Anritsu A/S
Kay Fiskers Plads, 9
2300 Copenhagen S, Denmark
Tel: +45 72112200 / Fax: +45 72112210
Registered No. DK 28 31 01 61, Denmark

Anritsu A/S

Registration No. 28 31 01 61

Annual Report 2015/16

Management review and financial statements
for the period 1 April 2015 – 31 March 2016

(12th fiscal year)

Annual Report was presented and approved at the Annual General Meeting

Date 11-07 2016

Chairman of the meeting

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CONTENT

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of 2015/16 for the financial year 1 April 2015 – 31 March 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2016 and of the results of the Company's operations, assets, liabilities and cash flows for the financial year 1 April 2015 – 31 March 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and its financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 11th July 2016

Executive Board

Gerald Ostheimer

Board of Directors

Kenji Tanaka Chairman	Hirokazu Hamada	Gerald Ostheimer

Independent auditors' report

To the shareholders of Anritsu A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Anritsu A/S for the financial year 1 April 2015 – 31 March 2016. The financial statements comprise accounting policies, income statement, balance sheet, equity statement, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2016 and of the results of the Company's operations and cash flows for the financial year 1 April 2015 – 31 March 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 11th July 2016
KPMG
Statsautoriseret Revisionspartnerselskab
CVR. 25 57 81 98

Jon Beck
State Authorised
Public Accountant

Company details

Anritsu A/S
Kay Fiskers Plads 9
2300 Copenhagen
Denmark

Phone :	+45 72 11 22 00
Fax:	+45 72 11 22 10
Web site:	www.anritsu.com

Registration No.:	28 31 01 61
Established:	1st of July 2004
Registered office:	Copenhagen

Board of Directors

Kenji Tanaka (Chairman), Excecutive Vice President Anritsu Corporation
Hirokazu Hamada (Deputy chairman), Vice President Anritsu Corporation
Gerald Ostheimer, Managing Director

Executive Board

Gerald Ostheimer

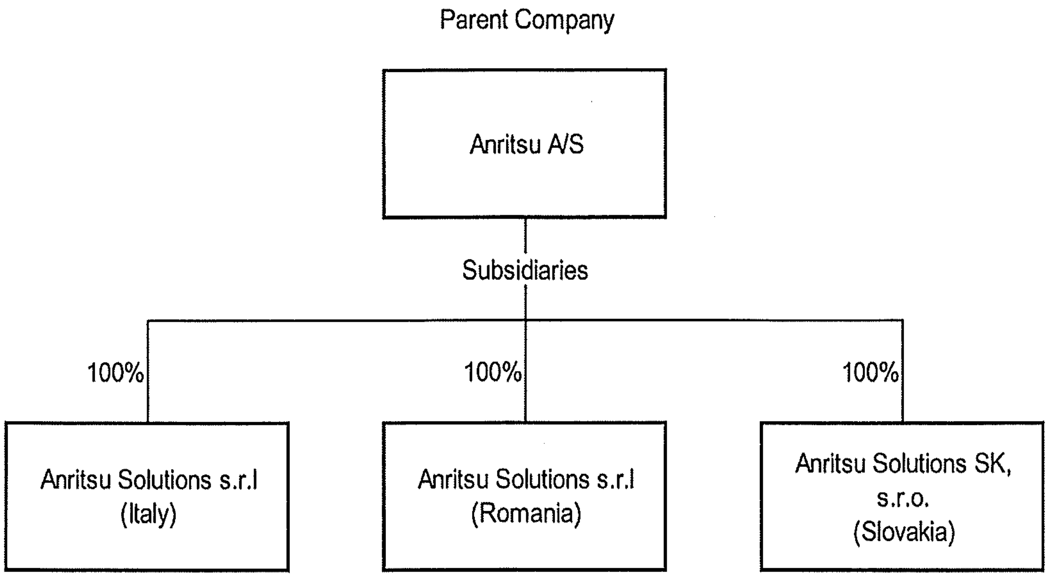
Ownership

Anritsu Corporation holds 100% of the Company's share capital.
Anritsu A/S is included in the consolidated accounts of Anritsu Corporation for which company details can be found at www.anritsu.com

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Group Chart


Parent Company
Anritsu A/S
Subsidiaries
100%
100%
100%
Anritsu Solutions s.r.l (Italy)
Anritsu Solutions s.r.l (Romania)
Anritsu Solutions SK, s.r.o. (Slovakia)

