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EXFO ELECTRO OPTICAL ENGINEERING INC
Form 6-K
October 12, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of October 2001

EXFO ELECTRO-OPTICAL ENGINEERING INC.
(Translation of registrant's name into English)

465 GODIN AVENUE, VANIER, QUEBEC, CANADA G1M 3G7
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in
connection with Rule 12g3-2(b): 82-_____.

On October 9, 2001, EXFO Electro-Optical Engineering Inc., a Canadian
corporation, reported its results of operations for the fiscal quarter ended
August 31, 2001. This report on Form 6-K sets forth the news release relating to
EXFO's announcement and certain information relating to EXFO's financial
condition and results of operations for the fourth fiscal quarter.

EXFO REPORTS STRONG YEAR-END FINANCIAL RESULTS

- SALES UP 104% TO US\$146 MILLION
- NET EARNINGS* UP 139% TO US\$24.5 MILLION
- NET EARNINGS PER SHARE* UP 77% TO \$0.46

QUEBEC CITY, CANADA, October 9, 2001--EXFO Electro-Optical Engineering Inc.
(NASDAQ: EXFO, TSE: EXF) announced today strong financial results for the fiscal

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year ended August 31, 2001.

Sales increased 104% to US\$146.0 million in fiscal 2001 from US\$71.6 million in 2000. Net earnings* jumped 139% to US\$24.5 million, or \$0.46 per share, for fiscal 2001 from US\$10.3 million, or \$0.26 per share, for 2000.

In the fourth quarter of 2001, sales increased 53% to US\$35.4 million from US\$23.1 million for the same period in 2000. Net earnings* decreased 11% to US\$3.2 million, or \$0.06 per share, for the fourth quarter of 2001 from US\$3.6 million, or \$0.08 per share, for the same period in 2000.

Including amortization of intangible assets and goodwill related to acquisitions as well as non-recurring expenses, EXFO's net loss for fiscal 2001 was US\$15.3 million, or \$0.29 per share, including a net loss of US\$14.2 million, or \$0.25 per share, for the fourth quarter. In comparison, EXFO recorded net earnings of US\$9.9 million, or 0.25 per share, for fiscal 2000.

EXFO's net loss in fiscal 2001 included US\$31.1 million in amortization of goodwill, US\$9.9 million in amortization of intangible assets and US\$3.3 million in non-recurring expenses. The non-recurring expenses consisted of costs related to a reduction in workforce and provisions for unused facilities and assets.

"EXFO delivered outstanding financial results in fiscal 2001, considering the slowdown in the overall economy and the reduced capital spending in the telecommunications industry," said Germain Lamonde, Chairman, President and CEO of EXFO. "We view the more challenging business environment as an opportunity for us to distance ourselves from our competitors and gain market share.

"Looking forward, innovation should continue to drive growth for our company. Approximately 45% of EXFO's sales in fiscal 2001 originated from products that have been on the market for less than two years. This number is a clear indication that our market-driven product development process is thriving and, more importantly, we're anticipating customer needs."

BUSINESS HIGHLIGHTS

Fiscal 2001 marked the 16th consecutive year of growth at EXFO. The Company launched more than 20 new products in 2001, including the FTB-400 Universal Test System, a second-generation platform that can perform extensive optical tests for long-haul, metro and access networks.

Other key EXFO product launches in 2001 involved the FTB-5240B Optical Spectrum Analyzer, a leading-edge test module for installation and maintenance applications in DWDM long-haul, metro and access networks; the OWA-9500 Optical Waveguide Analyzer, which represents the industry's first and only commercial refractive index profiler for planar and arrayed waveguides; the FR-3000 NanoRobot Alignment System, which offers six-axis alignment and 0.1-nanometer resolution for automated optical component manufacturing; and Novacure(R) IR, which uses infrared spot-curing on conventional heat-cured adhesives.

