

FIVE GOOD REASONS TO INVEST IN EXFO

1 EXCELLENT TRACK RECORD OF SALES GROWTH

Ten-year sales CAGR of 20%

2 WELL POSITIONED FOR KEY GROWTH DRIVERS

Enabling bandwidth growth and IP convergence on fixed and mobile networks

3 BALANCING SALES GROWTH AND PROFITABILITY

Targeting adjusted EBITDA² margin of 15% on revenue of \$350-\$400 M

4 SOLID BALANCE SHEET

Cash position of \$56.4 M and negligible debt as at February 28, 2013

5 EXPERIENCED AND DISCIPLINED MANAGEMENT TEAM

Deep knowledge of managing business in growth and downward markets

Listed on the NASDAQ and TSX stock exchanges, EXFO is among the leading providers of next-generation test and service assurance solutions for wireline and wireless network operators and equipment manufacturers in the global telecommunications industry. The company offers innovative solutions for the development, installation, management and maintenance of converged, IP fixed and mobile networks—from the core to the edge. Key technologies supported include 3G, 4G/LTE, IMS, Ethernet, OTN, FTTx, VDSL2, ADSL2+ and various optical technologies accounting for more than 35% of the portable fiber-optic test market. EXFO has a staff of approximately 1700 people in 25 countries, supporting more than 2000 telecom customers worldwide.

For more information, visit www.EXFO.com.

Q2 2013 HIGHLIGHTS

(in millions of US dollars)

- Sales reached \$62.6 M
- Gross margin¹ amounted to 62.2%
- Adjusted EBITDA² totaled \$4.4 M
- Cash flows from operations totaled \$2.1 M
- TravelHawk Pro, a troubleshooting tool for 4G/LTE networks, selected by three of the top-five LTE operators
- Launched FTB-88100NGE Power Blazer, the first portable, multi-service test solution supporting rates from 10M to 100G

TELECOM MARKET



	PHYSICAL	PROTOCOL
TAM (total available market)	\$700 M	\$3.2 B
SAM (served available market)	\$550 M	\$1.8 B
Annual growth rate	~5%	~15%
Sales – FY 2012	\$135.1 M	\$113.7 M
Sales growth – FY '12/'11	-14.5%	4.4%
Five-year sales CAGR	3.9%	46.1%
Gross margin profile	Low-60s (%)	Mid-70s (%)
Major competitors	JDSU, Anritsu, Sunrise	JDSU, IXIA, Tektronix

¹Gross margin is a non-IFRS measure and represents sales less cost of sales, excluding depreciation and amortization.

²Adjusted EBITDA represents net earnings before interest, income taxes, depreciation of property, plant and equipment, amortization of intangible assets, restructuring charges, stock-based compensation costs and foreign exchange gain or loss.

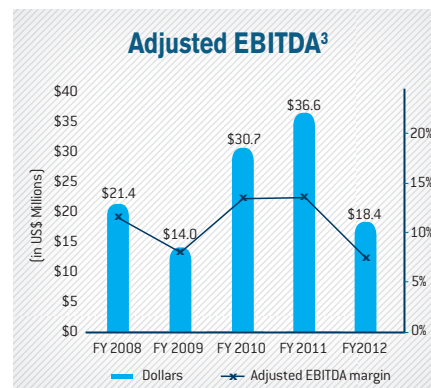
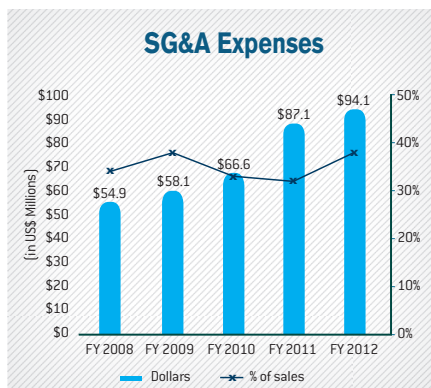
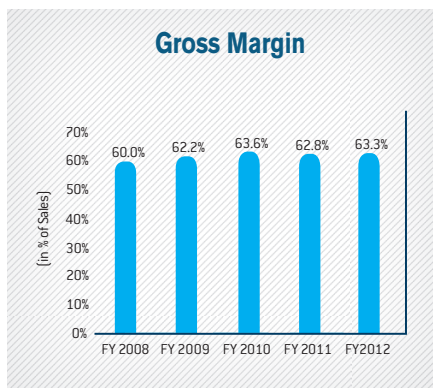
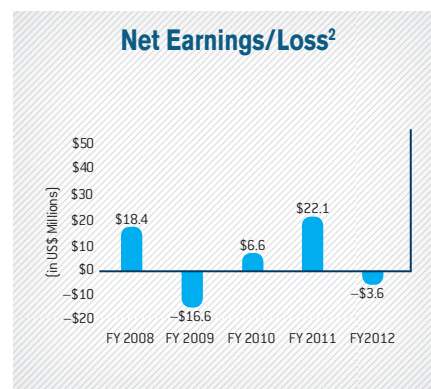
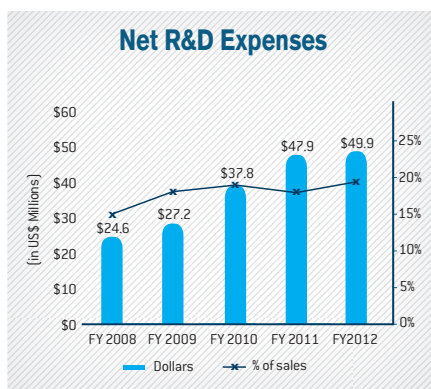
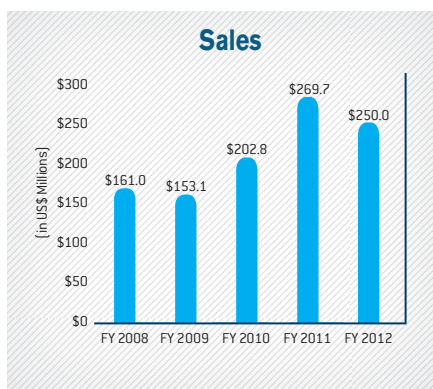
GROWTH STRATEGY



2012 Annual Review - View CEO video on company's growth strategy.

ANNUAL FINANCIAL RESULTS¹

(in millions of US dollars, except gross margin)



¹All financial results from continuing operations, except net earnings/loss and adjusted EBITDA.

²Fiscal 2011 and 2012 financial results according to IFRS; prior years according to Canadian GAAP.

³Adjusted EBITDA represents net earnings (loss) before interest, income taxes, depreciation of property, plant and equipment, amortization of intangible assets, restructuring charges, stock-based compensation costs, R&D tax credits recovery, changes in the fair value of the cash contingent consideration, impairment of goodwill, foreign exchange gain or loss, extraordinary gain and gain on disposal of discontinued operations.

STOCK INFORMATION

(As at February 28, 2013)

Listings: NASDAQ, EXFO; TSX, EXF
Shares outstanding: 61.2 million
Closing share price: US\$5.61
Market capitalization: US\$343.2 million
12-month price range: US\$4.38-US\$7.81

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