Regulatory Story

Go to market news section

Anite PLC - AIE Final Results
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Anite plc

Final results for the year ended 30 April 2015

Anite plc ("Anite" or "the Group"), a leading supplier of test and measurement solutions to the international wireless industry, today announces its final results for the year ended 30 April 2015.

Financial highlights (adjusted)[1]

- Revenue £118.4m (2014: £109.2m)
- EBITDA £30.7m (2014: £24.0m)
- Operating profit £22.7m (2014: £15.3m)
- Operating margin 19% (2014: 14%)
- Profit before tax £22.7m (2014: £14.9m)
- Diluted adjusted earnings per share 6.0p (2014: 3.9p)
- Closing order book £32.9m (2014: £32.5m)
- Net cash of £37.0m (April 2014: £6.1m) including net proceeds from Travel disposal

Statutory results

- Revenue from continuing operations £118.4m (2014: £109.2m)
- Profit from continuing operations (after tax) £10.8m (2014: £7.8m)
- Profit from discontinued operations £33.9m (2014: £4.5m)
- Profit for the year £44.7m (2014: £12.3m)
- Basic statutory earnings per share from continuing operations 3.8p (2014: 2.7p)
- Diluted earnings per share from continuing operations 3.6p (2014: 2.6p)

Operating highlights[1]

- Device & Infrastructure Testing - year of recovery based on growth from Interoperability Testing and Channel Emulation
- Network Testing - strong performance throughout year with first contribution from Xceed
- Maintained significant R&D investment £23.1m (2014: £20.8m)
- Travel disposed of on 29 May 2014 for total cash consideration of £42.5m

Current trading

- Market conditions continue to be mixed
- Year has started in line with expectations

Offer from Keysight Technologies Inc.

- On 17 June 2015 Keysight Technologies Inc. ("Keysight") announced a recommended 126p per share cash acquisition of Anite. The acquisition remains subject to Anite shareholder approval. A copy of the announcement can be found at www.anite.com/investor-relations.

Dividend

- In accordance with the terms of the recommended cash offer from Keysight, the Board is not proposing the payment of a final dividend (2014: 1.265p).

[1]*Adjusted results are for continuing operations before share-based payments, amortisation of acquired intangible assets, acquisition and restructuring costs.*

Christopher Humphrey, Chief Executive, said:
"As predicted, our first year as a focused wireless group has been a year of recovery for Anite. We have achieved a strong financial performance in both businesses, particularly in the second half of the year.

"We expect to continue to benefit from our focus on the wireless test market, from contributions by recent acquisitions and from ongoing investment in R&D.

"The proposed combination with Keysight will create a larger, stronger organisation better able to withstand market volatility. It also provides Anite shareholders with an opportunity to crystallise their investment at a meaningful premium."

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Notes to editors

Anite plc is a leading supplier of test and measurement solutions to the international wireless market. It provides test, measurement, optimisation and analytics systems based on its specialist sector knowledge and its proprietary software and hardware products. Anite works closely with the major manufacturers of mobile devices, chipsets and network equipment, mobile network operators, regulatory authorities and independent test houses.

Its 550+ members of staff work from headquarters in the UK and from offices in 14 countries across Europe, the Americas, Asia and the Middle East.

This preliminary results announcement contains forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results to differ from any future results or developments expressed or implied from the forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement and, save to the extent required by the applicable law or regulation, we do not undertake any obligation to update or renew any forward-looking statement.

Chairman's and Chief Executive's review

A year of strong recovery

We are pleased to report that Anite has had a good year. We recovered well from the previous year's market consolidation in our customer base that had particularly affected our Device & Infrastructure Testing business.

2015 represented the culmination of a number of years' work to focus Anite entirely on the wireless test market. The sale of our Travel business for £42.5m in May 2014, which for some time had been part of our longer-term strategy, enabled us to focus our management, employees and capital on Anite as a pure-play wireless test company. Reflecting this significant development we refreshed the Anite brand. Our logo and visual identity both now communicate an image that is in tune with our strategy of capitalising on the opportunities that we see in the wireless test market. In addition, our Handset Testing business has been renamed "Device & Infrastructure Testing" ("D&I Testing") more accurately reflecting the markets the business now serves.

Our position as a pure-play wireless test company and the strategic opportunities which that presents have been recognised by Keysight Technologies Inc. in its recommended cash offer announced on 17 June 2015. The combination of Anite and Keysight will create a larger, stronger organisation, better able to deal with the volatility and market consolidation challenges that we continue to face. The offer represents the opportunity for shareholders to crystallise a meaningful premium and thus lock-in much of the medium term upside potential whilst eliminating downside risk.

Strategy

The Board believes that over the medium term we can continue to develop the two businesses through three main strategic aims:

- first, to ***maintain*** our leading positions by investing in and developing our core products, something we have achieved successfully in recent years and which has yielded positive results;
- second, to ***increase*** our market share through product innovation to strengthen our position in current markets and regional expansion into emerging markets; and
- third, to ***expand*** our addressable markets by moving into adjacent areas, either by developing new products or by making strategic product acquisitions.

We progressed well with this strategy during the past year and we believe the Group has significant opportunities ahead in what is an increasingly connected world.

Investment

For a business like Anite, intelligent and sustained investment in R&D is vital to ensure that our products maintain or increase their market-leadership positions. Total R&D spend in the year, at £23.1m (2014: £20.8m), represented 20% of revenue. The recent launch of the Nemo Invex II benchmarking product, the successful release of the Anite 9000 2.5 platform and the development of a Virtual Drive Testing solution are all recent examples of Anite's investment in developing complex products and of our ability to make fast and effective innovations.

In October 2014, we acquired Xceed, a Data Analytics business that has become part of Network Testing. Xceed is a significant addition to our product portfolio: it is a reflection of mobile operators' increasing focus on Quality of Experience ("QoE") and Customer Experience Management ("CEM"). In addition, in April 2015, we acquired the trade and assets of Setcom. This acquisition accelerated our expansion into the important application testing market, a complementary area in which we see great opportunity and one in which the time-consuming development of a proprietary product would have impeded our progress.

Results summary

Our businesses are both in good shape.

D&I Testing recovered from the well-documented customer consolidation challenges that it faced in 2014 and made the small, but important, acquisition of software business Setcom, in Germany. There was strong growth in Propsim channel emulators and interoperability testing ("IOT"), particularly in China.

Healthy margins in D&I Testing were achieved through stringent cost control and were supported by the operational gearing effect of the revenue growth. New test methodologies and standards, combined with expansion into new markets, also contributed to D&I Testing's success.

Network Testing experienced good growth, particularly in the second half of the year, when it benefited from the continued roll-out of LTE 4G networks, investment in new products and the acquisition of Xceed in the US. Xceed, which made a good first-time contribution, slightly ahead of our original business plan, has given us a strong set of products that are expected to benefit from the changes that are occurring in Network Testing's market. There was also strong growth in Nemo Indoor, Nemo Outdoor, Nemo Analyze and Nemo Invex benchmarking products.

Margins in Network Testing improved through increased software sales and less reliance on externally sourced products. Together, this improved mix helped fund the incremental investment made in the business.

The Xceed and Setcom acquisitions are good examples of product acquisitions that can leverage the strength of our sales channel to expand into different geographic markets. We take strong products, enhance them, introduce them to our customer base and subsequently see a strong uptake in demand.

The large number of industry drivers (as set out later in this review), that we envisage will continue into the foreseeable future, will enable us to benefit from our customers' underlying requirement to reduce devices' product-development times. This stems from their need to overcome the inherent complexity that is being imposed on device design by the relentless evolution in technology and the need for device manufacturers and network operators to enrich subscribers' QoE by improving devices' quality assurance and design, interoperability and network performance.

Group adjusted operating profit from continuing operations was up 48%, to £22.7m (2014: £15.3m), and revenue was up 8%, to £118.4m (2014: £109.2m). Diluted adjusted earnings per share were up 54% to 6.0p (2014: 3.9p).

Dividend

In accordance with the terms of the recommended cash offer from Keysight, the Board is not proposing the payment of a final dividend (2014: 1.265p).

Financial position

Anite closed the financial year with net cash of £37.0m having started with £6.1m of net cash on its balance sheet. This was augmented by the proceeds from the disposal of Travel and by strong in-year operational cash generation. Just over £20m was invested in the year on the acquisitions of Xceed and Setcom.

The Board intends to maintain a strong financial position to provide financial flexibility. This will be achieved through a continued focus on operational cash generation and by maintaining appropriate bank facilities.

People

We are particularly grateful to management and staff across the Group for their continued hard work and commitment. The Board is well aware that our success this year is testament to the exceptional skills and tenacity of our people, on all sides of the business.

