

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. These forward-looking statements speak only as of the date of this presentation and, unless required by law or applicable regulations, we will not be reviewing or updating the material that is contained herein.

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this presentation contains a non-GAAP financial measure. A reconciliation of such a measure to the most directly comparable GAAP measure is included in the Investors section of EXFO’s website, www.EXFO.com, under the heading “EBITDA/GAAP Net Earnings reconciliation.”

EXFO at a Glance

- › Leading supplier of test and service assurance solutions for nearly 25 years in the global telecom industry
- › Provides network operators with solutions to test and monitor the performance and reliability of converged, IP fixed and mobile networks
- › Enables equipment manufacturers to design, qualify and ramp next-generation networks
- › Telecom Division (>90% of sales)
 - › Leader in test and service assurance solutions for converged, IP fixed and mobile networks
- › Life Sciences and Industrial Division (<10% of sales)
 - › Leverages telecom technologies for medical-device and opto-electronics assembly, fluorescence microscopy and other life science sectors
- › Global reach
 - › >1,600 employees in 25 countries, supporting 2,000 customers worldwide

Among top-five suppliers in global telecom test
and service assurance industry

Five Keys to Understanding EXFO



- › Global IP traffic increasing 5X from 2008 to 2013, while mobile IP traffic soaring 39X from 2009 to 2014 (Cisco)



- › Wireline and wireless operators converging toward an all-IP architecture to increase network capacity and performance



- › EXFO offers comprehensive test and service assurance solutions to assess next-gen, IP fixed and mobile networks



- › EXFO's targeting 3G, 4G/LTE, mobile backhaul, FTTx, 40 and 100 Gbit/s network upgrades, business Ethernet services, etc.



- › EXFO's committed to growing EBITDA faster than revenue (Three-year goal: 25% revenue CAGR, 30% EBITDA CAGR)

Long-Term Vision and Strategy



Become market leader in the global telecom test and service assurance industry

Telecom Division

	Optical	Protocol	Access
Market size	\$567 M	\$2,544 M	\$350 M
Addressable market	\$401 M	\$1,668 M	\$150 M
Industry growth trend	5-10%	10-15%	5-10%
Sales – FY 2009	\$95.5 M	\$54.9 M	\$5.8 M
Sales growth – FY '09/'08	-17.5%	63.1%	-21.8%
Five-year sales CAGR	12.8%	51.9%	NA
Gross margin profile	High-50s (%)	High-60s to high-70s (%)	High-50s (%)
Major competitors	JDSU, Anritsu	JDSU, IXIA, Tektronix	JDSU, Sunrise, Fluke

Protocol business is a key growth vector

* Protocol includes Transport and Datacom, IMS and VoIP testing (Navtel), IP Network Service Assurance (Brix), and wireless Test and Service Assurance (NetHawk) businesses.



Transport & Datacom Testing

- › Technology leader for characterizing next-gen IP/transport networks at rates up to 100 Gbit/s
- › Targets both wireline and wireless network operators



IMS & VoIP Testing (formerly Navtel Communications)

- › Most advanced and scalable test solution for IMS network elements
- › IMS is a critical architecture for seamless operation between wireline and wireless networks
- › Targets network equipment manufacturers and carrier labs



Service Assurance (formerly Brix Networks)

- › Technology leader for converged, IP network service assurance (quality of service and quality of experience)
- › Targets both wireline and wireless network operators



2G, 3G, LTE Wireless Testing/Monitoring (formerly NetHawk)

- › No. 2 in terms of market share for wireless protocol analysis and network simulation as well as highly complementary service assurance solution
- › Targets wireless network equipment manufacturers and network operators

About NetHawk

- › Founded in 1991 in Oulu, Finland
- › Offers comprehensive 2G, 3G and 4G/LTE protocol testing coverage
- › Key products: wireless protocol analyzers and network simulators (No. 2 market share in both cases) and service assurance solutions
- › Customers include nearly all wireless NEMs and more than 100 telecom operators
- › Revenue of €28.5 million and EBITDA of €4.2 million in 2009
- › Approximately 370 employees located mainly in Finland, India and US



About the Deal

- › All-cash transaction estimated at €37.3 M for all outstanding shares, or €27.6 M excluding NetHawk's net cash
- › EXFO acquired 91% of NetHawk's outstanding shares and will purchase remaining shares pursuant to a statutory procedure under the Finnish Companies Act
- › Additional earn-out could raise total value of transaction by €8.7 M
- › Deal expected to be neutral for rest of FY 2010 and accretive in FY 2011, excluding amortization of intangible assets and stock-based compensation costs



Corporate Performance Objectives for Fiscal 2010-2012

Former Corporate Performance Goals	New Corporate Performance Goals
1. Increase revenues by a CAGR of 20%	1. Increase revenues by a CAGR of at least 25%
2. Raise gross margin to 64%	2. Raise gross margin to 64%
3. Double EBITDA* in dollars (26% CAGR)	3. Increase EBITDA* in dollars by a CAGR of at least 30%

Corporate Performance Goals were updated following NetHawk acquisition in March 2010.

**EBITDA is defined as net earnings (loss) before interest, income taxes, amortization of property, plant and equipment, amortization of intangible assets, impairment of goodwill and extraordinary gain.*

Investment Highlights

- › Among the top five suppliers of test and service assurance solutions in the global telecom industry
- › Well-positioned for key growth drivers in wireline (broadband deployments and IP network convergence) and wireless markets (3G and 4G/LTE)
- › NetHawk acquisition transforms EXFO into a major force in wireless testing
- › Transaction expected to accelerate revenue and earnings in near future
- › Committed to increasing EBITDA faster than revenue

Focused on profitable growth