"We continue to invest heavily in new technologies and product development," Mr. Lamonde said. "When the telecommunications industry picks up again, we will be well-positioned in the marketplace with an extensive, best-in-class product portfolio that meets our customers' needs."

Prior to the end of the fiscal year, EXFO announced it had reached an agreement to acquire Avantas Networks, a supplier of leading-edge fiber-optic testing and optical network performance management equipment that supports a wide range of protocols and data transmission rates.

EXFO plans to provide customers with a fully integrated solution that combines

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its physical-layer and optical-layer testing technologies with Avantas' protocol-layer testing equipment inside the FTB-400 field-ready and IQ-200 manufacturing-plant test platforms.

"In early 2002, the long-awaited, field-testing platform, which can simultaneously perform physical-, optical- and protocol-layer testing, will become a reality inside our FTB-400 Universal Test System," Mr. Lamonde added. "It will enable field technicians to be far more efficient and cost-effective."

OPERATING EXPENSES

Selling and administrative expenses amounted to US\$46.2 million, or 31.7% of sales, for fiscal 2001 compared to US\$24.3 million, or 33.9% of sales, for 2000. In the fourth quarter of fiscal 2001, selling and administrative expenses were at US\$12.1 million, or 34.1% of sales, compared to US\$7.8 million, or 33.8% of sales, for the same period in 2000.

Gross research and development expenses totaled US\$17.6 million, or 12.1% of sales, in fiscal 2001 compared to US\$9.4 million, or 13.1% of sales, in fiscal 2000. In the fourth quarter of 2001, gross R&D expenses amounted to US\$5.0 million, or 14.0% of sales, compared to US\$2.4 million, or 10.5% of sales, for the same period in 2000.

BUSINESS OUTLOOK

As a result of conditions in the telecommunications industry and the effect of events on Sept. 11th, EXFO forecasted sales between US\$24 and US\$28 million for the first quarter of 2002. Earnings are expected to be in the range of a net loss* of \$0.02 per share and net earnings* of \$0.02 per share. The Company anticipates improvement in the second half of fiscal 2002 due to market acceptance of important new products, contributions from acquisitions including Avantas Networks, and expected gains in market share due to the enhanced positioning of EXFO's entire product line in the marketplace.

CONFERENCE CALL AND WEBCAST

EXFO will host a conference call today at 4:45 p.m. (Eastern time) today to review its year-end and fourth-quarter results. To listen to the conference call and participate in the question period via telephone, dial 1 (212) 231-6047.

Germain Lamonde, Chairman, President and CEO, and Pierre Plamondon, CA, Vice-President of Finance and Chief Financial Officer, will participate in the call. A replay of the conference call can be accessed after 7 p.m. (Eastern time) today until midnight (Eastern time) on October 14, 2001. The replay number is 1 (416) 626-4100 and the password is 19660925. A Webcast of the conference call will also be available on EXFO's Web site at www.exfo.com, under the Investors section.

*EXCLUDING AMORTIZATION OF GOODWILL AND THE AFTER-TAX EFFECT OF AMORTIZATION OF INTANGIBLE ASSETS AND NON-RECURRING EXPENSES.

ABOUT EXFO

EXFO, which derives its name from EXpertise in Fiber Optics, is a leading designer and manufacturer of fiber-optic test, measurement and automation solutions for the telecommunications industry. EXFO markets its products to more than 2000 customers in 70 countries around the world.

EXFO and its subsidiaries develop products mainly for two markets. The Portable and Monitoring Division provides handheld and modular instruments primarily to telecommunications carriers. The Industrial and Scientific Division, Burleigh Instruments and EXFO Photonic Solutions (formerly EFOS) design an extensive line

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of high-performance instruments and automated manufacturing solutions for optical component and system vendors as well as for research and development labs.