Financial highlights

EUR 1.000	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Key figures						
Revenue	30.369	28.214	27.988	36.332	36.207	32.484
Gross profit	12.952	11.462	8.341	14.093	14.959	15.614
Result from primary operations	-59	1.098	-3.484	3.604	-814	844
Result of financial items	766	2.295	-1.176	-157	127	-672
Result for the year	631	3.029	-4.467	5.113	737	106
Balance sheet						
Fixed assets	10.497	9.399	7.970	8.438	11.009	12.597
Current assets	32.841	32.515	29.774	30.762	25.297	26.745
Total assets, year end	43.338	41.914	37.744	39.200	36.306	39.342
Investments in tangible assets	74	0	35	0	27	414
Share Capital	29.088	29.088	29.088	29.088	29.088	29.088
Equity, year end	30.009	29.339	26.315	30.782	25.668	26.420
Number of employees, average	**27**	**41**	**51**	**59**	**88**	**98**
Key ratios						
Operating margin	-0,2%	3,9%	-12,4%	9,9%	-2,2%	2,6%
Return on invested capital	0,0%	12,9%	-30,0%	28,7%	-6,1%	5,7%
Gross margin	42,6%	40,6%	29,8%	38,8%	41,3%	48,1%
Solvency ratio	69,2%	70,0%	69,7%	78,5%	70,7%	67,2%
Return on equity	2,1%	10,8%	-15,6%	18,1%	2,8%	0,8%

Financial ratios are calculated in accordance with the "Danish Society of Financial Analysts guidelines on the calculation of financial ratios, recommandations and Financial Ratios 2015". Refering to the definitions and concepts of accounting policies.

Management review

Market survey

Anritsu A/S has traditionally operated in two business areas – Service Assurance and Instruments. The relative importance of the Instruments activity has significantly declined in recent years and during the year instruments activity represented only 5% of net revenue.

Service Assurance provides integrated systems for monitoring telecommunications networks.

The products and services are used to ensure high performance and quality of networks within GSM, GPRS, UMTS, LTE, and VoIP networks. The solutions provided are now critical to customers, enabling them to manage their Customer's Experience and the End to End service quality of their networks. This ensures that operators reduce Churn, improve efficiency and optimize their network investments.

Customers are offered a range of services including 24hrs support, training, system administration, on-site engineering and other consultancy services.

Development through the year

Result for the year

Revenue has increased by 8% from 28,2 million to 30,4 million euro.

In 2015/16 the Service Assurance market has continued to be highly competitive. Compared to last year the company experienced a decrease in incoming orders of 11%.

Despite the difficult market condition, the company manage to improve Gross Margin from 40,6% to 42,6%.

The increase in R&D costs of 0,3 million reflects the investment of the company in addtionnal promising functionalities/products within the Materclaw suite such as Eo-mind.

The distribution costs increase to 8,2 million from 7,6 million is the result of revenue increase and of the addition of resources to the sales team.

The significant increase in administrative costs (+ 1,4 million) is mainly explained by the accrual of a cost related to the termination of the office lease in Copenhagen of 0,7 million. The company will vacate the current premises in February 2017. The remaining increase is due to additional recharge of support costs (IT, Finance) from affiliated companies.

As opposed to previous year, the company did not benefit from favorable currency fluctuation, especially from the US$ against Euro. Total net financial income decreased by EUR 1,5 million to EUR 0,8 million.

As a result of the above, the company is showing a annual profit of EUR 0,7 million compared to a profit of EUR 3,0 last year.

The realised operating profit is slightly below expectations.

Share capital, equity and liquidity position

During the year the company has generated a positive cash flow, with cash generated from operations before financial items and tax amounting to EUR 7,0 million. The increase compared to last year is mainly due to the improvement in working capital, especially from improved cash collection from affiliated companies.

The cash flow from operations after financial items and tax amounted to EUR 5.2 million. The company's investments in development projects amounted to EUR 2,8 million.

The resulting net cash flow amounted to EUR 5,1 million.

Cash and cash equivalents were EUR 10,1 million at the end of the year.

At the end of the fiscal year the equity of the company was EUR 30,0 million, and the equity ratio of the company was 79.8%. The share capital of the company is EUR 29,1 million.

In addition to the amount of cash available at the end of March 2016, the company's banks have confirmed that they will maintain the available credit facilities. Thus, at 31 March 2016 the company has EUR 28,8 million in uncommitted credit facilities. Based on the company's budget for the year 2016/17, the company does not expect to use the credit facility.

It is the opinion of the Board that the company's cash funds and credit facilities are fully adequate for the company to meet its liabilities as they fall due.

Strategic activities

The company has reorganised the sales organisation by recruiting a new sales director responsible for the worldwide sales team. The move from a technical based selling to account director value based selling organisation to support the changing market and importance of C-level decision making within the customer base is an on ongoing process that has started to produce tangible results in the first quarter of FY16.

The alignment of the product marketing with market demand has resulted in the development and the launch of new products within the masterclaw suite enabling the company to better address customers expectations.

The Asia region as a whole (including China and Japan) is a strategic growth area. Investments in sales has already been made and further development is expected.