Summary and outlook

As predicted, our first year as a focused wireless group has been a year of recovery for Anite. We have achieved a strong financial performance in both businesses, particularly in the second half of the year.

We expect to continue to benefit from our focus on the wireless test market, from contributions by recent acquisitions and from ongoing investment in R&D.

In Device & Infrastructure Testing, whilst market conditions remain mixed, we expect that the catalysts to future progress in the short term will be similar to those experienced over the last twelve months, with Asia Pacific remaining an important region and IOT and Channel Emulators key products.

In Network Testing, the key opportunity over the next twelve months will be to realise returns on the investments we have made in the business over the last twelve months. This will include developing the global success of the Data Analytics business, building market share with the new Nemo Indoor tools and continuing the roll out of the Nemo Invex II benchmarking platform.

The proposed combination with Keysight will create a larger, stronger organisation better able to withstand market volatility. It also provides Anite shareholders with an opportunity to crystallise their investment at a meaningful premium.

Clay Brendish **Christopher Humphrey**
Chairman Chief Executive
30 June 2015

Review of Operations

Industry trends

The complexity behind the mobile revolution

Anite operates in a dynamic market, one that has been transformed over the past decade and will continue to change.

The mobile phone revolution is arguably as significant as the industrial revolution, but the way it has changed people's lives has been much faster: 2G feature phones removed people's reliance on fixed telephone lines, while 3G and data-enabled smartphones altered the way they communicate - people now "consume" services on mobile devices. LTE 4G increased the "intelligence" of mobile technology. Technical innovation, including in financial services, automotive, utilities, health and education, continues to drive new ways of connecting people and industries. In the future, you will always be connected; technology will be tailored to the individual and will follow you around. But high-quality devices that are very easy to use will demand increasingly complex technology to work.

Wireless mobile devices need to be well tested in R&D, not only to check that they work, but also to check how well they work on specific networks. In the future, the focus will be on end-to-end testing of networks and devices. Assured interoperability and performance enables network operators to reduce customer churn and also allows network quality and coverage requirements to be constantly monitored, analysed and optimised.

Data traffic fuelling growth

The increase in mobile data traffic is putting more stress on networks. It is being driven by the evolution of technology from 2G to 3G and LTE 4G enabling data rich applications; the adoption of more complex smartphones and tablets; and, particularly, mobile video. In addition, consumers are demanding more capacity, ever-faster download speeds, increased security and good quality service at all times. In future, 5G and automotive in particular will place an increasing burden on signalling traffic.

In developed economies, there has been significant investment in additional network capacity and capability to meet growing consumer demand, but emerging markets - particularly in Asia - are now fuelling the continued growth in mobile subscribers, smartphone adoption and data traffic. Of the 7bn global mobile subscriptions, currently only 2bn are for smartphones and about 600m have LTE 4G subscriptions; there is a huge opportunity for the industry as people upgrade to smartphones and to LTE 4G subscriptions.

Mobile operators worldwide are rolling out and enhancing LTE 4G networks, which will go some way towards meeting demand. New LTE-Advanced ("LTE-A") features, such as Voice over LTE ("VoLTE"), Carrier Aggregation and multiple antennae configurations, are gaining ground, while the need for operators to manage the number of mobile subscribers competing for network access is driving Wi-Fi offload and small cell/heterogeneous networks ("HetNets"). Each of these complex LTE-A features has to be tested during the R&D stages of device development, as well as in the infrastructure and the network. To achieve this, new forms of testing including "Virtual Drive", which uses a channel emulator in the laboratory, are being developed to replicate real-world conditions.

Next-generation technology

While LTE-A is able to squeeze more capacity out of existing radio spectrum, it cannot support future growth indefinitely. The foundations are being laid for 5G, the revolutionary next-generation mobile and wireless communications system. 5G is about more than increased speed, the ambition is also about spectrum and energy efficiency, radically improved battery life, improved QoE, integrity and security and reduced cost of network deployment and operation. The emphasis is on trillions of devices, huge data volumes and universal availability, with a wide range of applications - from mobiles to wearables and automotive to industrials - the Internet of Things. While 5G is unlikely to be fully commercially available before 2020, many of its attributes are likely to be deployed initially in LTE-A networks. It is clear that 5G and its attributes will radically increase complexity, which in turn will create an increased demand for testing.

QoE has become a key differentiator for operators: devices need to support multi-technology networks (2G, 3G, LTE 4G, LTE-A), be able to select the best mode of access to the network and support many frequency bands. To achieve this it is vital that the networks, infrastructure and devices operate effectively and that operators are able to analyse network data in order to optimise performance and improve QoE.

The continuing mobile phone revolution creates a wide range of opportunities for Anite. The vast and growing mobile eco-system includes some of the world's most innovative companies which are developing technology beyond pure mobile telecommunications. The connected world - smart cars, smart homes and smart businesses - are all now realities.

Performance

D&I Testing

The D&I Testing business achieved a significant recovery in financial performance in the year to 30 April 2015 after the challenges of the previous twelve months. Revenue increased 5% to £81.5m (2014: £77.3m) and adjusted operating profit increased 62%, to £17.5m (2014: £10.8m), as the benefit of the extra revenue was augmented by lower fixed costs. Order intake reduced by 4% to £77.9m (2014: £81.3m), but this was due to the inclusion in the comparative period of a number of multi-year maintenance renewals which, by their nature, were not repeated this year. Adjusting for these, the underlying order intake was also up around 5%. The closing order book remains healthy at £27.2m although down from the £30.8m at 30 April 2014.

There is no material impact from the acquisition of Setcom which was completed just before the year end, and foreign exchange impacts in D&I Testing between years were relatively minor. Adjusting for these minor impacts, the underlying organic growth in revenue and adjusted operating profit was 5% and 68% respectively.

There was a progressive build up in activity levels in D&I Testing throughout the year, although the market backdrop remained mixed, as the industry recovered from the disruptions that had impacted trading in the prior year. The continued roll out and adoption of LTE 4G in China remained a significant factor driving demand over the year, leading to orders both in China and from the global tier one suppliers which sell products into that country. We have seen specific payback from the early investments we made in TD-LTE which is the variant of LTE 4G standard that is most significantly used in China. Channel Emulators also proved to be a strong product area as the trend towards Over-the-Air ("OTA") testing continued to develop, resulting in good demand for the Propsim products that we acquired in January 2013. In addition, we started to see some benefit from investments in the IOT product which we started during the latter part of the last year and which continued through the year under review.

The growth in IOT and Channel Emulator revenues means that the split of revenue by product is markedly more balanced than in previous years. IOT overtook Conformance Testing as the largest product area during the year, whilst Channel Emulation accounted for more than 20% of D&I Testing revenues in the period. Within overall revenue, the proportion related to recurring maintenance revenue also increased by 12% to £30.6m (2014: £27.4m) and represented 38% of total revenue (2014: 35%).

The factors described above affected the regional revenue split. Asia Pacific remained our largest region with revenues of £42.3m (2014: £41.1m), which included significant growth in China. EMEA revenue was £15.2m (2014: £13.0m), increasing 17% from a low base in 2014, while revenue for the Americas increased by 3% to £24.0m (2014: £23.2m).

D&I Testing's net revenue margin (revenue, less hardware costs as a percentage of revenue) was essentially unchanged in the year at 74% (2014: 75%), with reasonable margins across all regions and all product areas.

Robust fixed cost management has been a consistent feature of the business through the recovery phase and has helped contribute to the strong profit growth. Overall fixed costs (including fixed cost of sale) have decreased £3.8m to £43.1m (2014: £46.9m) with part of the reduction from the prior year because that period included a £1.5m Chinese bad debt.

Consistent with our strategy, we have continued to invest significantly in research and development to ensure that the product portfolio remains at the forefront of the industry. The cash spent on R&D projects remained high at £15.0m (2014: £15.7m), with the slight year on year reduction largely achieved by a lower use of relatively expensive outsourced contracting resources. The amount incurred this year on capitalised R&D also reduced slightly to £2.2m (2014: £2.7m) as did amortisation of previously capitalised R&D and, as a result, net capitalisation of R&D costs was £0.5m (2014: £0.4m). After adjusting for net capitalisation, the income statement charge for R&D was £14.5m (2014: £15.3m).

The focus of R&D in the period was the development and launch of an upgraded Anite 9000 hardware platform, able to meet the requirement of customers to test the latest features of both LTE and LTE-A as well as incorporating all previous 2G and 3G technologies. This version was launched in July 2014 and has been well received by the market. The Channel Emulation product has seen continued development of software to produce specific solutions that incorporate channel emulation capabilities, whilst the primary focus in Development Testing, Conformance Testing and IOT has been the creation of further test cases for the LTE and LTE-A features that continue to evolve as the standards develop. These have included further tests for advanced carrier aggregation schemes, for VoLTE and for performance tests. Through the acquisition of Setcom in April 2015, we have expanded our performance test offering to encompass application testing, including services such as IMS (IP Multimedia Subsystem) and RCS (Rich Communication Services). We expect these innovations to continue to enhance revenue in the current year. Additionally we continue to look to the longer-term, with investment in initial 5G research activities through, for example, work with Intel and Telenor at the University of Aalborg in Denmark. These investments are longer-term and it is likely to be some years before they generate significant revenue.