This news release may contain statements that constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than historical information or statements of current condition. These statements may appear in a number of places in this news release and include statements concerning our intent, belief, or current expectations regarding future events. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Although we believe that the expectations reflected in the forward-looking statements are reasonable based on information currently available to us, 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. In any event, these statements speak only as of the date of this news release. We undertake no obligation to revise or update any of them to reflect events or circumstances after the date of this news release, or to reflect new information or the occurrence of unanticipated events. Readers are referred to our Annual Report on Form 20-F and our other filings with the U.S. Securities and Exchange Commission and the Canadian securities commissions for a discussion of the various factors that may affect our future performance and other important risk factors concerning us and our operations.

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FOR MORE INFORMATION:

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EXFO Electro-Optical Engineering Inc. INTERIM CONSOLIDATED BALANCE SHEETS

(in thousands of US dollars)

	As at August 31,	
	2000	2001
	-----	-----
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 729	\$ 7,729
Short-term investments	162,659	66,861
Accounts receivable		

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Trade	18,272	24,531
Other	2,790	3,660
Income taxes receivable	284	-
Inventories	18,868	44,345
Prepaid expenses	1,023	1,265
Future income taxes	995	1,423
	-----	-----
	205,620	149,814
PROPERTY, PLANT AND EQUIPMENT	8,694	27,140
INTANGIBLE ASSETS AND GOODWILL	2,320	264,242
FUTURE INCOME TAXES	3,089	1,381
	-----	-----
	\$219,723	\$442,577
	=====	=====
LIABILITIES		
CURRENT LIABILITIES		
Bank advances	\$ 10	\$ -
Accounts payable and accrued liabilities	10,353	16,180
Income taxes payable	-	2,623
Mandatorily redeemable preferred shares	543	-
Deferred revenue	395	616
Current portion of long-term debt	152	106
	-----	-----
	11,453	19,525
DEFERRED REVENUE	151	-
DEFERRED GRANTS	1,109	1,002
LONG-TERM DEBT	16	664
FUTURE INCOME TAXES	-	6,581
	-----	-----
	12,729	27,772
	-----	-----
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	198,459	429,995
CONTRIBUTED SURPLUS	-	1,457
CUMULATIVE TRANSLATION ADJUSTMENT	1,555	(8,333)
RETAINED EARNINGS (DEFICIT)	6,980	(8,314)
	-----	-----
	206,994	414,805
	-----	-----
	\$219,723	\$442,577
	=====	=====

EXFO ELECTRO-OPTICAL ENGINEERING INC.
INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands of US dollars, except share and per share data)

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	THREE MONTHS ENDED AUGUST 31, 2000 ----- (UNAUDITED)	TWELVE MONTHS ENDED AUGUST 31, 2000 -----	THREE MONTHS ENDED AUGUST 31, 2001 ----- (UNAUDITED)	TWELVE END AUGUS 20 -----
SALES	\$23,117	\$71,639	\$ 35,420	\$146
COST OF SALES	7,756 -----	24,712 -----	14,433 -----	54 -----
GROSS MARGIN	15,361 -----	46,927 -----	20,987 -----	91 -----
OPERATING EXPENSES				
Selling and administrative	7,817	24,304	12,077	46
Net research and development	1,916	6,402	3,854	13
Amortization of property, plant and equipment	470	1,451	1,296	3
Amortization of intangible assets	14	47	4,003	9
Non-recurring expenses	-	-	3,288	3
	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	10,217 -----	32,204 -----	24,518 -----	76 -----
EARNINGS (LOSS) FROM OPERATIONS	5,144	14,723	(3,531)	14
Interest income, net	1,625	1,480	727	6
Foreign exchange gain (loss)	(1,073)	(684)	309	3
	-----	-----	-----	-----
EARNINGS (LOSS) BEFORE INCOME TAXES AND AMORTIZATION OF GOODWILL	5,696 -----	15,519 -----	(2,495) -----	23 -----
INCOME TAXES				
Current	2,247	5,331	(912)	9
Future	(141)	(33)	90	(1)
	-----	-----	-----	-----
	2,106 -----	5,298 -----	(822) -----	8 -----
EARNINGS (LOSS) BEFORE AMORTIZATION OF GOODWILL	3,590	10,221	(1,673)	15
AMORTIZATION OF GOODWILL	126 -----	297 -----	12,520 -----	31 -----
NET EARNINGS (LOSS) FOR THE PERIOD	\$ 3,464 =====	\$ 9,924 =====	\$ (14,193) =====	\$ (15) =====
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE				
Earnings (loss) before amortization of goodwill	\$ 0.08	\$ 0.26	\$ (0.03)	\$
Net earnings (loss)	\$ 0.08	\$ 0.25	\$ (0.25)	\$ (