The Roumanian subsidiary has continued to improve the quality of the SW releases and enabling faster upgrade times for customers and reduced operational costs. We are continuing to invest in new staff to support R&D projects, which will contribute to increased cost efficiency of development projects.

Research and development

The company development activities take place in the parent company as well subsidiaries. In addition, the company has strategic cooperation with a number of outsourcing companies that perform certain development activities

The development activities of the company are closely adapted to actual market conditions and with constant supervision of individual development project's profitability.

Special risks – operating risks and financial risks

Operating risks

The main operating risk of the company relates to its ability to maintain a strong position in the Global market in order to ensure that the Master Claw solutions will continue to be deployed at its customers.

This relies on agile and fast development and delivery of Master Claw solutions to meet the evolving global market requirements of customers in a timely manner.

The company also provides bank guarantees to a number of customers mainly in the Middle East. These performance bonds are released on completion of the contracts or at pre-agreed stages.

We have a number of customers who are operating in regions which are experiencing significant conflict or political and social unrest which could affect the company's ability to deliver and maintain solutions.

Market risks

The most important market risks are related to the keen competition in the service assurance market and the constant demand for new development from the customers of the company. This can impose very heavy demands on constant new development of systems to meet time to market. The stability of the global financial sector can have an impact on the CAPEX available to our customers.

Currency risk

Global activities expose results, cash flows and equity to fluctuation in exchange and interest rates affecting a number of major trading currencies. The company is particularly exposed to fluctuations in the USD/Euro exchange rate. It is the policy of the company to hedge commercial currency risks. The hedging is done primarily by forward buying contracts. The company does not enter into speculative currency transactions.

Currency risks relating to investments in subsidiary companies and associated companies abroad are not hedged, as in the opinion of the company a current hedging of such long-term investments will not be optimal seen from an over-all risk and cost viewpoint.

Liquidity risks

At times the company launches very large projects, and therefore the company must to some degree continually have credit facilities available. Therefore it is company policy continually to have irrevocable credit facilities to an extent matching the planned activities. It is also a company policy not to be dependent on a single lender, but to take loans from several lenders.

Interest rate risks

Since the company has excess liquidity there is no significant interest rate risk.

Credit risks

The company's credit risks relate primarily to the receivables from the Global customers within the service assurance business. When undertaking business, the company policy is to ensure that the customer's credit ratings are satisfactory.

Knowledge resources.

The primary business base of the company includes development of integrated systems for surveillance of telecommunication networks. This places special demands on the knowledge resources needed to develop the systems.

For a constant supply of these systems it is essential that the company is able to recruit and keep staff with a high education level and a detailed knowledge of the telecommunications global technology market, especially expertise in surveillance systems of telecommunication networks.

Expectations for the New Year

The company expects a positive result from primary operations better than the result for the current year.

The vision is to build a solid business and management structure that will grow profitability, manage market and external environment changes and continue to deliver competitive solutions that increase shareholder value.

Events after the date of the balance sheet date

No significant event has occurred since the 31st March 2016 that would affect the assessment of the financial position of the company.

It has to be noted the the company has decided in April 2016 to reorganize the instrument division by transferring the activity to its parent company in Japan. Any cost related to that reorgansiation will be recharged to the parent company. Management does not expect that th transfer of this line of business which has been declining over the last few years, will have a significant impact on the company performance moving forward.

Accounting policies

The annual report 2015/16 has been prepared in accordance with the provisions applying to class C (medium) enterprises under the Danish Financial Statements Act.

The accounting policies used are consistent with those of last year except the currency which has been changed its functional and presentation currency from DKK to EUR.

Referring to the Danish Financial Statements Act § 112 have the Company not prepared the consolidated financial statement for the Anritsu A/S Group. Anritsu A/S is included in the consolidated accounts of Anritsu Corporation, Japan which is the Parent Company.

The annual report is prepared in EUR 1,000.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

On recognition and measurement are considered gains, loss and risks known before the date of the annual report, if these confirm or de-confirm events that existed at the date of the balance sheet.

Income is recognized in the income statement as earned. Costs incurred to generate the year's earnings, including depreciation, amortization, impairment and provisions are recognized in the income statement.

Value adjustments of financial assets and liabilities measured at amortized cost are recognized in the income statement. Reversals as a result of changes in accounting estimates of amounts which were previously recognized in the income statement are also recognized in the income statement.

Foreign currency translation

Transactions denominated in foreign currencies (e.g. purchase/sale) are translated into the currency at the exchange rates at the transaction date or at a hedged exchange rate. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as interest income or expense and similar items.

Receivables and payables denominated in foreign currencies and forward exchange contracts are recognized at the exchange rates at the balance sheet date. Hedged receivables and payables are recognized at the hedged exchange rates. Foreign exchange gains or losses are recognized in the income statement under interest income and expense and similar items.

