivan for market share gains
- Captured No. 1 overall spot with 18.0% market share in 2008 compared to 12.7% in 2006
- Leadership in portable Installation & Maintenance segment with estimated 33.3% market share
- Global FOTE market estimated at \$567.4 M in 2008



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# Five Good Reasons to Invest in EXFO

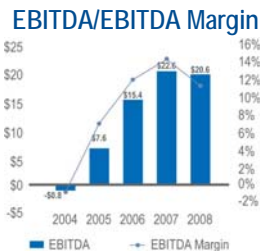
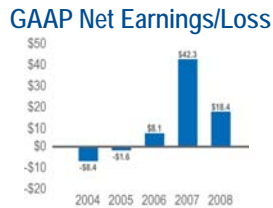
- 1. Excellent track record of sales growth**  
CAGR of 24.3% in last 5 years, 19.3% in last 10 years  
Growing sales on average more than 2X the industry growth rate
- 2. Well positioned for key growth drivers**  
Migration toward next-generation, IP networks  
Bandwidth demand driving fiber deployments in access networks
- 3. History of growing EBITDA\* margin**  
Increased EBITDA margin from -1.1% in FY 2004 to 11.2% in FY 2008  
Raised gross margin in each of the last six years
- 4. Solid balance sheet**  
Cash position of \$58.1 M and no debt – as of Feb. 28, 2009
- 5. Experienced and disciplined management team**  
Average of 7.5 years at EXFO and 20 years in telecom industry

\* 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](http://www.EXFO.com/investors).

Strong investment proposition

# Annual Financial Results

(in US\$ millions)



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# Key Takeaways

- Posted strong financial numbers in first half of fiscal 2009
- Committed to protect earnings during downturn
- Growth strategy aligned with key growth vectors
- Market-share leader in Optical testing, growth opportunity in Protocol testing (including Service Assurance)
- Strong investment proposition