Other fixed costs in D&I Testing (fixed cost of sale, selling and distribution costs and administrative expenses) reduced by £3.0m to £28.6m (2014: £31.6m), with approximately half the decrease due to non repetition of the 2014 Chinese bad debt. The rest reflected both the benefit of the restructuring that was undertaken in April 2014 and the sensible cost containment actions undertaken through the year. D&I Testing closed with 345 employees at the year-end (2014: 296) including 25 taken on with Setcom and an additional 24 contractors (2014: 30), to give a total headcount of 369 (2014: 326).

Overall, the benefit of operational gearing from the factors described above resulted in D&I Testing's adjusted operating margin recovering to 22% (2014: 14%).

Network Testing

Network Testing had a strong twelve months, with revenue increasing 16% to £36.9m (2014: £31.9m) and adjusted operating profit increasing 18% to £7.1m (2014: £6.0m). Comparison of the results year on year is impacted both by an adverse foreign currency effect and by the positive impact of acquisition activity in this business. This included the full year impact of the Genetel distributor acquired in July 2013 and the impact from the Xceed data analytics business acquired in October 2014. Adjusting for these factors, the organic, underlying increase in revenue was 11% and in operating profit was 15%. Order intake for the Network Testing business was £39.1m (2014: £31.8m) an increase of 23%, or 11% on an organic basis.

Xceed performed well in the period from acquisition, with revenue of £4.4m and adjusted operating profit of £0.9m, both ahead of expectations at the time of acquisition. The Xceed business model includes a significant element of recurring maintenance revenue and as a result, in the period, we changed the way Network Testing records maintenance orders. This meant recognising, for the first time, contracted maintenance orders that have yet to be recognised as revenue. It means that Network Testing and D&I Testing now report order book in the same way. The order book in Network Testing at 30 April 2015 was £5.7m (30 April 2014: £1.7m - restated).

As anticipated in last year's Annual Report, this was a year of investment for the Network Testing business. Market conditions for Network Testing were generally reasonable, with continued investment from operators in rolling out, enhancing and optimising LTE 4G networks. Network Testing's revenue in EMEA increased 10% to £14.2m (2014: £13.0m), whilst in Asia Pacific underlying revenue grew 7% although the weakness of the Euro meant that reported revenue fell slightly to £10.8m (2014: £11.0m). In the Americas, revenue increased 53% to £11.9m (2014: £7.8m) largely due to the inclusion of Xceed.

Underlying revenue growth came from both Outdoor Drive Test and Indoor tools, including particular success for the Nemo Walker Air product launched at the start of the financial year. Initial success was also achieved with the newly launched Nemo Invex II benchmarking product, and indeed from the traditional data analytics product, Nemo Analyze. This shows the strength of the underlying analytics market segment and supports the rationale for augmenting the entry level Nemo Analyze product with the Xynergy and Windcatcher products acquired with Xceed. The increase in sales of the higher margin analytics products and less reliance on third-party scanners resulted in the net revenue percentage (revenue less the cost of hardware supplied) increasing to 73% (2014: 68%).

The year saw significant investment in product development particularly to develop the Nemo Invex II platform. This investment resulted in market leading product features and although only on sale for the last quarter of the financial year, the initial market reaction has been very encouraging. The cash spent on R&D within Network Testing increased 59% to £8.1m (2014: £5.1m), including £2.7m of capitalised development

(2014: £1.0m), mainly related to Nemo Invex II. Adjusting for this, the income statement charge for R&D rose 34% or £1.5m to £5.9m including £1.3m for Xceed following its acquisition.

Other fixed costs (fixed cost of sale, selling and distribution costs and administration expenses), increased £2.6m to £14.0m (2014: £11.4m). £1.9m of the increase related to overhead acquired with Xceed. Most of the balance related to increased selling and distribution costs to support the revenue growth. Headcount in Network Testing at the year-end was 216, including 55 employees taken on with Xceed (30 April 2014: 140).

Overall, after the factors above, adjusted operating margins for the Network Testing business remained at 19%, in line with the prior year.

Financial Review

Throughout this review, reference to adjusted results means the results for continuing operations before, where applicable, share-based payments, amortisation of acquired intangible assets and acquisition and restructuring costs.

Financial results

Revenue from continuing operations was up 8% at £118.4m (2014: £109.2m) and adjusted profit before tax increased 52% to £22.7m (2014: £14.9m).

A reconciliation of adjusted EBITDA, of £30.7m (2014: £24.0m), to the adjusted profit before tax of £22.7m (2014: £14.9m) and the adjusted operating profit of £22.7m (2014: £15.3m) to the operating profit of £13.7m (2014: £9.3m) and to the reported profit from continuing operations before tax for the year, of £13.7m (2014: £8.9m), is set out in the table below. The reconciling items are those that, in the opinion of the Board, are either one-off in nature or are non-cash related and are not, therefore, indicative of the Group's underlying trading. In the opinion of the Board, the adjusted results give a better representation of the underlying performance of the Group.

£m	2015	2014
Adjusted EBITDA	**30.7**	**24.0**
Depreciation	**(5.0)**	**(5.2)**
Amortisation of intangible assets	**(3.0)**	**(3.5)**
Adjusted operating profit	**22.7**	**15.3**
Net finance charges	**-**	**(0.4)**
Adjusted profit before tax	**22.7**	**14.9**
Adjusted operating profit	**22.7**	**15.3**
Restructuring costs	**-**	**(0.5)**
Acquisition and integration costs	**(1.7)**	**(0.5)**
Share-based payments	**(1.8)**	**(0.2)**
Amortisation of acquired intangible assets	**(5.5)**	**(4.8)**
Operating profit	**13.7**	**9.3**
Net finance charges	**-**	**(0.4)**
Profit from continuing operations before tax	**13.7**	**8.9**

Impact of Corporate Activity

The results for the year are affected by one disposal and three acquisitions made over the last two financial years.

The first half of this financial year saw the disposal on 29 May 2014 of Anite Travel Ltd and its wholly owned subsidiary Anite Travel Pty Ltd that previously comprised the Travel division ("Travel"). The business was sold for £42.5m. The gain on sale of £30.9m (after disposal costs of £2.9m) and the profit after tax from Travel for the one month until disposal of £0.3m are included within profit from discontinued operations. Travel's underlying assets and liabilities were included as held for sale on the balance sheet at 30 April 2014.

The first half of the last financial year saw the acquisition of Genetel SAS on 1 July 2013 for £2.0m plus acquisition costs of £0.4m. The results for this acquisition are included within the Network Testing business unit. In the comparative period they were included for the ten months post acquisition.

The first half of this financial year saw the acquisition on 2 October 2014 of Xceed Technologies Inc. ("Xceed") for £19.1m, paid in cash, plus further deferred consideration of up to £3.3m depending on the business's performance over the period to 30 April 2016. Acquisition and integration costs were £1.4m. The results for this acquisition are included within the Network Testing business unit for the seven months since acquisition during which time it delivered £0.9m of adjusted operating profit on £4.4m of revenue.

On 1 April 2015, just prior to the year-end, we acquired the trade and assets of Setcom Wireless Products GmbH ("Setcom"). The initial consideration was £1.9m, paid in cash, plus further deferred consideration of up to £0.5m depending on the business performance over the first twelve months of ownership. Acquisition and integration costs were £0.3m. The business is being integrated into the D&I Testing business unit. It did not contribute material revenue or profit in the period from acquisition to the year end.

Currency effects

Movements in exchange rates in the year had a significant effect on the results compared with the previous year, specifically in the Network Testing business which has the Euro as its functional currency. Year on year, the average exchange rate of the Euro weakened against Sterling by 8%, from £1 = €1.19 to £1 = €1.29 while the average exchange rate for the US Dollar was unchanged against Sterling at £1 = US$1.60. The net effect of these changes on the translation of results from overseas subsidiaries was to reduce revenue by £2.0m and adjusted operating profit by £1.1m, predominantly impacting the Network Testing business.

The closing exchange rates at the year-end, which affect the conversion of foreign exchange-denominated balance sheet items - such as cash, and trade debtors and creditors - saw a weakening of the Euro and a strengthening of the US Dollar against Sterling. The closing rate for the Euro weakened by 14% against Sterling, from £1 = €1.22 to £1 = €1.39 and the Dollar strengthened by 8% from £1 = US$1.68 to £1 = US$1.54.