Derivative financial instruments

Derivative financial instruments are recognized at market value at the balance sheet date. Realized and unrealized gains and losses are recognized in the income statement.

The value of derivative financial instruments is recognized under receivables or short-term liabilities.

Foreign exchange adjustments of financial instruments designated as a hedge of future income and expenses are deferred and recognized in the income statement when such income and expenses have been realized.
The value is recognized in a separate item in equity. Premiums received or paid on financial instruments are recognized in the income statement over the term of the instruments.

Gains or losses on derivative financial instruments designated as a hedge of capital expenditure are included in the cost of theinvestment.

Pension plans

Fixed periodic contributions (defined contribution plans) are recognized in the income statement.

INCOME STATEMENT

Revenue

Revenue from the sale of goods and rendering of services is recognized in the income statement provided that delivery has taken place before year-end. Revenue is measured excluding customer discounts and bonuses in relation to the sale.

Revenue from contract work in progress is recognized at the selling price of work performed during the year (the percentage of completion method). The stage of completion is determined as the percentage of rendered services relative to the total services to be provided under the contract.

Production costs

Production costs comprise costs of goods sold during the year, including costs for raw materials and consumables, direct wages and salaries, indirect production costs, such as maintenance and depreciation of production plant, and expenses relating to the operation, administration and management of factories.

R&D costs

R&D costs comprise costs, salaries, and depreciation of operating assets and equipment directly or indirectly attributable to the Company's R&D activities.

Research costs are recognized as cost in the year when they are incurred.

Costs relating to development projects that are clearly defined and identifiable, where the technical utilization degree, sufficient resources and a potential future market or development opportunities in the Company is evidenced, and where the Company intends to produce, market or use the project, are capitalized from the date on which the above-mentioned conditions are satisfied and when the present value of future earnings is expected to exceed the development costs incurred. The cost of such development projects includes direct wages, salaries, materials and other direct and indirect costs attributable to the development projects.

Other development costs are recognized as cost in the year when they are incurred.

Selling and distribution costs

Selling and distribution costs comprise costs relating to the sale and distribution of products and services, including salaries, sales commissions, advertising and marketing costs and depreciation, etc.

Management and administrative expenses

Management and administrative expenses comprise expenses incurred for administrative staff and management, office expenses and depreciation, etc.

Other operating income and costs

Other operating income and costs comprise other income and costs, including gains and losses on disposal of fixed assets (plant, machinery, operating assets and equipment) etc., salaries for employess who has been made, vacant in the termination period.

Impairment

Impairment comprises write-downs of intangible assets and property, plant and equipment due to reduced expectations of the assets' cash generating ability.

Profits/losses from investments in subsidiaries and joint ventures

The proportionate share of the profit/loss after tax of the individual subsidiaries and joint ventures is recognized in the income statement.

Financial items

Interest income and expense and similar items comprise interest income and expense relating to the fiscal year.

Also included are finance costs relating to finance leases, impairment of investments, realized and unrealized gains and losses on derivative financial instruments, securities recognized under current assets and items denominated in foreign currencies.

Any paid or received premium on derivative financial instruments is recognized in interest income and expense and similar items over the term of the instrument.

Tax on profit for the year
Tax on the taxable income for the year adjusted for changes in provision for deferred tax for the year is recognized in the income statement. Withholding tax on dividends from foreign subsidiaries is recognized in the year when dividend is received and included in the profit for the year.

Surcharges, premiums and refunds relating to tax payments are included in financial items and similar items at the time of payment.

Tax payable is recognized under short-term liabilities and deferred tax is recognized under provisions.

Tax assets are recognized under investments. Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

The tax base of tax loss carry forwards or deferred tax is recognized as an asset when the tax losses are likely to reduce tax payments in coming years.

Deferred tax is provided for according to the tax rules and at the tax rates applicable when the temporary differences are expected to reverse. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

BALANCE SHEET
Intangible assets
Intangible assets are measured at cost less accumulated amortization and impairment. Amortization of the following intangible assets is provided on a straight-line basis over the expected useful lives of the assets.

The expected useful lives are as follows:

Software.. 3 - 5 years
Development projects .... 3 - 5 years

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the disposal date, and are recognized in the income statement as other operating income or other operating costs, respectively.

The opening balance has been adjusted cf. note 6.

Tangible assets
Property, machinery, equipment etc. are measured at cost less depreciation and impairment.

Cost includes the cost of acquisition and cost of materials, components, subcontractor services, direct wages and salaries, and indirect production costs. Interest and other borrowing costs are not included in the cost of acquisition.

The cost of assets leased under finance leases is stated at the lower of fair value or the present value of the future lease payments at the time of acquisition. Assets leased under finance leases are recognized in the balance sheet and depreciated as the Company's other property, plant and equipment.

