



EXFO Completes Acquisition of Brix Networks and Raises Sales Guidance

QUEBEC CITY, CANADA, April 22, 2008 – EXFO Electro-Optical Engineering Inc. (NASDAQ: EXFO; TSX: EXF) announced today that it has completed its acquisition of Brix Networks, a global provider of open and extensible converged service assurance solutions.

Earlier this month, EXFO signed an agreement to purchase all the shares of Brix Networks for US\$28.5 million in cash and an additional growth-incentive earn-out based upon the achievement of bookings levels exceeding US\$16 million in the 12 months following the closing date of the transaction. Total purchase price could reach US\$37.5 million, including a maximum earn-out and other acquisition-related costs.

The deal is expected to be negative to earnings for the remainder of fiscal 2008, neutral in fiscal 2009 and accretive in 2010, excluding stock-based compensation costs and after-tax amortization of intangible assets.

Brix Networks, a privately held company headquartered near Boston, Mass., brings to EXFO deep expertise in IP service assurance technology that was developed through substantial R&D investments in the last nine years. The company's distributed, probe-based solutions proactively monitor next-generation, converged IP networks to assure that voice, video and data services are delivered with the quality of service (QoS) and quality of experience (QoE) demanded by users.

"The closing has been swift with both parties highly committed to optimization of synergies, acceleration of growth and execution of a detailed integration plan in order to drive maximum mid- and long-term value creation," said Germain Lamonde, EXFO's Chairman, President and CEO. "With the acquisition of Brix Networks and the recently acquired Navtel Communications, we are transforming ourselves into a best-of-class, next-generation network technology and market leader – testing the protocol stack all the way up to the application layer and across the full technology lifecycle – for network equipment manufacturers and network service providers. Now, the real work begins by executing the plan and creating shareholder value on a long-term basis."

To account for Brix Networks' results of operations with about 40 days left in the third quarter of fiscal 2008, EXFO raised its sales guidance from between US\$45.0 and US\$48.0 million to between US\$46.0 and US\$50.0 million for the quarter ending May 31, 2008. The company's GAAP net earnings outlook, meanwhile, moved from between US\$0.03 and US\$0.06 per diluted share to between US\$0.01 and US\$0.05 per diluted share. Given additional intangible assets related to the acquisition of Brix Networks, GAAP net earnings will include US\$0.02 per diluted share for stock-based compensation costs and the after-tax effect of amortization of intangible assets in the third quarter of fiscal 2008 compared to US\$0.01 per diluted share in previous quarters.

It should be noted that EXFO has not yet completed the purchase price allocation of its two newly acquired businesses, namely Brix Networks and Navtel Communications, and

continues to assess the value of these acquired companies including intangible assets and goodwill.

About EXFO

EXFO is the second-largest provider of portable test and measurement solutions in the global telecommunications industry and is positioning itself as a leader in next-generation network (NGN) testing and monitoring applications. The Telecom Division, which represents about 85% of the company's business, offers a full suite of test solutions and monitoring systems to network service providers, cable TV operators, network equipment manufacturers and component manufacturers in approximately 70 countries. EXFO is the global market leader for portable optical test solutions with an estimated 25.5% market share in calendar 2006, a technology leader in NGN protocol test and monitoring solutions, as well as in access network test solutions, to enable triple-play deployments and converged IP networking. The company's modular AXS-200, FTB-200, FTB-400, IQS-600 (Windows/PC-based) and InterWatch platforms host a wide range of test solutions covering all layers on a network infrastructure and extending across the full technology lifecycle. The Life Sciences and Industrial Division offers value-added light-based solutions in high-precision medical device and opto-electronics assembly sectors, and advanced fluorescence microscopy and electrophysiology solutions for the life sciences sector. For more information about EXFO's Telecom Division, visit www.EXFO.com, and for its Life Sciences and Industrial Division, visit www.EXFO-LSI.com.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, and we intend that such forward-looking statements be subject to the safe harbors created thereby. Forward-looking statements are statements other than historical information or statements of current condition. Words such as may, will, expect, believe, anticipate, intend, could, estimate, continue, or the negative or comparable terminology are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events and circumstances are considered forward-looking statements. They are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those in forward-looking statements due to various factors including consolidation in the global telecommunications test, measurement and monitoring industry; capital spending levels in the telecommunications, life sciences and high-precision assembly sectors; concentration of sales; fluctuating exchange rates and our ability to execute in these uncertain conditions; the effects of the additional actions we have taken in response to such economic uncertainty (including our ability to quickly adapt cost structures with anticipated levels of business, ability to manage inventory levels with market demand); market acceptance of our new products and other upcoming products; limited visibility with regards to customer orders and the timing of such orders; our ability to successfully integrate our acquired and to-be-acquired businesses; our ability to successfully expand international operations; the retention of key technical and management personnel; and future economic, competitive and market conditions, including any slowdown or recession in the global economy. Assumptions relating to the foregoing involve judgments and risks, all of which are difficult or impossible to predict and many of which are beyond our control. Other risk factors that may affect our future performance and operations are detailed in our Annual Report, on Form 20-F, and our other filings with the U.S. Securities and Exchange Commission and the Canadian securities commissions. We believe that the expectations reflected in the forward-looking statements are reasonable based on information currently available to us, but we cannot assure you that the expectations will prove to have been correct. Accordingly, you should not place undue reliance on these forward-looking statements. These statements speak only as of the date of this document. Unless required by law or applicable regulations, we undertake no obligation to revise or update any of them to reflect events or circumstances that occur after the date of this document.