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BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (000'S)	44,220	39,951	56,946	53
DILUTED WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (000'S)	44,500	40,086	56,946	53

EXFO ELECTRO-OPTICAL ENGINEERING INC.
INTERIM CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(DEFICIT) AND CONTRIBUTED SURPLUS

(in thousands of US dollars)

RETAINED EARNINGS (DEFICIT)

	TWELVE MONTHS ENDED AUGUST 31,	
	2000	2001
BALANCE - BEGINNING OF PERIOD	\$14,592	\$ 6,980
ADD		
Net earnings (loss) for the period	9,924	(15,294)
	24,516	(8,314)
DEDUCT		
Dividends		
Class A shares	17,216	-
Class F shares	320	-
	17,536	-
BALANCE - END OF PERIOD	\$ 6,980	\$ (8,314)

CONTRIBUTED SURPLUS

	TWELVE MONTHS ENDED AUGUST 31,	
	2000	2001
BALANCE - BEGINNING OF PERIOD	\$ -	\$ -
ADD		
Premium on resale of share capital	-	1,457

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	-----	-----
BALANCE - END OF PERIOD	\$ -	\$1,457
	=====	=====

EXFO ELECTRO-OPTICAL ENGINEERING INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of US dollars)

	THREE MONTHS ENDED AUGUST 31, 2000	TWELVE MONTHS ENDED AUGUST 31, 2000
	----- (UNAUDITED)	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings (loss) for the period	\$ 3,464	\$ 9,924
Add (deduct) items not affecting cash and cash equivalents		
Amortization of discount on short-term investments	(807)	(807)
Amortization of property, plant and equipment	470	1,451
Amortization of intangible assets	14	47
Foreign exchange gains on disposal of short-term investments	-	-
Non-recurring expenses	-	-
Future income taxes	(140)	(33)
Amortization of goodwill	126	297
Change in non-cash operating working capital items		
Accounts receivable	(2,640)	(10,476)
Income taxes receivable	2,165	2,149
Inventories	(3,457)	(10,732)
Prepaid expenses	(486)	(519)
Accounts payable and accrued liabilities	(545)	3,917
Income taxes payable	-	-
Deferred revenue	72	215
Deferred grants	277	567
	----- (1,487)	----- (4,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank advances	(6,905)	(357)
Repayment of mandatorily redeemable preferred shares	-	-
Repayment of loan from a company under common control	(1,349)	(1,349)
Repayment of long-term debt	(748)	(812)
Issuance of share capital	209,317	209,690
Resale of share capital	-	-
Redemption of share capital	-	-
Share issue expenses	(15,932)	(16,743)
Dividends paid	(17,535)	(17,587)
	----- 166,848	----- 172,842

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CASH FLOWS FROM INVESTING ACTIVITIES	-----	-----
Additions to short-term investments	(519,645)	(519,645)
Proceeds from disposal of short-term investments	358,486	359,886
Additions to property, plant and equipment and intangible assets	(4,497)	(7,180)
Business combinations	3	(2,108)
	-----	-----
	(165,653)	(169,047)
	-----	-----
CHANGE IN CASH AND CASH EQUIVALENTS	(292)	(205)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	946	511
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	75	423
	-----	-----
CASH AND CASH EQUIVALENTS- END OF PERIOD	\$ 729	\$ 729
	=====	=====
SUPPLEMENTARY INFORMATION		
Interest paid	\$ (138)	\$ (480)
Interest received	\$ 949	\$ 949
Income taxes paid	\$ (884)	\$ (3,761)