The cost of refurbishment related with the lease of office premises, is messured at estimated cost to refurbish the office.

Depreciation of property, plant and equipment is provided on a straight-line basis over the expected useful lives of the assets. In calculating depreciation on buildings, an estimated scrap value is used.

The expected useful lives are as follows:

Operating assets and
equipment ....5 years
IT equipment ....3-5 years
Leased equipment.............................5 years
Leasehold improvements ....5 years

Gains or losses on the disposal or retirement of an item of property, plant and equipment are determined as the difference between the selling price less costs of dismantling and disposal of the item and restoring the site and the carrying amount at the date of disposal.

The gains or losses are recognized as other operating income or other operating costs, respectively. Gains and losses on sale of property are recognized in a separate line item.

Impairment of assets
The carrying amount of intangible assets and property, plant and equipment is subject to an impairment test in connection with the year-end reporting. If indications of impairment are present, the carrying amount is written down to the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the future net cash inflows expected to arise from the use of the asset.

Investments
Investments in subsidiaries are measured using the equity method at the proportionate share of the subsidiaries' net asset value.

Investments in joint ventures are measured using the equity method at the proportionate share of the joint ventures' net asset value.

Subsidiaries and joint ventures with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the Company's share of the negative net asset value. If the parent company has an obligation to cover the negative equity and if the negative equity exceeds the amount owed, the remaining amount is recognized in provisions.

Net revaluation of investments in subsidiaries and joint ventures is recognized in the reserve for net revaluation in equity according to the equity method.

Inventories
Raw materials and goods for resale are measured at cost in accordance with the FIFO method.

Self-produced goods are measured at cost in accordance with the FIFO method, comprising the cost of direct materials, wages and salaries and indirect production costs.

Where the net realizable value is lower than cost, inventories are written down to this lower value.

Receivables
Receivables are recognized at cost and subsequently measured at the amount expected to be received.

Contract work in progress
Contract work in progress is measured at the selling price of the part of the contract performed at the balance sheet date less progress billings and anticipated losses.

The stage of completion is determined as the percentage of rendered services relative to the total services to be provided under the contract.

Provisions for bad debt losses are deducted from the selling price and determined as the total losses on the contract regardless of the actual stage of completion.

The selling price of work performed exceeding progress billings and anticipated losses is recognized under receivables. Progress billings and anticipated losses exceeding the value of work performed are recognized under liabilities.

Net revaluation according to the equity method
Net revaluation according to the equity method comprises the parent company's share of accumulated profits in subsidiaries and joint ventures measured according to the equity method less the share of losses in subsidiaries and joint ventures. Other changes to the net asset value of subsidiaries and joint ventures, which are recognized directly in equity, are also recognized in the revaluation reserve. The reserve can be used to eliminate deficits in the parent company and for issue of bonus shares.
Amounts included in the net revaluation reserve relating to subsidiaries or joint ventures will also be released when the subsidiary or the joint venture is liquidated or disposed of.

Other provisions
Provisions are recognized when as a result of events in the fiscal year or in previous years the Company has an obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions for restructuring of the company include costs that are related to announced decisions to restructure the existing business units.

Provisions relating to acquisitions include provisions for restructuring obligations relating to acquisitions that have been adopted and announced not later than at the date of the acquisition and are included in the determination of goodwill.

Financial liabilities
Amounts owed to mortgage credit institutions and banks are recognized at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.
Financial liabilities also include the capitalized residual obligation on finance leases.
Other liabilities are recognized at cost and subsequently measured at amortized cost.

Other rental and lease matters
When contracts for rent and lease of buildings and operating assets are of an operational nature, rental and lease payments are recognized in the income statement for the period to which they relate.

The remaining rental and lease obligations under such contracts are disclosed as contingent liabilities.

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognized in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognized up until the date of disposal.

Cash flows from operating activities comprise the Company's share of the profit for the year adjusted for non-cash operating items, changes in working capital and paid corporation tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and acquisitions and disposals of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Key ratios

The key ratios stated in the survey of financial highlights have been calculated as follows:

Gross margin:

$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Operating margin:

$$\frac{\textit{Profit of primary operations} \times \textit{100}}{\textit{Revenue}}$$

Return on invested capital:

$$\frac{\text{Profit from primary operations} \times 100}{\text{Average invested capital}}$$

Invested capital:

