

FIVE GOOD REASONS TO INVEST IN EXFO

1 PROVEN TRACK RECORD OF SALES GROWTH

Ten-year sales CAGR of 17.4%

2 WELL POSITIONED FOR KEY GROWTH DRIVERS

3G, 4G/LTE, wireless backhaul, small cells, DAS, RRH, FTTx and 100G

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 \$50.3 M and no debt as at August 31, 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 1600 people in 25 countries, supporting more than 2000 telecom customers worldwide.

For more information, visit www.EXFO.com.

Q4 2013 HIGHLIGHTS

(in millions of US dollars)

- Sales totaled \$60.9 M (up 6.5% year-over-year and 3.4% sequentially)
- Bookings attained \$54.0 M (book-to-bill ratio of 0.89)
- Gross margin¹ reached 62.9% (highest level in last six quarters)
- IFRS net earnings amounted to \$3.8 M (or \$0.06 per diluted share)
- Adjusted EBITDA² totaled \$7.1 M (or 11.6% of sales)

TELECOM MARKET



	PHYSICAL	PROTOCOL
TAM (total available market)*	\$820 M	\$3.8 B
SAM (served available market)*	\$685 M	\$1.8 B
Annual growth rate	0-5%	10-15%
Sales – FY 2013	\$140.9 M	\$100.8 M
Sales growth – FY '13/'12	4.3%	-11.3%
Five-year sales CAGR	2.7%	24.5%
Gross margin profile	55-60%	70-75%
Major competitors	JDSU, Anritsu	JDSU, IXIA, Tektronix

*Total available market (TAM) and serviceable available market (SAM) were raised in 2013 due to more accurate market intelligence, not necessarily because these markets increased in size.

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 and amortization, stock-based compensation costs and foreign exchange gain or loss.

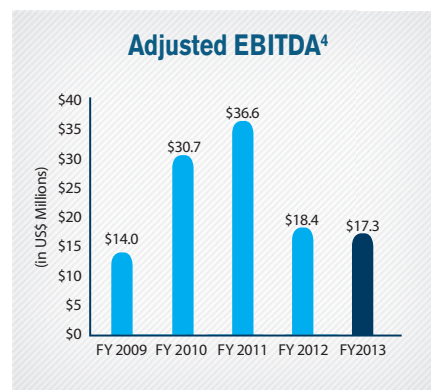
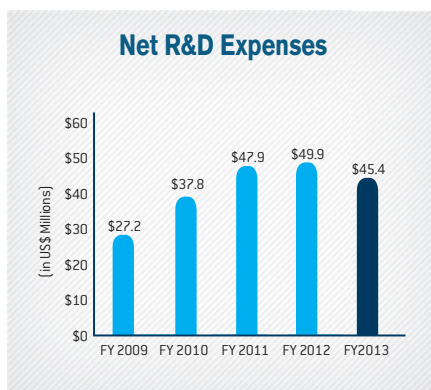
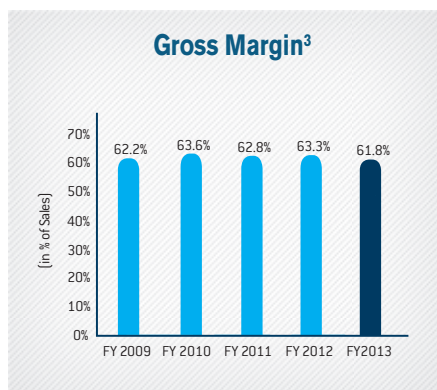
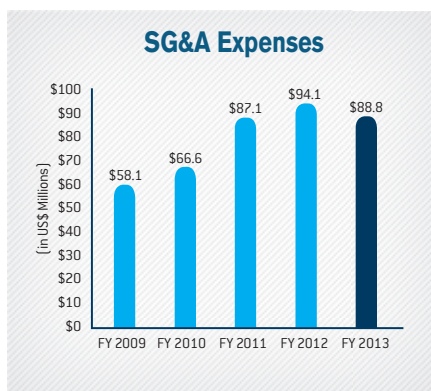
GROWTH STRATEGY



2013 Annual Review - View CEO video on company growth strategy

ANNUAL FINANCIAL RESULTS¹

(in millions of US dollars, except gross margin)



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

² Fiscal 2011-2013 financial results according to IFRS; prior years according to Canadian GAAP.

³ Gross margin is a non-IFRS financial measure and represents sales less cost of sales, excluding depreciation and amortization.

⁴ Adjusted EBITDA represents net earnings (loss) before interest, income taxes, depreciation and amortization, restructuring charges, R&D tax credits recovery, changes in the fair value of the cash contingent consideration, impairment of goodwill, stock-based compensation costs, gain from the disposal of discontinued operations and foreign exchange gain or loss.

STOCK INFORMATION

(As at August 31, 2013)

Listings: NASDAQ, EXFO; TSX, EXF
Shares outstanding: 60.0 million
Closing share price: US\$4.57
Market capitalization: US\$274.2 million
12-month price range: US\$4.00-US\$5.90

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