Where possible, exposures associated with foreign currency balance sheet accounts are hedged or minimised by converting into local currencies, as are the transactional effects of business units trading in currencies other than their local currency. During the year, these transactional exposures had a net positive profit impact predominantly due to the effects of the stronger US Dollar on the translation of monetary assets. This offset the adverse translational impacts such that the overall translational and transactional currency impact on adjusted operating profit was broadly neutral.

Revenue

Revenue from continuing operations increased in the year by 8% to £118.4m (2014: £109.2m). On a constant currency basis and excluding the impact of acquisitions, the underlying organic Group revenue increase was 7%.

On a geographic basis, Group revenue by destination showed a continuation of last year's trend, with Asia retaining its position as the most significant region, representing nearly half of Group revenue. Revenue from the Americas was boosted by the acquisition of Xceed whilst EMEA saw growth in both businesses. The proportions of total revenue by region were: UK 2% (2014: 3%); EMEA 23% (2014: 21%); Americas 30% (2014: 28%); and Rest of World (mainly Asia) 45% (2014: 48%).

Analysis of revenue by type shows a 16% growth in recurring software maintenance revenue to £36.7m (2014: £31.6m), representing 31% of total revenue (2014: 29%). This increase in proportion partly came about following the acquisition of Xceed which has a higher proportion of recurring revenue in its business model. Sales of software and IP licences and hardware/third-party equipment increased by 5% to £81.7m (2014: £77.6m).

Cost of sales and gross profit

Variable cost of sales increased 4% from £29.5m in 2014 to £30.8m. This was against a revenue increase of 8%. The proportionally lower increase in cost of sales reflected an improved mix in Network Testing with more analytics revenue, which is a pure software product with high margins. As a result, the net revenue percentage for the Group increased slightly in the year to 74% from 73%.

Fixed cost of sales, which is largely personnel cost to support maintenance obligations, decreased slightly to £16.4m (2014: £16.9m). This was due to active cost control in D&I Testing. As a result of the above, the gross margin for the Group increased by two percentage points to 60%.

Operating expenses

Total operating expenses in the period increased 8% to £57.6m (2014: £53.5m). A detailed breakdown of operating expenses is given in note 2(e).

Excluding one-off and non-trading items, adjusted operating expenses increased 2% or £1.0m to £48.5m (2014: £47.5m). These costs represent R&D investment, selling and distribution costs and administrative expenses. Movements in these within the business units are described in their respective review of operation sections. There was an increase in the year of £3.4m caused by acquisitions, including £3.2m from Xceed in the seven months since acquisition. Adjusting for this, underlying operating expenses reduced £2.4m. This was partly because there was no repeat in the year of last year's £1.7m charge to bad debt provisions and partly because of cost reduction actions in D&I Testing, although this was offset by increases in Network Testing and also in Central costs where higher bonus provisions increased costs to £1.9m (2014: £1.5m).

After underlying operating expenses, the adjusted operating profit was up 48% to £22.7m (2014: £15.3m). After adjusting for currency and acquisition impacts, the underlying organic operating profit increase was 51%. Adjusted EBITDA was up 28% at £30.7m (2014: £24.0m).

One-off and non-trading operating expenses for continuing operations, excluded from adjusted profit calculations, totalled £9.0m (2014: £6.0m). Acquisition and integration costs for the Xceed and Setcom businesses totalled £1.7m (2014: £0.5m). Amortisation of acquired intangible assets was £5.5m (2014: £4.8m), with the charge for share-based payments being £1.8m (2014: £0.2m). The comparative period included £0.5m redundancy costs incurred in D&I Testing towards the year-end. This was not repeated this year.

After these non-operational costs, the Group reported an overall statutory operating profit of £13.7m (2014: £9.3m).

Group finance costs

Following the sale of Travel and the resulting positive cash balance, the net finance charge decreased in the year to a net £nil (2014: £0.4m) as interest income received was offset by the costs of the available banking facilities.

Taxation

The tax charge for the year on continuing operations was £2.9m (2014: £1.1m). The tax rate on the statutory operating profit was 21.0% (2014: 12.3%). The underlying adjusted tax rate on adjusted profit before tax is 21.6% (2014: 22.5%), reflecting the underlying 20% corporation tax rates in the UK and Finland and the higher rates in other jurisdictions.

Discontinued operations

Profit from discontinued operations of £33.9m comprises three items. The gain on the disposal of Travel was £30.9m; the post-tax results for the Travel business unit in the period from 1 May to 29 May 2014 of £0.3m (2014: £4.0m for 12 months); and the non-cash release of an expired warranty provision relating to a previous disposal of £2.7m (2014: £0.5m).

Shareholder returns

After taking account of the factors described above, adjusted basic earnings per share were 6.2p (2014: 4.0p), and diluted adjusted earnings per share increased 54% to 6.0p (2014: 3.9p). The statutory basic earnings per share for continuing operations were 3.8p (2014: 2.7p).

In accordance with the terms of the recommended cash offer from Keysight, the Board is not proposing the payment of a final dividend (2014: 1.265p).

Balance sheet

Non-current assets

Non-current assets have increased from £103.6m to £124.8m largely due to the recognition of goodwill and intangible assets on the acquisitions of Xceed and Setcom.

Inventories

The carrying value of inventories has decreased by £3.7m to £6.4m at 30 April 2015 (30 April 2014: £10.1m). This partly reflects a reclassification to tangible fixed assets of £2.5m of inventory used for customer collaboration purposes by D&I Testing. Additionally D&I Testing continues to pursue inventory management initiatives to reduce manufacturing lead times and hence inventory holding levels.

Trade and other receivables

Trade and other receivables were £40.9m at 30 April 2015 (30 April 2014: £41.6m). Within this balance, trade debtors net of provisions reduced to £31.7m (30 April 2014: £34.1m) with the decrease largely due to the timing of revenue in the final quarter of the year. Debtor days at 30 April 2015 were 63 days (30 April 2014: 65 days). Other receivables increased from £1.7m to £4.1m, largely due to VAT recoverable on inventory purchases in D&I Testing. Accrued income (revenue taken to the income statement, but not yet invoiced to customers) decreased to £1.7m (30 April 2014: £2.2m).

Trade and other payables

Trade and other payables were £46.4m at 30 April 2015 (30 April 2014: £42.1m). Within this balance, trade creditors were essentially unchanged at £9.0m (30 April 2014: £9.3m). Deferred income (amounts invoiced to customers but not yet recognised as revenue in the income statement) has increased from £23.4m to £27.0m. This reflects the impact of the acquisition of Xceed which has significant maintenance revenue that is paid up-front on an annual basis. Accruals increased to £9.3m (30 April 2014: £8.1m), with £0.4m from the acquisition of Xceed and the remainder due to increased bonus and commission accruals.

Provisions

Provisions were down £0.5m to £4.8m at 30 April 2015 (30 April 2014: £5.3m). The main underlying changes were the provision of £2.8m for the deferred consideration payments for Setcom and Xceed, offset by the £2.7m release of a warranty provision from a previously discontinued operation.

Cash flow

The Group achieved another strong performance in cash generation in the year. Cash generated from operations (continuing and discontinued) was £31.9m (2014: £33.0m including £5.6m from discontinued operations) on EBITDA (continuing and discontinued operations) of £30.7m (2014: £29.8m) representing a conversion rate of 104% (2014: 111%).

Capital expenditure in the period decreased to £4.6m (2014: £7.3m). In addition, £4.9m (2014: £3.8m) was incurred on capitalised development expenditure with the increase in Network Testing primarily in respect of the Invex II benchmarking product development.

Net receipts from finance income were £0.1m (2014: finance charges of £0.5m) while tax payments increased slightly to £4.1m (2014: £3.6m). Dividends paid to shareholders increased 4% to £5.5m (2014: £5.3m) and an additional £1.4m (2014: £3.5m) was incurred on the purchase of shares for the Company's employee benefit trust.

In total, a net £19.6m of cash was generated through the disposals and acquisitions. This included a net £39.6m received after fees on the disposal of Travel and £19.1m and £1.9m incurred on the acquisitions of Xceed and Setcom respectively. A further £0.5m of tax relief is due to be received in the forthcoming financial year in respect of the sale of Travel.

The gross and net cash balance at 30 April 2015 was £37.0m (30 April 2014: gross cash £17.0m, net cash £6.1m after outstanding borrowings of £10.9m).

Borrowings and facilities

The Group's banking facilities totalled £30.0m (2014: £30.0m) including a revolving credit facility ("RCF") of £20.0m (2014: £20.0m) and a net overdraft facility of £10.0m (2014: £10.0m). The RCF is due to expire on 31 October 2016 and the overdraft is due for renewal on 31 July 2015. The Group repaid in the year £10.9m of drawings previously made under its facilities to take the outstanding balance to £nil at 30 April 2015, such that undrawn facilities were £30.0m (30 April 2014: £19.1m of undrawn facilities).

