

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>AEROFLEX INCORPORATED EMPLOYEES' 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>03/01/1992</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>03/01/1992</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>03/01/1992</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>AEROFLEX INCORPORATED</u> <u>35 SOUTH SERVICE ROAD</u> <u>PLAINVIEW, NY 11803</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>11-1974412</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>516-694-6700</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>335900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>11-1974412</u>	2c Sponsor's telephone number <u>516-694-6700</u>	2d Business code (see instructions) <u>335900</u>	
2b Employer Identification Number (EIN) <u>11-1974412</u>					
2c Sponsor's telephone number <u>516-694-6700</u>					
2d Business code (see instructions) <u>335900</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2012	ANDREW KAMINSKY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2012	CHARLES BADLATO
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") AEROFLEX INCORPORATED 35 SOUTH SERVICE ROAD PLAINVIEW, NY 11803	3b Administrator's EIN 11-1974412 3c Administrator's telephone number 516-694-6700
---	---

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
---	-----------------------------------

5 Total number of participants at the beginning of the plan year	5	2518
---	----------	------

6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	2231
b Retired or separated participants receiving benefits.....	6b	12
c Other retired or separated participants entitled to future benefits.....	6c	263
d Subtotal. Add lines 6a , 6b , and 6c	6d	2506
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	8
f Total. Add lines 6d and 6e	6f	2514
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	2025
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
--	----------	--

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>AEROFLEX INCORPORATED EMPLOYEES' 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AEROFLEX INCORPORATED</u>	D Employer Identification Number (EIN) <u>11-1974412</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

HARTFORD RETIREMENT SERVICES, LLC

26-1589907

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 38 49 64 65 99 50	N/A	10752	Yes ☒ No ☐	Yes ☐ No ☒	314	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

RELIANCE TRUST COMPANY

58-1428634

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 99	N/A	0	Yes ☒ No ☐	Yes ☐ No ☒	7455	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

BANK OF AMERICA, NA

94-1687665

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51 56 59 60 63 72	N/A	65902	Yes ☒ No ☐	Yes ☐ No ☒	200567	Yes ☐ No ☒

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MORNINGSTAR ASSOC

36-4317381

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
49	N/A	0	Yes ☒ No ☐	Yes ☒ No ☐	44	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

GPC SECURITIES INC.

58-1517899

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 65	N/A	0	Yes ☒ No ☐	Yes ☒ No ☐	45250	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
HARTFORD RETIREMENT SERVICESS, LLC	15	314
(d) Enter name and EIN (address) of source of indirect compensation BANK OF AMERICA CORPORATION 94-1687665		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. SEE FEE & COMPENSATION DISCLOSURE REPORT ATTACH		
(a) Enter service provider name as it appears on line 2 RELIANCE TRUST COMPANY		
	19 99	7455
(d) Enter name and EIN (address) of source of indirect compensation HARTFORD RETIREMENT SERVICES, LLC 26-1589907		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. SEE FEE & COMPENSATION DISCLOSURE REPORT ATTACH		
(a) Enter service provider name as it appears on line 2 BANK OF AMERICA CORPORATION		
	51 56 59 60 63 72	200567
(d) Enter name and EIN (address) of source of indirect compensation SEE FORM 5500 SCHEDULE C ATTACHMENT 94-1687665		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. SEE FEE & COMPENSATION DISCLOSURE REPORT ATTACH		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MORNINGSTAR ASSC LLC	49	44
(d) Enter name and EIN (address) of source of indirect compensation HARTFORD LIFE INSURANCE CO 06-0974148 (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. SEE FEE & COMPENSATION DISCLOSURE REPORT ATTACH		
(a) Enter service provider name as it appears on line 2 GPC SECURITIES, INC. (b) Service Codes (see instructions) 15 65 (c) Enter amount of indirect compensation 45250		
(d) Enter name and EIN (address) of source of indirect compensation HARTFORD RETIREMENT SERVICES LLC 26-1589907 (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. SEE FEE & COMPENSATION DISCLOSURE REPORT ATTACH		
(a) Enter service provider name as it appears on line 2 (b) Service Codes (see instructions) (c) Enter amount of indirect compensation		
(d) Enter name and EIN (address) of source of indirect compensation (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
---	--	---

For calendar plan year 2011 or fiscal plan year beginning	01/01/2011	and ending	12/31/2011
---	------------	------------	------------

A Name of plan AEROFLEX INCORPORATED EMPLOYEES' 401(K) PLAN	B Three-digit plan number (PN)	002
---	---------------------------------------	-----