Operating intangible and tangible fixed asstes and net working capital

Return on equity:

$$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$

Solvency ratio:

$$\frac{\text{Equity end year} \times 100}{\text{Total assets}}$$

INCOME STATEMENT 1 APRIL - 31 MARCH

DKK 1.000	Note	2015/16	2014/15
Revenue		30.369	28.214
Production costs	1, 18	-17.417	-16.752
GROSS PROFIT		**12.952**	**11.462**
Reseach and development costs	2, 18	-1.509	-1.252
Distribution costs		-8.200	-7.623
Administrative expenses	18	-3.421	-2.050
RESULT OF ORDINARY, PRIMARY OPERATIONS		**-179**	**537**
Other operating costs		-25	-167
RESULT BEFORE FINANCIAL ITEMS		**-204**	**370**
Share of result in subsidiaries	8	144	225
Share of result in joint venture	8	0	503
RESULT FROM PRIMARY OPERATIONS		**-59**	**1.098**
Financial income	3	2.318	4.457
Financial costs	4	-1.552	-2.162
RESULT BEFORE TAX		**707**	**3.393**
Tax for the year	5	-76	-368
RESULT FOR THE YEAR		**631**	**3.025**
Proposed distribution of result			
Retained earnings		487	3.006
Revaluation reserve subsidiaries		144	19
		631	**3.025**

BALANCE SHEET 31 MARCH

ASSETS

DKK 1.000	Note	31/03/2016	31/03/2015
Software		11	20
Completed development projects		3.448	2.330
Development projects in progress		4.035	4.140
INTANGIBLE ASSETS	6	**7.494**	**6.490**
Operating equipment and funiture		33	56
IT equipment		31	8
Leased equipment		19	23
Leasehold improvement		-	23
TANGIBLE ASSETS	7	**84**	**110**
Investment in subsidiaries		2.628	2.480
Investment in joint venture		-	-
Deposits		291	317
FINANCIAL ASSETS	8	**2.919**	**2.797**
FIXED ASSETS		**10.497**	**9.398**
Raw materials and consumables		96	118
Finished goods and goods for resale		1.006	1.494
INVENTORIES		**1.102**	**1.612**
Deferred tax assets	9	2.162	2.089
Trade receivables	10	5.288	5.141
Contract work in progress	11	6.472	6.398
Receivables from subsidiaties		710	790
Receivables from affiliated companies		3.407	7.607
Other receivables		2.634	3.118
Prepayments	12	934	775
RECEIVABLES		**21.608**	**25.917**
CASH AT BANK AND IN HAND		**10.131**	**4.985**
CURRENT ASSETS		**32.841**	**32.515**
ASSETS		**43.338**	**41.914**

BALANCE SHEET 31. MARCH

EQUITY & LIABILITIES

DKK 1.000	Note	31/03/2016	31/03/2015
Share capital		29.088	29.088
Revaluation reserve subs		164	19
Retained earning		757	231
EQUITY		**30.009**	**29.338**
PROVISIONS	**13**	**800**	**736**
Amounts owed to credit institutes		13	-
Amounts owed to suppliers		-	68
LONG-TERM LIABILITIES	**14**	**13**	**68**
Current portion of non-current liabilities	**14**	72	297
Prepayment from customers	**15**	3.218	3.002
Amount owed to suppliers		2.039	916
Amount owed to subsidiaries		1.863	1.714
Amounts owed to affiliated companies		1.450	819
Other payables		3.874	5.023
SHORT TERM LIABILITIES		**12.516**	**11.771**
TOTAL LIABILITIES		**12.529**	**11.839**
EQUITY AND LIABILITIES		**43.337**	**41.914**
Contingent items	**16**		
Other notes	**17-21**		

STATEMENT OF CHANGE IN EQUITY

EQUITY STATEMENT

EUR 1.000	Share capital	Retained earnings	Revaluation reserve subs	Total
Equity 1 April 2015	29.088	232	19	29.339
Currency adjustment	0	0	3	3
Other adjustments	0	37	0	37
Result of the year	0	487	144	631
Equity 31 March 2016	29.088	755	166	30.009
Equity 1 April 2014	29.088	-2.774	0	26.314
Result of the year	0	3.006	19	3.025
Equity 31 March 2015	29.088	232	19	29.339

The share capital consists of 21.700.000 shares of a norminal value of DKK 10 per share.
No shares have special rights.

STATEMENT OF CHANGES IN EQUITY

EUR 1.000	2015/16	2014/15	2013/14	2012/13	2011/12
Share capital beginning of the year	29.088	29.088	29.088	29.088	29.088
Capital injection	0	0	0	0	0
SHARE CAPITAL END OF THE YEAR	**29.088**	**29.088**	**29.088**	**29.088**	**29.088**