In adopting the going concern basis for preparing the financial statements, the Directors have considered the business activities set out above as well as the Group's principal risks and uncertainties. Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future.

Richard Amos
Group Finance Director
30 June 2015

Consolidated income statement

	Note	2015 £000	2014 £000
Continuing operations			
Revenue	2(a)	**118,438**	109,216
Variable cost of sales		**(30,819)**	(29,504)
Net revenue		**87,619**	79,712
Fixed cost of sales		**(16,364)**	(16,866)
Gross profit		**71,255**	62,846
Distribution costs		**(14,270)**	(13,120)
Research and development		**(23,148)**	(21,865)
Administrative expenses		**(20,149)**	(18,545)
Operating expenses	2(e)	**(57,567)**	(53,530)
Operating profit before share-based payments, amortisation of acquired intangible assets and acquisition and restructuring costs	2(b)	**22,709**	15,324
Share-based payments		**(1,777)**	(188)
Amortisation of acquired intangible assets		**(5,496)**	(4,832)
Acquisition and restructuring costs	3	**(1,748)**	(988)
Operating profit	2(b)	**13,688**	9,316
Finance income		**175**	25
Finance charges		**(166)**	(469)
Profit from continuing operations before tax		**13,697**	8,872
Tax expense	5	**(2,875)**	(1,090)
Profit from continuing operations		**10,822**	7,782
Profit from discontinued operations	4(b)	**33,921**	4,489
Profit for the year		**44,743**	12,271
Profit attributable to equity holders of the parent		**44,743**	12,271
Continuing and discontinued operations			
Earnings per share - basic	6	**15.5p**	4.3p
- diluted		**15.0p**	4.1p
Continuing operations			
Earnings per share - basic	6	**3.8p**	2.7p
- diluted		**3.6p**	2.6p

Consolidated statement of comprehensive income

	Note	2015 £000	2014 £000
Retained profit for the year		**44,743**	12,271
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**(11,423)**	(2,554)
Tax credit taken directly to other comprehensive income	5	**1,048**	721
Total comprehensive income attributable to equity holders of the parent		**34,368**	10,438

Consolidated statement of changes in equity

	Issued share capital £000	Share premium account £000	Own shares £000	Merger reserve £000	Capital redemption reserve £000	Other reserves [a] £000	Retained earnings £000	Total £000
Balance at 1 May 2013	**33,844**	**25,901**	**(11,664)**	**722**	**2,741**	**(8,624)**	**66,292**	**109,212**
Changes in equity for the year to 30 April 2014								
Total comprehensive income for the year	-	-	-	-	-	(1,833)	12,271	10,438
Issue of share capital	29	106	-	-	-	-	-	135
Redemption of preference shares	(50)	-	-	-	50	-	-	-
Purchase of own shares into employee benefit trust	-	-	(3,469)	-	-	-	-	(3,469)
Sale of own shares from employee benefit trust	-	-	2,131	-	-	-	(2,131)	-
Transfer of SIP shares to employees	-	-	41	-	-	-	(41)	-
Recognition of equity-settled share-based payments after tax	-	-	-	-	-	-	201	201
Dividend paid	-	-	-	-	-	-	(5,272)	(5,272)
Balance at 30 April 2014	**33,823**	**26,007**	**(12,961)**	**722**	**2,791**	**(10,457)**	**71,320**	**111,245**
Changes in equity for the year to 30 April 2015								
Total comprehensive	-	-	-	-	-	(10,375)	44,743	34,368

income for the year								
Issue of share capital	30	99	-	-	-	-	-	129
Purchase of own shares into employee benefit trust	-	-	(1,373)	-	-	-	-	(1,373)
Sale of own shares from employee benefit trust	-	-	2,796	-	-	-	(2,234)	562
Transfer of SIP shares to employees	-	-	512	-	-	-	(512)	-
Realisation of merger reserve on disposal	-	-	-	(722)	-	-	722	-
Recognition of equity-settled share-based payments after tax	-	-	-	-	-	-	1,634	1,634
Dividend paid	-	-	-	-	-	-	(5,489)	(5,489)
Balance at 30 April 2015	**33,853**	**26,106**	**(11,026)**	**-**	**2,791**	**(20,832)**	**110,184**	**141,076**

[a] Other reserves comprise net exchange differences arising on the translation of foreign operations, along with the related tax impact.

Consolidated balance sheet

	Note	2015 £000	2014 £000
Non-current assets			
Goodwill		**59,012**	54,496
Other intangible assets		**47,910**	34,048
Property, plant and equipment		**14,900**	12,841
Deferred tax assets		**2,966**	2,198
		124,788	103,583
Current assets			
Inventories		**6,356**	10,096
Trade and other receivables	8	**40,859**	41,627
Derivative financial assets		**214**	53
Current tax assets		**245**	1,463
Cash and cash equivalents	10	**36,966**	16,993
Assets classified as held for sale		**-**	13,499
		84,640	83,731
Total assets		**209,428**	187,314
Current liabilities			
Trade and other payables	9	**(46,357)**	(42,084)
Bank borrowings		**-**	(10,938)
Current tax payable		**(6,415)**	(6,555)
Provisions	11	**(1,629)**	(4,978)
Liabilities directly associated with assets classified as held for sale		**-**	(6,292)
		(54,401)	(70,847)
Non-current liabilities			
Deferred tax liabilities		**(10,750)**	(4,915)
Provisions	11	**(3,201)**	(307)
		(13,951)	(5,222)
Total liabilities		**(68,352)**	(76,069)
Net assets		**141,076**	111,245
Equity			
Issued share capital	12	**33,853**	33,823
Share premium account		**26,106**	26,007
Own shares		**(11,026)**	(12,961)
Merger reserve		**-**	722
Capital redemption reserve		**2,791**	2,791
Other reserves		**(20,832)**	(10,457)
Retained earnings		**110,184**	71,320
Total equity		**141,076**	111,245

The financial statements of Anite plc (Company no. 01798114) were approved by the Board on 30 June 2015 and signed on its behalf by:

Christopher Humphrey

Chief Executive

Richard Amos

Group Finance Director

Consolidated cash flow statement

	Note	2015 £000	2014 £000
Profit for the year			
Continuing operations		**10,822**	7,782
Discontinued operations		**33,921**	4,489
		44,743	12,271

Adjustments for:			
Tax charge - continuing and discontinued	5	**2,940**	2,355
Net finance (credit)/charge - continuing and discontinued		**(10)**	416
Profit on disposal of subsidiary	4(b)	**(30,921)**	-
Charge to operations discontinued in a prior period	4(b)	**-**	34
Depreciation of property, plant and equipment		**5,053**	5,387
Amortisation of intangible assets		**2,990**	3,575
Amortisation of acquired intangible assets		**5,496**	4,832
Loss on disposal of property, plant and equipment		**104**	46
Share-based payments charge - continuing and discontinued		**1,777**	435
Decrease in provisions - continuing operations		**(514)**	(1,436)
Decrease in provisions - discontinued operations	4(b)	**(2,710)**	(500)
Operating cash flows before movements in working capital		**28,948**	27,415
Decrease in inventories		**1,273**	1,922
Decrease in receivables		**1,247**	1,468
Increase in payables		**472**	2,164
Decrease in working capital		**2,992**	5,554
Cash generated from operations		**31,940**	32,969
Interest received		**165**	12
Interest paid		**(81)**	(550)
Income taxes paid		**(4,076)**	(3,616)
Net cash generated from operating activities		**27,948**	28,815
Cash flow from investing activities			
Acquisitions of subsidiaries	7	**(21,075)**	(2,774)
Net bank balance acquired with subsidiary undertakings	7	**1,070**	905
Disposal of subsidiary		**41,667**	-
Net bank balance disposed with subsidiary undertakings		**(2,070)**	-
Purchase of property, plant and equipment		**(4,310)**	(6,372)
Proceeds from disposal of property, plant and equipment		**16**	-
Purchase of software licences		**(308)**	(885)
Expenditure on capitalised product development		**(4,855)**	(3,802)
Net cash generated from/(used in) investing activities		**10,135**	(12,928)
Cash flow from financing activities			
Issue of ordinary share capital		**129**	135
Purchase of own shares into employee benefit trust		**(1,373)**	(3,470)
Proceeds from sale of own shares from employee benefit trust		**562**	-
Dividend paid to Company's shareholders	13	**(5,489)**	(5,272)
Repayment of bank loans		**(10,938)**	(6,668)
Net cash used in financing activities		**(17,109)**	(15,275)
Net increase in cash and cash equivalents	10	**20,974**	612
Effect of exchange rate changes		**(1,001)**	(277)
Cash and cash equivalents at 1 May		**16,993**	16,658
Cash and cash equivalents at 30 April	10	**36,966**	16,993

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The preliminary results have been prepared under the historical cost convention and in accordance with current International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations. This announcement does not, however, contain sufficient information to comply with all the disclosure requirements of IFRS.