C Plan or DFE sponsor's name as shown on line 2a of Form 5500 AEROFLEX INCORPORATED	D Employer Identification Number (EIN) 11-1974412
---	---

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
--------	--

a	Name of MTIA, CCT, PSA, or 103-12 IE: STABLE ASSET FUND
---	---

b	Name of sponsor of entity listed in (a): BANK OF AMERICA, NA
---	--

c EIN-PN 22-6459529-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
--------------------------------	------------------------	---

a	Name of MTIA, CCT, PSA, or 103-12 IE: STABLE RETURN FUND
---	--

b	Name of sponsor of entity listed in (a): WELLS FARGO BANK N.A.
---	--

c EIN-PN 41-6202499-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 35616503
--------------------------------	------------------------	--

a	Name of MTIA, CCT, PSA, or 103-12 IE:
---	---------------------------------------

b	Name of sponsor of entity listed in (a):
---	--

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a	Name of MTIA, CCT, PSA, or 103-12 IE:
---	---------------------------------------

b	Name of sponsor of entity listed in (a):
---	--

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a	Name of MTIA, CCT, PSA, or 103-12 IE:
---	---------------------------------------

b	Name of sponsor of entity listed in (a):
---	--

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a	Name of MTIA, CCT, PSA, or 103-12 IE:
---	---------------------------------------

b	Name of sponsor of entity listed in (a):
---	--

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a	Name of MTIA, CCT, PSA, or 103-12 IE:
---	---------------------------------------

b	Name of sponsor of entity listed in (a):
---	--

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>AEROFLEX INCORPORATED EMPLOYEES' 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AEROFLEX INCORPORATED</u>	D Employer Identification Number (EIN) <u>11-1974412</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	2463702	2793266
	(9) Value of interest in common/collective trusts.....	1c(9)	32503941	35616503
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	112548735	112644239
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	147516378	151054008

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	147516378	151054008
---	-----------	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2710266	
(B) Participants	2a(1)(B)	10467427	
(C) Others (including rollovers)	2a(1)(C)	568853	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		13746546

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	127299	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		127299

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	6302982	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		6302982

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		1180166
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-5528440
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		15828553

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	12214273	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		12214273
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	33347	
(2) Contract administrator fees	2i(2)	10752	
(3) Investment advisory and management fees	2i(3)	32551	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		76650
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		12290923

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		3537630
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HOLTZ RUBENSTEIN REMINICK LLP

(2) EIN: 11-2355064

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>AEROFLEX INCORPORATED EMPLOYEES' 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AEROFLEX INCORPORATED</u>	D Employer Identification Number (EIN) <u>11-1974412</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>06-0947148</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN**

**REPORT ON AUDITS OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

Year Ended December 31, 2011

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Contents

Year Ended December 31, 2011

Pages

Financial Statements

Independent Auditors' Report	1
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4 - 10

Supplemental Schedule

Schedule of Assets (Held at End of Year)	11
--	----

Financial Statements

Independent Auditors' Report

Trustees
Aeroflex Incorporated
Employees' 401(k) Plan
Plainview, New York

We were engaged to audit the financial statements and supplemental schedule of Aeroflex Incorporated Employees' 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Reliance Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Holtz Rubenstein Reminick LLP

Melville, New York
October 11, 2012

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2011	2010
Assets		
Investments, at fair value	\$ 148,260,742	\$ 145,052,676
Notes Receivable from Participants	2,793,266	2,463,702
Participant Contributions Receivable	73,825	32,738
Employer Contributions Receivable	-	10,346
Assets Available for Benefits, at fair value	<u>151,127,833</u>	<u>147,559,462</u>
Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contract	(962,155)	(803,934)
Net Assets Available for Benefits	<u><u>\$ 150,165,678</u></u>	<u><u>\$ 146,755,528</u></u>

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2011

Additions:

Additions to net assets attributed to:

Investment income:

Net depreciation in fair value of investments	\$ (5,399,021)
Interest and dividend income	7,322,807
	<u>1,923,786</u>

Contributions:

Participant contributions	10,508,514
Employer contributions	2,699,920
Rollover contributions	568,853
	<u>13,777,287</u>
Total Additions	<u><u>15,701,073</u></u>

Deductions:

Deductions from net assets attributed to:

Benefits paid to participants	12,214,273
Administrative expenses	76,650
	<u>12,290,923</u>

Total Deductions

Net Increase	3,410,150
Net Assets Available for Benefits, beginning of year	146,755,528
Net Assets Available for Benefits, end of year	<u><u>\$ 150,165,678</u></u>

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

1. Description of the Plan

The following description of the Aeroflex Incorporated Employees' 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan sponsored by Aeroflex Incorporated. The Plan was established effective March 1, 1992, and most recently amended effective August 1, 2011. Nonunion employees of Aeroflex Incorporated and domestic subsidiaries (collectively, the "Company" or "Sponsor") become eligible to participate in the Plan effective on the first day of the month following six months of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended.