EXFO ELECTRO-OPTICAL ENGINEERING INC.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(tabular amounts in thousands of US dollars,
except share and per share data and as otherwise noted)

1 INTERIM FINANCIAL INFORMATION

The financial information as at August 31, 2001 and for the periods ended August 31, 2000 and 2001 is unaudited; however, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature.

These interim consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods used in the preparation of the company's annual consolidated financial statements. All disclosures required for annual financial statements have not been included in these financial statements.

2 ADJUSTED NET EARNINGS

Adjusted net earnings represents net earnings (loss) excluding the amortization of goodwill and the after-tax effect of amortization of intangible assets and non-recurring expenses.

The following table summarizes the adjusted net earnings and the basic and diluted adjusted net earnings per share:

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	THREE MONTHS ENDED AUGUST 31, 2000 ----- (UNAUDITED)	TWELVE MONTHS ENDED AUGUST 31, 2000 ----- (UNAUDITED)	THREE END AUGUS 20 ----- (UNAU
Adjusted net earnings	\$3,599	\$10,252	\$3,
Basic and diluted adjusted net earnings	\$ 0.08	\$ 0.26	\$ 0

EXFO ELECTRO-OPTICAL ENGINEERING INC.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(tabular amounts in thousands of US dollars,
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3 DIFFERENCES BETWEEN CANADIAN AND U.S. GAAP

RECONCILIATION OF NET EARNINGS (LOSS) TO CONFORM WITH U.S. GAAP

	THREE MONTHS ENDED AUGUST 31, 2000 ----- (UNAUDITED)	TWELVE MONTHS ENDED AUGUST 31, 2000 ----- (UNAUDITED)	THREE END AUGUS 20 ----- (UNAU
Net earnings (loss) for the period in accordance with Canadian GAAP	\$ 3,464	\$ 9,924	\$ (14
Non-cash stock-based compensation costs related to stock option plan	(1,464)	(1,464)	
Non-cash stock-based compensation costs related to stock purchase plan	(101)	(538)	
Non-cash stock-based compensation costs related to restricted stock award plan	-	-	(1
Unrealized gains (losses) on forward exchange contracts	71	-	
Future income taxes on forward exchange contracts	(27)	-	
Acquired in process research and development	-	-	1
Future income taxes on in process research and development	-	-	
Amortization of goodwill	-	-	(3
	-----	-----	-----
Net earnings (loss) for the period			

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available to common shareholders in accordance with U.S. GAAP	1,943	7,922	(18)
Other comprehensive income (loss)			
Foreign currency translation adjustments	1,797	1,555	
Unrealized holding gains on available-for-sale securities, net of related future income taxes	37	37	
Reclassification of holding gains on available-for-sale securities included in net earnings, net of related future income taxes	-	(36)	
	-----	-----	-----
Comprehensive income (loss)	\$ 3,777	\$ 9,478	\$ (19)
	=====	=====	=====
Basic and diluted net earnings (loss) per share in accordance with U.S. GAAP	\$ 0.04	\$ 0.20	\$ (

EXFO ELECTRO-OPTICAL ENGINEERING INC.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(tabular amounts in thousands of US dollars,
except share and per share data and as otherwise noted)

SHARE CAPITAL

	AS

	2000

Share capital in accordance with Canadian GAAP	\$198,459
Stock-based compensation costs related to stock purchase plan	
Current period	2,647
Cumulative effect of prior periods	45
Shares issued upon business combinations	-