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions in certain areas that affect the reported amounts in the financial statements. Although these estimates and assumptions are based on management's best knowledge, the actual results ultimately may differ from those estimates.

The statutory accounts for 2015 have been prepared following accounting policies consistent with those for the year ended 30 April 2014. These can be found on our website www.anite.com. The financial statements are presented in pounds Sterling because that is the currency of the primary economic environment in which the Group operates.

The financial information set out in this announcement does not constitute statutory accounts within the meaning of Sections 434 to 436 of the Companies Act 2006 and is an abridged version of the Group's financial statements for the year ended 30 April 2015, which were approved by the directors on 30 June 2015. Statutory accounts for the year ended 2014 have been delivered to the Registrar of Companies, the auditors have reported on those accounts, their report was unqualified and did not contain statements under Section 498 of the Companies Act 2006. Statutory accounts for the period ended 30 April 2015 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts, their reports were unqualified and did not contain statements under Section 498 of the Companies Act 2006.

The preliminary announcement for the year ended 30 April 2015 was approved by the Board of Directors on 30 June 2015.

2 REVENUE AND SEGMENTAL INFORMATION

2(a) Revenue from operations

	Note	**2015 £000**	2014 £000
Own product software and IP licences		**51,133**	47,757
Hardware and other third-party product		**30,631**	29,906
Software maintenance and support		**36,674**	31,553

Revenue from continuing operations	2(b)	**118,438**	109,216
Revenue from discontinued operations	4(b)	**1,570**	20,542
Total revenue		**120,008**	129,758

The Group has no customer that accounted for greater than 10% of its total revenue from continuing and discontinued operations.

2(b) Operating segments - primary basis

The Group is organised into three operating segments: Device & Infrastructure Testing ("D&I Testing", formerly Handset Testing), Network Testing and Group. The Travel operating segment has been classed as a discontinued operation and has not been included in the disclosure of operating segments. With the exception of Group, which performs the head office function, both D&I Testing and Network Testing derive their revenue from the development and support of products, mainly software, relating to its relevant industry sector.

The key profit metric that represents the measure of profit reviewed by the chief operating decision-maker is "segment adjusted operating profit".

Operating segment information under the primary reporting format is as disclosed in the tables below:

Year ended 30 April 2015	**D&I Testing £000**	**Network Testing £000**	**Total Wireless £000**	**Group £000**	**Total £000**
External revenue	**81,493**	**36,945**	**118,438**	**-**	**118,438**
Internal revenue	**-**	**-**	**-**	**1,716**	**1,716**
Total segment revenue	**81,493**	**36,945**	**118,438**	**1,716**	**120,154**
Segment adjusted[a] profit/(loss) before tax	**17,542**	**7,062**	**24,604**	**(1,886)**	**22,718**
Net finance charges	**-**	**-**	**-**	**(9)**	**(9)**
Segment adjusted[a] operating profit/ (loss)	**17,542**	**7,062**	**24,604**	**(1,895)**	**22,709**
Share-based payments	**(236)**	**(833)**	**(1,069)**	**(708)**	**(1,777)**
Amortisation of acquired intangible assets	**(2,021)**	**(3,475)**	**(5,496)**	**-**	**(5,496)**
Acquisition and restructuring costs	**(324)**	**(1,215)**	**(1,539)**	**(209)**	**(1,748)**
Segment operating profit/(loss)	**14,961**	**1,539**	**16,500**	**(2,812)**	**13,688**
Finance income					**175**
Finance charges					**(166)**
Profit/(loss) from continuing operations before tax					**13,697**
Tax expense					**(2,875)**
Profit/(loss) from continuing operations					**10,822**
Profit from discontinued operations					**33,921**
Profit/(loss) for the period					**44,743**

Year ended 30 April 2014	D&I Testing £000	Network Testing £000	Total Wireless £000	Group £000	Total £000
External revenue	77,353	31,863	109,216	-	109,216
Internal revenue	-	-	-	1,696	1,696
Total segment revenue	77,353	31,863	109,216	1,696	110,912
Segment adjusted[a] profit/(loss) before tax	10,804	6,007	16,811	(1,931)	14,880
Net finance charges	-	-	-	444	444
Segment adjusted[a] operating profit/ (loss)	10,804	6,007	16,811	(1,487)	15,324
Share-based payments	(118)	(173)	(291)	103	(188)
Amortisation of acquired intangible assets	(2,191)	(2,641)	(4,832)	-	(4,832)
Acquisition and restructuring costs	(484)	-	(484)	(504)	(988)
Segment operating profit/(loss)	8,011	3,193	11,204	(1,888)	9,316
Finance income					25
Finance charges					(469)
Profit/(loss) from continuing operations before tax					8,872
Tax expense					(1,090)
Profit/(loss) from continuing operations					7,782
Profit from discontinued operations					4,489
Profit/(loss) for the period					12,271

a Segment adjusted operating profits are stated prior to the adjusting items of share-based payments, amortisation of acquired intangible assets and acquisition and restructuring costs.

2(c) Other information

Year ended 30 April 2015	**D&I Testing £000**	**Network Testing £000**	**Total Wireless £000**	**Group £000**	**Total £000**
Total assets	**67,000**	**97,292**	**164,292**	**45,136**	**209,428**
Including:					
Non-current asset additions in the year	**6,035**	**3,387**	**9,422**	**37**	**9,459**
Non-current assets acquired in the year	**2,609**	**27,914**	**30,523**	**-**	**30,523**
Adjusted EBITDA calculation					
Segment adjusted operating profit/(loss)	**17,542**	**7,062**	**24,604**	**(1,895)**	**22,709**

Depreciation	**4,404**	**415**	**4,819**	**234**	**5,053**
Amortisation of intangible assets	**2,236**	**723**	**2,959**	**31**	**2,990**
Adjusted EBITDA	**24,182**	**8,200**	**32,382**	**(1,630)**	**30,752**

Year ended 30 April 2014	D&I Testing £000	Network Testing £000	Total Wireless £000	Group £000	Total £000
Total assets	74,983	72,896	147,879	25,936	173,815
Including:					
Non-current asset additions in the year	8,942	1,780	10,722	100	10,822
Non-current assets acquired in the year	353	1,811	2,164	-	2,164
Adjusted EBITDA calculation					
Segment adjusted operating profit/(loss)	10,804	6,007	16,811	(1,487)	15,324
Depreciation	4,485	403	4,888	249	5,137
Amortisation of intangible assets	2,888	618	3,506	37	3,543
Adjusted EBITDA	18,177	7,028	25,205	(1,201)	24,004

2(d) Geographic segment - secondary basis

The operating segments operate in four principal geographic areas, as set out below.

The following analysis of the Group's revenue is based on the geographic location of customers irrespective of the origin of the goods or services. The corresponding segment assets are based on the geographic location of the assets.

	Revenue Continuing operations		**Revenue Discontinued operations**		**Revenue Total**	
	2015 £000	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000
United Kingdom	**2,117**	3,455	**1,035**	13,879	**3,152**	17,334
EMEA - excluding UK	**27,254**	22,568	**498**	6,441	**27,752**	29,009
The Americas	**35,954**	31,057	**-**	-	**35,954**	31,057
Rest of the World	**53,113**	52,136	**37**	222	**53,150**	52,358
	118,438	109,216	**1,570**	20,542	**120,008**	129,758

	Non-current assets	
	2015 £000	2014 £000
United Kingdom	**16,551**	11,176
EMEA - excluding UK	**74,592**	87,027
The Americas	**30,461**	2,986
Rest of the World	**218**	196
	121,822	101,385

2(e) Operating expenses

	Continuing operations		**Discontinued operations**		**Total**	
	2015 £000	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000
Distribution costs						
- amortisation of acquired intangible assets	**2,788**	2,679	**-**	-	**2,788**	2,679
- other underlying operating expenses	**11,482**	10,441	**79**	1,082	**11,561**	11,523
	14,270	13,120	**79**	1,082	**14,349**	14,202
Research and development						
- amortisation of internally generated assets	**2,172**	2,679	**-**	-	**2,172**	2,679
- other underlying operating expenses	**18,268**	17,033	**-**	-	**18,268**	17,033
	20,440	19,712	**-**	-	**20,440**	19,712
- amortisation of acquired intangible assets	**2,708**	2,153	**-**	-	**2,708**	2,153
	23,148	21,865	**-**	-	**23,148**	21,865
Administrative expenses						
- share-based payments	**1,777**	188	**-**	247	**1,777**	435
- acquisition and restructuring costs	**1,748**	988	**-**	-	**1,748**	988
- other underlying operating expenses	**16,624**	17,369	**285**	3,823	**16,909**	21,192
	20,149	18,545	**285**	4,070	**20,434**	22,615
Total operating expenses	**57,567**	53,530	**364**	5,152	**57,931**	58,682
Analysed as:						
- amortisation of acquired intangible assets	**5,496**	4,832	**-**	-	**5,496**	4,832
- acquisition and restructuring costs	**1,748**	988	**-**	-	**1,748**	988
- share-based payments	**1,777**	188	**-**	247	**1,777**	435
One-off and non-trading operating expenses excluded from adjusted profit	**9,021**	6,008	**-**	247	**9,021**	6,255
- amortisation of internally generated assets	**2,172**	2,679	**-**	-	**2,172**	2,679
- other underlying operating expenses	**46,374**	44,843	**364**	4,905	**46,738**	49,748
Total operating expenses	**57,567**	53,530	**364**	5,152	**57,931**	58,682

3 ACQUISITION AND RESTRUCTURING COSTS

Acquisition and restructuring costs primarily relate to the costs incurred on the acquisition of and subsequent integration into the Group of new businesses.