Contributions - Under the terms of the Plan, each participant may contribute up to 30% of their eligible compensation on a before-tax basis up to the maximum allowed (\$16,500 in 2011) by the Internal Revenue Service ("IRS"). Pursuant to EGTRRA, all participants who attained the age of 50 before the close of the Plan year are eligible to make additional "catch-up" contributions.

The Company provides a discretionary match on each participant's contribution. During the period January 1, 2011 through October 31, 2011, the Company matched 40% of participant contributions up to the first 8% of the participant's annual compensation, as defined by the Plan. Effective November 1, 2011, the Sponsor discontinued the employer match to the Plan.

Participant accounts - Each participant's account is credited with the participant's contribution, the Company's discretionary matching contribution, rollovers and an allocation of the 401(k) Plan's earnings (losses). The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Management of the funds - All of the investment assets of the Plan are held in a trust for the exclusive benefit of participants and their beneficiaries under the Plan. Contributions are invested in investment funds, as directed by the Plan participants. Participants may change their investment elections at any time.

Vesting - Participants are immediately, and at all times, vested in their voluntary contributions, Company matching contributions, and the actual earnings thereon.

Notes receivable from participants - Participants may borrow from their fund accounts the lesser of \$50,000 or 50% of their account balance. The notes are secured by the balance of the participant's account and bear interest at rates ranging from 4.25% to 10.50%. Principal and interest is paid ratably through payroll deductions.

Payment of benefits - Participants are entitled to receive a distribution of their interest in the Plan upon termination of employment, retirement, in the event they became disabled or in the event of financial hardship (as defined by the Plan). The beneficiary or beneficiaries of a participant's interest are entitled to receive a distribution of such interest in the Plan upon the death of the respective participant.

Unallocated assets - At December 31, 2011, unallocated assets totaled approximately \$700. Such unallocated assets may be used to reduce future employer contributions or pay administrative expenses. For the year ended December 31, 2011, approximately \$5,200 of the Plan's unallocated assets was utilized to reduce employer contributions.

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

2. Summary of Significant Accounting Policies

Basis of accounting - The accompanying financial statements are prepared under the accrual basis of accounting.

Investment valuation and income recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and (losses) on investments bought and sold, as well as held during the year.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Contract with Insurance Company - Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets of a collective investment fund attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the investment contracts, as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Notes receivable from participants - Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Delinquent participant notes are reclassified as distributions based upon the terms of the Plan document.

Payment of benefits - Benefits to participants are recorded when paid.

Administrative expenses - Administrative expenses incurred are the shared responsibility of the Plan and the Company.

Evaluation of subsequent events - Plan management has evaluated subsequent events through October 11, 2012, the date the financial statements are available for issuance, for inclusion or disclosure in the financial statements.

3. Certified Financial Information

The Plan administrator has obtained a certification from Reliance Trust Company ("Reliance"), the custodian of the Plan. The fair value of investments at December 31, 2011 and 2010, totaling \$148,260,742 and \$145,052,676, respectively, were certified by Reliance as complete and accurate in accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the ERISA. Investment activity for the year ended December 31, 2011 was also certified by Reliance.

AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN**Notes to Financial Statements***Year Ended December 31, 2011***4. Investments**

The following presents investments at December 31, 2011 and 2010, that represent 5% or more of the Plan's net assets:

<i>December 31,</i>	<i>2011</i>
Wells Fargo Stable Return Fund M	\$ 35,616,503
Columbia Balanced Z	16,204,550
JPMorgan Large Cap Growth Fund A	14,224,361
Putnam Equity Income Y	14,121,330
Pioneer Bond Y	13,849,982
Columbia Large Company Index Z	13,408,629
Columbia Acorn Z	13,043,329
Columbia Small-Cap Core Z	12,586,554
American Funds Europacific Growth A	8,315,840
<i>December 31,</i>	<i>2010</i>
Stable Asset Fund	\$ 32,503,941
MFS Total Return Fund	12,613,908
American Growth Fund of America	12,488,765
Columbia Large Cap Index Z	12,066,585
Columbia Disciplined Value Fund	11,427,542
Columbia Core Bond Fund	11,403,559
Columbia Small-Cap Core Z	10,543,763
Columbia Acorn Select	8,453,736
Columbia Acorn Z	7,427,805

5. Fair Value Measurements

"Fair Value Measurements" establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active market for identical assets or liabilities (Level 1 measurements) and the lowest priority to the unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from and corroborated by observable market data by correlation or other means.

AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN**Notes to Financial Statements***Year Ended December 31, 2011*

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011:

Mutual funds - Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Stable asset fund - Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables provides the level of valuation assumptions used to determine the carrying value of the Plan's assets which are measured at fair value on a recurring basis at December 31, 2011 and 2010 respectively:

<i>December 31, 2011</i>	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds:				
Diversified Emerging Markets	\$ 362,196	\$ -	\$ -	\$ 362,196
Foreign Large Blend	8,315,840	-	-	8,315,840
Large Blend	13,408,629	-	-	13,408,629
Large Growth	14,224,361	-	-	14,224,361
Large Value	14,121,330	-	-	14,121,330
Mid-Cap Growth	13,043,329	-	-	13,043,329
Mid-Cap Value	4,507,427	-	-	4,507,427
Mixed-Asset Target	1,553,189	-	-	1,553,189
Moderate Allocation	16,204,550	-	-	16,204,550
Small Blend	12,586,554	-	-	12,586,554
Bond	14,316,834	-	-	14,316,834
Total mutual funds	112,644,239	-	-	112,644,239
Stable asset fund	-	-	35,616,503	35,616,503
Total	\$ 112,644,239	\$ -	\$ 35,616,503	\$ 148,260,742

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

December 31, 2010	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds:				
Financial	\$ 25	\$ -	\$ -	\$ 25
Foreign Large Blend	10,065,326	-	-	10,065,326
Large Blend	12,066,585	-	-	12,066,585
Large Growth	14,841,127	-	-	14,841,127
Large Value	14,449,479	-	-	14,449,479
Mid-Cap Blend	4,328,202	-	-	4,328,202
Mid-Cap Growth	15,881,541	-	-	15,881,541
Moderate Allocation	16,799,102	-	-	16,799,102
Small Blend	10,543,763	-	-	10,543,763
Small Growth	2,170,026	-	-	2,170,026
Bond	11,403,559	-	-	11,403,559
Total mutual funds	112,548,735	-	-	112,548,735
Stable asset fund	-	-	32,503,941	32,503,941
Total	\$ 112,548,735	\$ -	\$ 32,503,941	\$ 145,052,676

Level 3 gains and losses - The following table sets forth a summary of changes in fair value of the Plan's Level 3 asset:

Years Ended December 31,	2011
Balance, beginning of year	\$ 32,503,941
Gain/Loss:	
Included in change of net assets	1,434,260
Purchases and Sales:	
Purchases	5,675,055
Sales	(3,960,447)
Fees	(36,306)
Balance, end of year	<u>\$ 35,616,503</u>

6. Plan Termination

Although the Company has not expressed any intent to terminate the Plan, it does have the right to do so at any time, subject to the provisions of ERISA. In the event that the Plan is terminated, participants will become eligible for immediate distribution of 100% of their accounts.

7. Related Party Transactions

Aeroflex Incorporated acts as the Plan Sponsor and the trustees of the Plan are officers of the Company.

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

8. Tax Status

The Plan adopted a prototype plan, which received a determination letter from the Internal Revenue Service dated March 31, 2005, which indicated that the prototype plan document was in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the statement of assets available for benefits.

10. Reconciliation of Financial Statements to Form 5500

The differences between the information reported in the financial statements and the information reported in the Form 5500 arise primarily from presenting investment contracts at fair value in the financial statements.