CASH FLOW STATEMENT

EUR 1.000	Note	31/03/2016	31/03/2015
Result from primary		-59	1.098
Adjustments for non-cash items	20	1.497	3.460
CASH FLOW OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		**1.438**	**4.558**
Change in inventories		512	148
Change in receivables		-141	1.376
Change in contract work in progress		-65	-3.082
Change in other receivables and prepayments		356	-3.375
Change in receivables from associated and group related companies		4.290	-62
Change in payables to suppliers		840	-1.146
Change in payables to affiliated and group related companies		777	247
Change in other payables		-1.156	2.741
Change in prepayments from customers		212	-1.282
CHANGE IN WORKING CAPITAL		**5.626**	**-4.435**
CASH FLOW FROM OPERATIONS BEFORE FINANCIALS AND TAX		**7.064**	**124**
Financial income received		2.004	2.561
Financial cost paid		-945	-2.162
Paid taxes		-147	-198
FINANCIALS AND TAX		**913**	**201**
CASH FLOW FROM OPERATING ACTIVITIES		**7.977**	**325**
Acquisition of intangible assets		-2.764	-3.157
Acquisition of tangible assets		-74	0
Acquisition of financial assets		-20	-1.279
Disposal of financial assets		47	1.812
CASH FLOW FROM INVESTING ACTIVITIES		**-2.812**	**-2.624**
CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES		**5.165**	**-2.299**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of finance lease		-26	-25
NET CASH FLOW		**5.139**	**-2.324**
Cash and cash equivalents 1 April		4.992	7.310
CASH AND CASH EQUIVALENTS 31 MARCH	21	**10.131**	**4.985**

1. Production costs

	2015/16	2014/15
Production costs	15.658	15.070
Depreciation of capitalized development costs	1.760	1.682
Production costs	**17.417**	**16.752**

2. Development costs

Incurred development costs	4.425	4.924
Reimbursed cost from Anritsu Corporation	-884	-986
Capitalized development costs	-2.031	-2.687
Development costs	**1.509**	**1.252**

3. Financial income

Interest income	2	22
Net foreign exchange gains	2.316	4.436
Financial income	2.318	4.457

4. Financial costs

Interest costs, banks and credit institutes	6	1
Other interest costs	5	46
Net exchange rate loss	1.541	2.115
Financial costs	1.552	2.162

5. Tax for the year

Current tax for the year	0	0
Paid Withholdning taxes	147	198
Deferred tax adjustment for the year	-71	170
Tax for the year	76	368

6. Intangible Fixed assets	Software	Completed development projects	Development projects in progress
Cost price 1 April 2015	471	12.545	4.140
Other adjustments	1	17	5
Additions	0	0	2.764
Transferred	0	3.462	-3.462
Disposal	0	0	0
Cost price 31 March 2016	**472**	**16.024**	**3.448**
Depreciations and impairment 1 April 2015	451	10.215	0
Other adjustments	0	14	0
Depreciation of the year	10	1.760	0
Depreciation and impairment 31 march 2016	**461**	**11.989**	**0**
Carrying amount 31 March 2016	**11**	**4.035**	**3.448**
To be depreciated over	3-5 years	3-5 years	-

7. Tangible assets	Operating equipment & funiture	It equipment	Leased equipment	Leasehold improvements
Cost price 1 April 2015	601	1.076	117	115
Other adjustments	0	1	0	0
Additions	20	34	21	0
Cost Price 31 March 2016	**621**	**1.110**	**138**	**115**
Depreciation 1 April 2015	545	1.067	94	92
Other adjustments	0	1	0	0
Depreciation for the year	43	12	24	23
Depreciation 31 March 2016	**588**	**1.079**	**118**	**115**
Carrying amount 31 March 2016	**33**	**31**	**19**	**0**
To be depreciated over	5 years	3-5 years	5 years	5 years

8. Financial assets	Subsidiaries	Joint venture companies	Deposits
Cost value 1 April 2015	2.461	0	317
Other adjustments	1	0	1
Additions	0	0	20
Disposal	0	0	-47
Cost Price 31 March 2016	**2.462**	**0**	**291**
Revaluations 1 April 2015	19	0	0
Result of the year	144	0	0
Dividend	0	0	0
Currency adjustment	3	0	0
Revaluation 31 March 2016	**166**	**0**	**0**
CARRYING AMOUNT 31 MARCH 2016	**2.628**	**0**	**291**

Investment in subsidiaries are specified as follows: (DKK 1.000)

Name	Domicile	Ownership share in %	Company equity	Equity	Result of the year
Anritsu Solutions s.r.l, Italy	Rome	100	TEUR 115	873	46
Anritsu Solutions s.r.l, Romania	Bucharest	100	TLEI 100	239	37
Anritsu Solutions s.r.l, Slovakia	Bratislava	100	TEUR 17	1.516	61
Anritsu A/S's share				**2.628**	**144**

9. Deferred tax assets	31/03/2016	31/03/2015
Deferred tax assets 1. April	2.431	2.261
Deferred tax adjustment for the year	71	170
Deferred tax assets	**2.502**	**2.431**

The deferred tax assets is solely related to differences between the tax values and the book values of assets and liabilities.
The company has a tax loss carryforwards of EUR 11,5 million which is not recognized in the deferred tax assets.

