

EXFO INC.  
Form 6-K  
September 13, 2010

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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 September 2010

EXFO Inc.

400 Godin Avenue, Quebec, Quebec, Canada G1M 2K2  
(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-\_\_\_\_\_.

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Unaudited Pro Forma Consolidated Statement of Earnings of EXFO Inc. for the Year Ended August 31, 2009

Unaudited Pro Forma Consolidated Statement of Earnings of EXFO Inc. for the Six Months Ended February 28, 2010

Notes to Unaudited Pro Forma Consolidated Financial Statements of EXFO Inc.

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On September 13, 2010, EXFO Inc., a Canadian corporation, filed a Business Acquisition Report following the acquisition of NetHawk Oyj pursuant to Canadian legislation. This report on Form 6-K sets forth the Business Acquisition Report Form relating to EXFO's filing of its Business Acquisition Report in Canada.

The Business Acquisition Report Form contains material information relating to EXFO and are hereby incorporated as documents by reference to Form F-3 (Registration Statement under the Securities Act of 1933) declared effective as of July 30, 2001 and to Form F-3 (Registration Statement under the Securities Act of 1933) declared effective as of March 11, 2002 and to amend certain material information as set forth in these two Form F-3 documents.

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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: September 13, 2010

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EXFO Inc.  
FORM 51-102F4  
BUSINESS ACQUISITION REPORT

Item Identity of Company

1

1.1 Name and Address of the Company

EXFO Inc.  
400 Godin Avenue  
Quebec City (Quebec)  
G1M 2K2

1.2 Executive Officer

For further information, please contact:

Pierre Plamondon, CA  
Vice-President, Finance  
Chief Financial Officer  
EXFO Inc.  
(418) 683-0211

Item Details of Acquisition

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2.1 Nature of Business Acquired

On March 12, 2010, the company acquired 91% of the issued and outstanding common shares of NetHawk Oyj. Headquartered in Oulu, Finland, NetHawk Oyj was a privately held company providing 2G, 3G and 4G/LTE protocol analyzers and simulators aimed mostly at network equipment manufacturers and wireless network operators.

On March 15, 2010, the company made a voluntary offer to purchase the remaining issued and outstanding shares; this offer expired on April 30, 2010. Simultaneously, the company entered into a statutory procedure under the Finnish Companies Act to acquire the remaining issued and outstanding common shares by which it acquired the remaining of the issued and outstanding common shares that were not tendered under the voluntary offer.

2.2 Date of Acquisition

The date of acquisition for accounting purposes was March 12, 2010.

2.3 Consideration

Total consideration was comprised of a cash consideration of €37,264,000 (US\$51,139,000), including estimated acquisition-related costs of US\$2,842,000, or €25,121,000 (US\$34,438,000), excluding acquired cash of NetHawk Oyj of €12,143,000 (US\$16,701,000) at the acquisition date, plus a cash contingent consideration of up to €8,700,000

(US\$12,000,000) based on certain sales volume of NetHawk Oyj over the next three years. The cash contingent consideration will be accounted for as additional goodwill when the amounts of any contingent consideration can be reasonably estimated and the outcome of the contingency is resolved. Acquisition-related costs include an amount of US\$780,000 for a statutory transfer tax payable in Finland based on the purchase price of shares.

The company used cash and short-term investments to finance this acquisition.

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2.4 Effect on Financial Position

The acquisition of NetHawk Oyj was accounted for using the purchase method, whereby the purchase price was allocated to the net assets acquired based on their estimated fair value as of the date of acquisition. The allocation of the purchase price is preliminary. The unallocated balance of the purchase price was allocated to goodwill. Other than the resulting impact of the acquisition on the company's consolidated balance sheet and the statement of earnings, the company does not foresee, as a result of this acquisition, any material changes in its business affairs or the affairs of the acquired business which may have a significant effect on the results of operations and financial position of the company.

2.5 Prior Valuations

Not applicable

2.6 Parties to Transaction

The acquisition of NetHawk Oyj did not involve an informed person, associate or affiliate of EXFO Inc.

2.7 Date of Report

September 13, 2010

Item Financial Statements

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The following financial statements are included in the Business Acquisition Report:

- Audited consolidated financial statements of NetHawk Oyj for the year ended December 31, 2009;
- Unaudited pro forma consolidated statement of earnings of EXFO Inc. (formerly EXFO Electro-Optical Engineering Inc.) for the year ended August 31, 2009;
- Unaudited pro forma consolidated statement of earnings of EXFO Inc. for the six months ended February 28, 2010.

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AUDITOR'S REPORT

To the Stockholders and Board of Directors  
NetHawk Oyj

We have audited the consolidated balance sheets of NetHawk Oyj as of December 31, 2009 and 2008 and the consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

/s/ Ernst & Young Oy  
Authorized Public Accountant Firm  
Oulu, Finland  
August 25, 2010



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Consolidated Balance Sheets

(in thousands of euros)

