

Transcript of Recorded Statement from Keysight's CEO, Ron Nersesian

Hello. This is Ron Nersesian, President and CEO of Keysight Technologies.

I am pleased to tell you that today Keysight announced the recommended cash acquisition of Anite.

Anite is a global, public UK company with strong software expertise and a leading supplier of wireless test solutions. For the fiscal year ended April 30, 2014, Anite generated revenue from continuing operations of 109 million British pounds, which at current exchange rates is approximately 170 million U.S. dollars. Anite intends to issue its final results for fiscal year 2015 on July 1, 2015.

From a financial perspective, the recommended cash acquisition for 388 million British pounds or 606 million U.S. dollars is expected to:

- 1. Be accretive to adjusted earnings in the first year**
- 2. Generate 15% Return On Invested Capital within five years**
- 3. Be an effective use of Keysight's cash -- specifically overseas cash -- to provide growth.**

Furthermore, we expect to generate approximately 20 million dollars of ongoing annual run rate operational cost synergies by the end of the second year following completion of the deal.

Subject to the approval of Anite shareholders, customary closing conditions, and regulatory approvals, we expect to close by the end of October 2015.

With this strategic transaction, Keysight becomes a global leader in wireless communication test for both the physical and the software layers. Let me explain what this means: Engineers need both software and hardware tools to design both the hardware and complex software within wireless devices. Keysight currently provides the software and hardware tools which enable engineers to design and test the electronic hardware portion of wireless devices commonly known as the Physical Layer. Anite currently provides the software and hardware tools used to design and test the software portion of wireless devices also known as the Software Layer.

This transaction drives 3 elements of our stated strategy:

- One —it will grow our sales and strengthen our position in wireless communications. The transaction also expands our served addressable market in wireless R&D and Network test segments.**
- Two—it will grow Keysight’s software solutions and sales for design and validation of the software layer of wireless devices.**

- **Three—it will grow sales from R&D customers**

Here are some additional facts about Anite.

- **Anite was founded as Cray Electronics in 1973.**
- **With offices in 14 countries, Anite is based in Fleet, United Kingdom, and has more than 500 employees.**
- **Its test and measurement software solutions and services enable the efficient design and validation of chipsets, mobile devices and network equipment.**
- **Their typical customers include major manufacturers of mobile devices, chipsets and network equipment, mobile network operators, regulatory authorities, and independent test houses.**

In summary, this combination is well-aligned with Keysight's objectives to grow in wireless communications, expand our software offerings and increase our R&D revenues. Together, we will be a global leader in wireless test for both the physical and software layers, and offer customers a single supplier choice for wireless design and validation solutions.

You can find additional details in the Rule 2.7 announcement, our press release, and the slides posted on our Investor Relations website.

Thank you very much.

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