10. Trade Receivables

	31/03/2016	31/03/2015
Receivables from sales of goods and services	5.349	4.654
Accrued income	2.141	547
Provisions for expected losses	-60	-60
Trade receivables	**7.429**	**5.141**

11. Contract work in progress

Sales value of completed work	49.909	64.592
Progress billing	-44.176	-59.286
	5.732	**5.306**
Recognized as follows in the balance:		
Contract work in progress for third parties entered under assets	6.472	6.398
Received prepayments entered under liabilities	-740	-1.092
Current work in progress net	**5.732**	**5.306**

12. Prepayments

Prepayments are prepaid costs representing rent, insurance, subscriptions, license payments and agent fees.

13. Provisions

Refurbisment obligation 1 April	134	130
Provision for loss on projects	0	606
Provision for termination of lease	666	0
Provisions 31 March 2016	**800**	**736**

14. Debt liabilities	31-03-2016	31-03-2015
Within a year	65	272
Between one and five years	-	68
After five years	-	-
Suppliers liabilities	**65**	**340**
Within a year	7	25
Between one and five years	13	-
After five years	-	-
Leasing liabilities	**20**	**25**

The company's financial leasing contracts are related to IT equipment

15. Prepayments from customers

Prepayments on contract work in progress for third parties (cf. Note 11)	740	1.092
Prepayments from customers, derived from service contracts	2.478	1.909
Prepayments from customers	**3.218**	**3.002**

16. Contingent Items

Leasing obligations

Lease contract offices premises Kay Fiskers Plads 9

The company has contracted the below leasing agreements:

Within a year	606	760
Between one and five years	-	605
After five years	-	-
Leasing commitments	**606**	**1.365**

Securities

The company has not provided any gurantee in any of the company assets.

Contingent liabilities

Security for Anritsu A/S's customer obligations in projects in progress, guarantee deposits of totally TDKK

17. Staff relations

	2015/16	2014/15
Wages and salaries	7.880	8.379
Pensions	183	283
Other social security costs	557	79
Total	**8.621**	**8.741**

The staff cost is recognized in the income statement as below:

Production costs	2.425	2.965
Distribution costs	4.854	4.136
Administration costs	732	889
Development cost	610	751
Total	**8.621**	**8.741**

These amounts include remunerations to directors and board:

Directors and board	194	209
Average number of employees	27	41

18. Depreciation

Depreciation on development projects	1.760	1.781
Depreciation on intangible assets	10	10
Depreciation on tangible assets	102	122
Total	**1.871**	**1.913**

Depreciation and impairment is recognized in the income statement as below:

Production costs	1.764	1.788
Administration costs	93	112
Research and development costs	9	7
Distribution costs	6	6
Total	**1.871**	**1.913**

19. Related parties and ownership relations

Controlling interest	Background
Anritsu Corporation, Onna 5-1-1, Atsugi-shi Kanagawa 243-8555, Japan	Principal Shareholder

Other related parties:	Background
Anritsu Solutions s.r.l, Italy	Subsidiary
Anritsu Solutions s.r.l, Romania	Subsidiary
Anritsu Solutions SK, s.r.o, Slovakia	Subsidiary

Ownership

The below shareholder is noted in the company register of shareholders as owner of a minimum of 5% of the votes of a minimum of 5% of the share capital.

Anritsu Corporation
Onna 5-1-1
Atsughi-shi
Kanagawa 243-8555
Japan

Group relations:

The company's immediate and ultimate parent company, which prepares the Group accounts, and of which the company is a part as a subsidiary is:

Anritsu Corporation, Onna 5-1-1, Atsugi-shi, Kanagawa 243-8555, Japan.

The Group accounts for the foreign parant company is available from this adress:

Anritsu Corporation, Onna 5-1-1, Atsugi-shi, Kanagawa 243-8555, Japan.

or at this link: www.anritsu.com

20. Adjustments for on-cash items

	31/03/2016	31/03/2015
Depreciation	1.871	1.913
Share of result in subsidiaries	-144	-225
Share of result in joint venture	0	-503
Disposal of assets	0	8
Change in provision for bad debt	0	-241
Provisions	63	610
Unrealised gains from exchange rate adjustment of foreign currency	314	1.892
Unrealised losses from exchange rate adjustment of foreign currenc	-611	0
Interest to refurbisment obligations	4	4
Other non-cash adjustments	0	2
Adjustments for non-cash items	**1.497**	**3.460**

21. Cash at the year end

Cash in bank	10.131	4.985
Cash in hand	0	0
Cash at the year end	**10.131**	**4.985**