|   | As at December 31, |         |
|---|--------------------|---------|
|   | 2009               | 2008    |
| <b>Assets</b>                               |                    |         |
| <b>Current assets</b>                       |                    |         |
| Cash  | €11,125            | €5,122  |
| Short-term investments                      | 10                 | 10      |
| Accounts receivable (note 5)                |                    |         |
| Trade                                       | 8,319              | 9,396   |
| Other                                       | 1,368              | 1,311   |
| Forward exchange contracts (note 5)         | –                  | 8       |
| Income taxes recoverable                    | 5                  | 10      |
| Inventories (note 6)                        | 1,705              | 1,899   |
| Prepaid expenses                            | 387                | 265     |
| Future income taxes (note 15)               | 455                | 374     |
|   | 23,374             | 18,387  |
| <b>Fixed assets (note 7)</b>                | 2,073              | 2,211   |
| Future income taxes (note 15)               | 147                | 64      |
| <b>Intangible assets (note 8)</b>           | 1,225              | 2,338   |
| Goodwill (notes 3 and 8)                    | 4,386              | 4,386   |
|   | €31,205            | €27,394 |
| <b>Liabilities</b>                          |                    |         |
| <b>Current liabilities</b>                  |                    |         |
| Accounts payable and accrued liabilities    | €3,915             | €4,719  |
| Forward exchange contracts (note 7)         | 18                 | –       |
| Current portion of long-term debt (note 10) | 448                | 58      |
| Future income taxes (note 15)               | 15                 | 16      |
| Deferred revenue                            | 2,836              | 2,178   |
|   | 7,232              | 6,971   |
| Future income taxes (note 15)               | 163                | 345     |
| Long-term debt (note 10)                    | 1,344              | –       |

|                                   |         |         |
|-----------------------------------|---------|---------|
|                                   | 8,739   | 7,316   |
| Commitments (note 9)              |         |         |
| Shareholders' equity              |         |         |
| Share capital (note 11)           | 98      | 97      |
| Share premium (restricted equity) | 3,006   | 2,988   |
| Legal reserve (restricted equity) | 3       | 3       |
| Contributed surplus               | 1,874   | 1,809   |
| Retained earnings                 | 17,485  | 15,181  |
|                                   | 22,466  | 20,078  |
|                                   | €31,205 | €27,394 |

On behalf of the Board

/s/ Hannu Huttunen  
HANNU HUTTUNEN  
CEO

/s/ Katri Tahkola  
KATRI TAHKOLA  
CFO

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NetHawk Oyj

Consolidated Statements of Earnings and Comprehensive Income (Loss)

(in thousands of euros, except share and per share data)

|   | Years ended December<br>31, |           |
|---|-----------------------------|-----------|
|   | 2009                        | 2008      |
| Sales (note 16)   | €28,509                     | €26,928   |
| Cost of sales   | 7,059                       | 7,021     |
| Gross margin  | 21,450                      | 19,907    |
| Operating expenses  |                             |           |
| Selling and administrative (1)  | 10,133                      | 10,925    |
| Net research and development (note 14)                                  | 6,853                       | 8,285     |
| Amortization of fixed assets  | 1,108                       | 991       |
| Amortization of intangible assets                                       | 1,091                       | 1,109     |
| Impairment of goodwill (note 3)   | –                           | 1,736     |
| Total operating expenses  | 19,185                      | 23,046    |
| Earnings (loss) from operations   | 2,265                       | (3,139 )  |
| Net interest income   | 9                           | 60        |
| Gain of disposal of other assets (note 14)                              | –                           | 254       |
| Foreign exchange gain (loss)  | (182 )                      | (92 )     |
| Earnings (loss) before income taxes                                     | 2,092                       | (2,917 )  |
| Income taxes (note 15)  |                             |           |
| Current   | 176                         | 226       |
| Future  | (388 )                      | (484 )    |
|   | (212 )                      | (258 )    |
| Net earnings (loss) and comprehensive income (loss) for the year        | €2,304                      | €(2,659 ) |
| Basic net earnings (loss) per share                                     | €0.09                       | €(0.10 )  |
| Diluted net earnings (loss) per share                                   | €0.08                       | €(0.10 )  |
| Basic weighted average number of shares outstanding (000's) (note 12)   | 27,023                      | 26,939    |
| Diluted weighted average number of shares outstanding (000's) (note 12) | 27,745                      | 26,939    |

(1) Includes stock-based compensation expenses of €169 and €65 for the years ended December 31, 2008 and 2009, respectively.

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Consolidated Statements of Retained Earnings and Contributed Surplus

(in thousands of euros)

## Retained earnings

|                                  | Years ended December 31, |          |
|----------------------------------|--------------------------|----------|
|                                  | 2009                     | 2008     |
| Balance - Beginning of the year  | €15,181                  | €17,840  |
| Add (deduct)                     |                          |          |
| Net earnings (loss) for the year | 2,304                    | (2,659 ) |
| Balance - End of the year        | €17,485                  | €15,181  |

## Contributed surplus

|   | Years ended December 31, |        |
|---|--------------------------|--------|
|   | 2009                     | 2008   |
| Balance - Beginning of the year   | €4,456                   | €1,392 |
| Add (deduct)  |                          |        |
| Stock-based compensation costs  | 65                       | 169    |
| Reclassification of stock-based compensation costs to share capital upon exercise of stock awards (note 11) | (313 )                   | (97 )  |
| Share premium (note 11)   | 18                       | 2,992  |
| Balance - End of the year   | €4,226                   | €4,456 |

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Consolidated Statements of Cash Flows

(in thousands of euros)

|   | Years ended December<br>31, |           |
|---|-----------------------------|-----------|
|   | 2009                        | 2008      |
| Cash flows from operating activities            |                             |           |
| Net earnings (loss) for the year                | €2,304                      | €(2,659 ) |
| Add (deduct) items not affecting cash           |                             |           |
| Stock-based compensation costs                  | 65                          | 169       |
| Amortization                                    | 2,199                       | 2,100     |
| Deferred revenue                                | 658                         | 118       |
| Government grants                               | 12                          | (282 )    |
| Gain on disposal of capital assets              | (1 )                        | (3 )      |
| Impairment of goodwill                          | –                           | 1,736     |
| Future income taxes                             | (388 )                      | (484 )    |
| Other expenses without cash impact              | 187                         | 633       |
| Change in unrealized foreign exchange gain/loss | 127                         | (11 )     |
|   | 5,163                       | 1,317     |
| Change in non-cash operating items              |                             |           |