	2015 £000	2014 £000
Costs incurred on the acquisition and integration of Xceed	**1,428**	-
Costs incurred on the acquisition and integration of Setcom	**320**	-
Costs incurred on the acquisition and integration of Genetel	**-**	492
Costs incurred on the acquisition and integration of Propsim	**-**	12
Reorganisation and redundancy costs	**-**	484
	1,748	988

4 DISCONTINUED OPERATIONS

4(a) Accounting treatment

On 29 May 2014, the Group completed its disposal of the Anite Travel business with the sale of its 100% interest in the ordinary share capital of Anite Travel Limited and its subsidiary Anite Travel Systems Pty Limited.

The cash consideration was £42.5m, being the initial headline price of £45.0m, reduced by £2.5m upon the resolution of commercial considerations existing at the time of the disposal. £1.7m of the reduction had been held in escrow. After deduction of disposal costs of £2.9m, the Group received net proceeds of £39.6m.

The Group has treated the Travel business as a discontinued operation in the consolidated income statement for both the current and prior year. The results of the Travel business, plus the results from businesses discontinued in prior periods, are shown below:

4(b) Profit after tax relating to discontinued operations

	2015 £000	2014 £000
Profit after tax for the year from Anite Travel		
Revenue	**1,570**	20,542
Cost of sales	**(852)**	(10,130)
Gross profit	**718**	10,412
Operating expenses	**(364)**	(4,905)
Adjusted operating profit	**354**	5,507
Share-based payments	**-**	(247)
Operating profit	**354**	5,260
Net finance income	**1**	28
Profit before tax	**355**	5,288
Tax expense	**(65)**	(1,265)
Profit after tax from Anite Travel	**290**	4,023
Profit after tax for the year from other discontinued operations		
Net profit after tax on sale of discontinued operations	**30,921**	-
Release of provision in relation to previously discontinued operations	**2,710**	500
Charge in respect of previously discontinued operations	**-**	(34)
Profit after tax for the year from other discontinued operations	**33,631**	466
Total	**33,921**	4,489

During the year Anite Travel contributed £180,000 (2014: £5,601,000) to the Group's cash generated from operating activities and paid £4,000 (2014: £198,000) in respect of investing activities.

5 INCOME TAX EXPENSE

	Continuing operations		**Discontinued operations**		**Total**	
	2015 £000	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000
Current tax						
UK corporation tax	**1,159**	775	**65**	1,244	**1,224**	2,019
Foreign tax	**3,724**	1,660	**-**	-	**3,724**	1,660
	4,883	2,435	**65**	1,244	**4,948**	3,679
Adjustments in respect of prior years						
UK corporation tax	**(295)**	(61)	**-**	(5)	**(295)**	(66)
Foreign tax	**-**	5	**-**	-	**-**	5
	(295)	(56)	**-**	(5)	**(295)**	(61)
Total current tax expense	**4,588**	2,379	**65**	1,239	**4,653**	3,618
Deferred tax						
UK	**(609)**	465	**-**	26	**(609)**	491
Foreign	**(1,104)**	(1,754)	**-**	-	**(1,104)**	(1,754)
Total deferred tax (credit)/expense	**(1,713)**	(1,289)	**-**	26	**(1,713)**	(1,263)
Total income tax expense	**2,875**	1,090	**65**	1,265	**2,940**	2,355

UK corporation tax is calculated at 20.92% (2014: 22.84%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

	2015 £000	2014 £000
(Credited)/charged to equity		
Deferred tax relating to the translation adjustment to acquired intangibles	**(323)**	(135)
UK corporation tax relating to foreign exchange	**(725)**	(586)
Income tax relating to components of other comprehensive income	**(1,048)**	(721)
Deferred tax relating to share-based payments	**57**	1,825
Current tax relating to share-based payments	**(21)**	(441)
	(1,012)	663

Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £000	2014 £000
Profit before tax		
Continuing operations	**13,697**	8,872
Tax on Group profit at standard UK corporation tax rate of 20.92% (2014: 22.84%)	**2,865**	2,026
Effects of:		
Impairments/(releases) and sale/closure of discontinued operations	**(54)**	106
Disallowed expenses and non-taxable income (net)	**94**	43
Ineligible depreciation	**5**	22
Change in tax rates	**98**	(756)
Short term timing differences	**24**	65
Tax losses carried forward	**8**	71
Utilisation of tax losses	**(42)**	(296)

(Lower)/higher tax rates on overseas earnings	**96**	(164)
Deferred tax not provided	**77**	37
Adjustments to current tax charge in respect of previous periods	**(295)**	(56)
Other	**(1)**	(8)
Income tax expense for year	**2,875**	1,090
Tax rate for continuing operations	**21.0%**	12.3%

The Group earns its profits in the UK and overseas. The tax rate used for tax on profit on ordinary activities is 20.92% (2014: 22.84%), being the standard rate for UK corporation tax, as the Group's head office is in the UK. As a result of the reduction in the prospective rate of UK corporate tax used in computing the deferred tax asset, the tax charge for the year was increased by £98,000 (2014: £756,000 decrease).

Some components of the Group's overseas profits are likely to be taxed at an effective rate that is higher than the UK rate. Other components, due to the availability of losses brought forward in certain countries, are likely to be taxed at a lower rate.

6 Earnings per share

The calculations of earnings per share ("EPS") are based on the Group profit for the year, adjusted profit [a] and weighted average number of shares in issue:

	Basic		Diluted	
	2015	2014	**2015**	2014
EPS summary				
EPS for continuing and discontinued operations	**15.5p**	4.3p	**15.0p**	4.1p
EPS for discontinued operations	**11.7p**	1.6p	**11.4p**	1.5p
EPS for continuing operations	**3.8p**	2.7p	**3.6p**	2.6p
Adjusted EPS [b]	**6.2p**	4.0p	**6.0p**	3.9p

	2015 Pence per share	2014 Pence per share	**2015 £000**	2014 £000
Profit for the year	**15.5**	4.3	**44,743**	12,271
Profit from discontinued operations	**(11.7)**	(1.6)	**(33,921)**	(4,489)
Profit for the year from continuing operations	**3.8**	2.7	**10,822**	7,782
Reconciliation to adjusted profit:				
Amortisation of acquired intangible assets (net of tax)	**1.5**	0.9	**4,180**	2,517
Share-based payments (net of tax)	**0.5**	0.1	**1,562**	375
Acquisition and restructuring costs (net of tax)	**0.4**	0.3	**1,248**	856
Adjusted profit [a]	**6.2**	4.0	**17,812**	11,530

a Profit from continuing businesses before amortisation of acquired intangible assets, share-based payments and acquisition and restructuring costs.

b Earnings per share on adjusted profit [a] have been included to give a clearer understanding of the results of the continuing businesses.

Number of shares ('000)	**2015**	2014
Weighted average number of shares in issue used to calculate basic earnings per share	**288,495**	285,390
Effect of dilutive ordinary shares		
- SAYE and share option schemes	**10,230**	13,132
Number of shares used to calculate diluted earnings per share	**298,725**	298,522

7 ACQUISITIONS

On 2 October 2014, Anite plc acquired 100% control of Xceed Technologies Inc. ("Xceed"), a leading provider of wireless network optimisation and performance management products. The acquisition will allow Anite to broaden its product portfolio in the analytics and post-processing market, an area of significant operator focus and growth. The Xceed business is reported under the Network Testing segment.

On 1 April 2015, Anite plc acquired the trade and assets of Setcom Wireless Products GmbH ("Setcom"). The acquisition will provide Anite's customer base with a more enhanced device application test offering for Wi-Fi offload, VoLTE, RCS and other application and IMS based services. The Setcom business will be fully integrated into the D&I Testing business.