Share capital in accordance with U.S. GAAP	\$201,151
	=====

DEFERRED STOCK-BASED COMPENSATION COSTS

AS

2000

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Deferred stock-based compensation costs in accordance with Canadian GAAP	\$ -
Stock-based compensation costs related to stock-based compensation plans	
Current period	(21,396)
Cumulative effect of prior periods	(35)
Amortization for the year	2,002
Reduction of stock-based compensation costs	-

Deferred stock-based compensation costs in accordance with U.S. GAAP	\$(19,429)
	=====
 OTHER CAPITAL	
	AS

	2000

Other capital in accordance with Canadian GAAP	\$ -
Stock-based compensation costs related to stock-based compensation plans	
Current period	18,749
Cumulative effect of prior periods	-
Reduction of stock-based compensation costs	-

Other capital in accordance with U.S. GAAP	\$18,749
	=====

EXFO ELECTRO-OPTICAL ENGINEERING INC.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(tabular amounts in thousands of US dollars,
except share and per share data and as otherwise noted)

RETAINED EARNINGS (DEFICIT)	
	AS

	2000

Retained earnings (deficit) in accordance with Canadian GAAP	\$ 6,980
Stock-based compensation costs	
Current period	(2,002)
Cumulative effect of prior periods	(10)
Unrealized gains on forward exchange contracts, net of related future income taxes	
Current period	-
Future income taxes on acquired in process research and development	
Current period	-

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Amortization of goodwill	
Current period	-
Change in reporting currency	
Cumulative effect of prior periods	1,016

Retained earnings (deficit) in accordance with U.S. GAAP	\$ 5,984
	=====

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	THREE MONTHS ENDED AUGUST 31, 2000 ----- (UNAUDITED)	TWELVE MONTHS ENDED AUGUST 31, 2000 -----	THREE END AUGUS 20 ----- (UNAU
Foreign currency translation adjustments			
Balance - Beginning of period	\$ (1,258)	\$ (1,016)	\$ (9,
Change during the period	1,797	1,555	(
	-----	-----	-----
Balance - End of period	539	539	(9,
	-----	-----	-----
Unrealized holding gains on available-for-sale securities, net of future income taxes			
Balance - Beginning of period	-	36	
Unrealized gains arising during the period, net of related future income taxes	37	37	
Reclassification adjustment for amounts included in net earnings (loss), net of related future income taxes	-	(36)	
	-----	-----	-----
Balance - End of period	37	37	-----
	-----	-----	-----
Accumulated other comprehensive income (loss)	\$ 576	\$ 576	\$ (9,
	=====	=====	=====

EXFO ELECTRO-OPTICAL ENGINEERING INC.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(tabular amounts in thousands of US dollars,
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BALANCE SHEETS

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	AS AT AUGUST 31, 2000		
	----- AS REPORTED	U.S. GAAP	----- AS R
Goodwill			
Cost	\$ 2,549	\$ 2,549	\$2
Accumulated amortization	(297)	(297)	(
	-----	-----	-----
	\$ 2,252	\$ 2,252	\$2
	=====	=====	==
Shareholders' equity			
Share capital	\$198,459	\$201,151	\$4
Contributed surplus	-	-	
Cumulative translation adjustment	1,555	-	
Deferred stock-based compensation costs	-	(19,429)	
Other capital	-	18,749	
Retained earnings (deficit)	6,980	5,984	
Accumulated other comprehensive income (loss)	-	576	
	-----	-----	-----
	\$206,994	\$207,031	\$4
	=====	=====	==

STATEMENTS OF CASH FLOWS

For the periods ended August 31, 2000 and 2001, there are no significant differences between the statements of cash flows under Canadian GAAP as compared to U.S. GAAP.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EXFO ELECTRO-OPTICAL ENGINEERING INC.

By: /s/ Germain Lamonde

Name: Germain Lamonde

Title: President and Chief Executive Officer

Date: October 10, 2001