The initial accounting for the Xceed transaction is now complete. The consideration for the Xceed acquisition was $30.0m in cash on completion plus a potential further deferred consideration of up to $5.0m dependent on the achievement of performance targets for the year to 30 April 2016. $3.5m (£2.2m) of this potential deferred consideration has been provided for in these accounts, being the amount potentially due to the vendor shareholders. The remaining $1.5m is due to employees and will be recognised as employment costs within acquisition and restructuring costs in the income statement over the earnout period. Adjustment to the total consideration will be reassessed in accordance with the expected achievement of the performance conditions.

The consideration for the Setcom acquisition was €2.6m in cash on completion plus a potential further deferred consideration of up to €0.7m dependent on the achievement of performance targets for the year to 1 April 2016. Adjustment to this amount will be made over the initial accounting period in accordance with the expected achievement of the performance conditions.

The goodwill in Xceed represents the potential for Anite to sell its existing products into Xceed's customer base, none of which is deductible for income tax purposes. The goodwill in Setcom represents the potential for operational synergies and may be deductible for income tax purposes.

Recognition of assets acquired and liabilities assumed are:

	Xceed fair value (final) £000	Setcom fair value (provisional) £000	Total fair value £000
Goodwill	10,220	263	10,483
Acquired intangibles	17,451	2,330	19,781
Fixed assets	244	15	259
Trade and other receivables	498	27	525

Bank balances	1,070	0	1,070
Trade and other payables	(1,139)	(111)	(1,250)
Provisions	-	(70)	(70)
Deferred tax	(7,046)	-	(7,046)
Total	**21,298**	**2,454**	**23,752**
Consideration			
Cash	19,133	1,942	21,075
Deferred consideration	2,165	512	2,677
	21,298	**2,454**	**23,752**

Xceed contributed £4.4m to Group revenue and £0.9m to Group operating profit for the period between 2 October 2014 and the balance sheet date. If the acquisition of Xceed had been completed on the first day of the financial year, its contribution to revenue and operating profit (excluding amortisation of acquired intangible assets and financing costs) for the 12 months to 30 April 2015 would have been £7.4m and £1.2m respectively.

Setcom contributed £nil to Group revenue and a loss of £0.1m to Group operating profit for the one month period between 1 April 2015 and the balance sheet date. Anite does not have access to all the historical accounting records of the company that previously owned the trade and assets. The most recent period for which Setcom produced accounts was for the year ended 31 December 2014. During this period, Setcom reported revenue of £1.9m and operating profit of £0.5m.

Acquisition and integration costs of £1,748,000 have been expensed in the consolidated income statement of Anite plc during the period under the heading "Acquisition and restructuring costs".

8 TRADE AND OTHER RECEIVABLES

	2015 £000	2014 £000
Current assets		
Trade receivables	**33,288**	36,011
Less: provision for impairment of trade receivables	**(1,586)**	(1,864)
Trade receivables net of provision	**31,702**	34,147
Other receivables	**4,102**	1,694
Prepayments	**3,357**	3,624
Accrued income	**1,698**	2,162
	40,859	41,627

The amounts presented in the table above are net of provision for doubtful recoverability and foreseeable losses.

The table below shows the movements in the provision for impairment of trade receivables:

	2015 £000	2014 £000
At 1 May	**1,864**	526
Provision transferred to assets held for sale	**-**	(50)
Charge for the year through income statement	**234**	1,820
Released in the year	**(250)**	(120)
Utilised for bad debt written off	**(262)**	(312)
At 30 April	**1,586**	1,864

9 TRADE AND OTHER PAYABLES

	2015 £000	2014 £000
Trade creditors	**9,012**	9,296
Other taxes and social security	**913**	827
Deferred income	**26,954**	23,383
Accruals	**9,252**	8,058
Other creditors	**226**	520
	46,357	42,084

10 NET CASH

	2015 £000	2014 £000
Cash and cash equivalents	**36,966**	16,993
Bank borrowings	**-**	(10,938)
Net cash	**36,966**	6,055

A reconciliation of the movement in net cash for the year is as detailed below:

	2015 £000	2014 £000
Net cash/(debt) at 1 May	**6,055**	(901)
Net increase in cash and cash equivalents	**20,974**	612
Decrease in bank borrowings	**10,938**	6,668
Exchange movement	**(1,001)**	(324)
Net cash at 30 April	**36,966**	6,055

11 PROVISIONS

	National insurance £000	Deferred consideration £000	Warranty £000	Property £000	Contracts £000	Total £000
At 1 May 2014	1,358	-	2,710	183	1,034	5,285
Transferred from accruals	-	-	-	-	407	407

Acquisitions	-	2,677	-	-	70	2,747
Established during the year	108	-	-	-	-	108
Release of provision - continuing	-	-	-	-	(407)	(407)
Release of provision - discontinued	-	-	(2,710)	-	-	(2,710)
Utilised during the year	(125)	-	-	-	(497)	(622)
Exchange movement	-	111	-	-	(89)	22
At 30 April 2015	**1,341**	**2,788**	**-**	**183**	**518**	**4,830**

	2015	2014
	£000	£000
Analysed as:		
Current liabilities	**1,629**	4,978
Non-current liabilities	**3,201**	307
	4,830	5,285

The national insurance provision relates to the Group's liability to pay employer's national insurance contributions on the exercise of share options. The amount and timing of these outflows depends on the share price on the date of exercise, the date of the exercise and the rate of national insurance at the time. The provision relating to shares that are not currently exercisable is classified as non-current. The current provision relating to share options that are exercisable is expected to be utilised within one year.

The deferred consideration provision has been made to cover the earnout arrangements for acquisitions made during the year. The exact amount will be made certain within one year and payable shortly after 30 April 2016.

The property provision is in respect of dilapidation provisions on buildings currently occupied by the Group. The amount and timing of these outflows depend on the Group's future requirements for office space. It is expected to be utilised in one to eight years.

The contract provisions are expected to be utilised in one to two years.

12 SHARE CAPITAL

Issued share capital

	Ordinary shares of 11.25p each	
	Number	£000
Allotted, issued and fully paid:		
At 30 April 2014	300,645,388	33,823
Issued during the year	267,500	30
At 30 April 2015	**300,912,888**	**33,853**

13 DIVIDENDS

Dividends paid during the year are set out below:

	Payment date	**2015 pence per share**	**2015 £000**	2014 pence per share	2014 £000
For the year ended 30 April 2013					
Final dividend	29 October 2013			1.265	3,624
For the year ended 30 April 2014					
Interim dividend	14 February 2014			0.575	1,648
Final dividend	24 October 2014	1.265	**3,665**		
For the year ended 30 April 2015					
Interim dividend	13 February 2015	0.630	**1,824**		
			5,489		5,272

In accordance with the terms of the recommended cash offer from Keysight, the Board is not proposing the payment of a final dividend (2014: 1.265p).

14 EVENTS AFTER THE BALANCE SHEET DATE

On 17 June 2015 Keysight Technologies Inc. announced a recommended 126p per share cash acquisition of Anite. The acquisition remains subject to Anite shareholder approval.

FIVE-YEAR SUMMARY

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Revenue					
Revenue - continuing operations	**118,438**	109,216	113,113	102,467	73,691
Revenue - discontinued and disposed operations	**1,570**	20,542	19,396	20,079	20,003
Total revenue	**120,008**	129,758	132,509	122,546	93,694
Results					
Adjusted operating profit - continuing operations	**22,709**	15,324	29,651	24,150	13,454
Operating profit - continuing operations	**13,688**	9,316	22,275	17,898	9,785
Profit attributable to equity holders of Anite plc	**44,743**	12,271	19,332	18,466	9,435
Assets employed					
Non-current assets	**124,788**	103,583	116,391	85,628	89,661
Current assets	**84,640**	70,232	77,135	60,247	75,038
Assets classified as held for sale	**-**	13,499	-	-	-
Current liabilities	**(57,189)**	(64,555)	(77,011)	(50,306)	(75,978)
Liabilities related to assets classified as held for sale	**-**	(6,292)	-	-	-
Non-current liabilities	**(11,163)**	(5,222)	(7,303)	(3,468)	(7,021)
	141,076	111,245	109,212	92,101	81,700

Key statistics:

Earnings per share						
Adjusted	- basic	**6.2p**	4.0p	7.6p	6.0p	3.0p
	- diluted	**6.0p**	3.9p	7.1p	5.6p	2.8p
Proposed dividend per share history						
Dividend per share	- interim	**0.63p**	0.575p	0.575p	0.375p	0.315p
	- final	**-**	1.265p	1.265p	1.125p	0.735p
Total dividend per share		**0.63p**	1.84p	1.84p	1.50p	1.05p

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