The following is a reconciliation of net assets available for benefits:

<i>December 31,</i>	2011	2010
Net Assets Available for Benefits	\$ 150,165,678	\$ 146,755,528
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts	962,155	803,934
Conversion in 5500 from Accrual to Cash Basis:		
Employer contributions receivable, current year	-	(10,346)
Participant contributions receivable, current year	(73,825)	(32,738)
Net Assets per Form 5500	<u>\$ 151,054,008</u>	<u>\$ 147,516,378</u>

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

The following is a reconciliation of net increase to Form 5500:

December 31, 2011

Net Increase in Assets Available for Benefits	\$ 3,410,150
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts, current year	962,155
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts, prior year	(803,934)
Conversion in 5500 from Accrual to Cash Basis:	
Participant contributions receivable, current year	(73,825)
Employer contributions receivable, prior year	10,346
Participant contributions receivable, prior year	32,738
Net Increase per Form 5500	<u>\$ 3,537,630</u>

Supplemental Schedule

AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN

Schedule H, Line 4i; (EIN): 11-1974412; (PN): 002

Schedule of Assets (Held at End of Year)December 31, 2011

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor or similar party.		Description of investment (including maturity date, rate of interest, collateral par or maturity value).	Cost**	Current Value
American Century Livestrong 2015 A		Interest in Registered Investment Company	\$	421,771
American Century Livestrong 2020 A		Interest in Registered Investment Company		267,472
American Century Livestrong 2025 A		Interest in Registered Investment Company		289,119
American Century Livestrong 2030 A		Interest in Registered Investment Company		43,547
American Century Livestrong 2035 A		Interest in Registered Investment Company		375,575
American Century Livestrong 2040 A		Interest in Registered Investment Company		3,389
American Century Livestrong 2045 A		Interest in Registered Investment Company		1,996
American Century Livestrong Inc A		Interest in Registered Investment Company		150,320
American Century Mid Cap Value A		Interest in Registered Investment Company		4,507,427
American Funds Europacific Growth A		Interest in Registered Investment Company		8,315,840
Columbia Acorn Z		Interest in Registered Investment Company		13,043,329
Columbia Balanced Z		Interest in Registered Investment Company		16,204,550
Columbia Large Cap Index Z		Interest in Registered Investment Company		13,408,629
Columbia Small Cap Core Z		Interest in Registered Investment Company		12,586,554
JPMorgan Large Cap Growth Fund A		Interest in Registered Investment Company		14,224,361
Oppenheimer Developing Markets A		Interest in Registered Investment Company		362,196
Pioneer Bond Y		Interest in Registered Investment Company		13,849,982
Putnam Equity Income Y		Interest in Registered Investment Company		14,121,330
Templeton Global Bond Fund A		Interest in Registered Investment Company		466,852
Wells Fargo Stable Return Fund M		Stable Asset Fund		35,616,503
				<u>\$ 148,260,742</u>
Notes Receivable from Participants		Bearing interest at varying rates from 4.25% to 10.50% per annum, maturing on various dates through November 2020.	\$	<u>2,793,266</u>

** Cost information not required when reporting investments directed by participants.

**AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN**

**REPORT ON AUDITS OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

Year Ended December 31, 2011

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Contents

Year Ended December 31, 2011

Pages

Financial Statements

Independent Auditors' Report	1
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4 - 10

Supplemental Schedule

Schedule of Assets (Held at End of Year)	11
--	----

Financial Statements

Independent Auditors' Report

Trustees
Aeroflex Incorporated
Employees' 401(k) Plan
Plainview, New York

We were engaged to audit the financial statements and supplemental schedule of Aeroflex Incorporated Employees' 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Reliance Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Holtz Rubenstein Reminick LLP

Melville, New York
October 11, 2012

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2011	2010
Assets		
Investments, at fair value	\$ 148,260,742	\$ 145,052,676
Notes Receivable from Participants	2,793,266	2,463,702
Participant Contributions Receivable	73,825	32,738
Employer Contributions Receivable	-	10,346
Assets Available for Benefits, at fair value	<u>151,127,833</u>	<u>147,559,462</u>
Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contract	(962,155)	(803,934)
Net Assets Available for Benefits	<u>\$ 150,165,678</u>	<u>\$ 146,755,528</u>

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2011

Additions:

Additions to net assets attributed to:

Investment income:

Net depreciation in fair value of investments

\$ (5,399,021)

Interest and dividend income

7,322,807

1,923,786

Contributions:

Participant contributions

10,508,514

Employer contributions

2,699,920

Rollover contributions

568,853

13,777,287

Total Additions

15,701,073

Deductions:

Deductions from net assets attributed to:

Benefits paid to participants

12,214,273

Administrative expenses

76,650

Total Deductions

12,290,923

Net Increase

3,410,150

Net Assets Available for Benefits, beginning of year

146,755,528

Net Assets Available for Benefits, end of year

\$ 150,165,678

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

1. Description of the Plan

The following description of the Aeroflex Incorporated Employees' 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan sponsored by Aeroflex Incorporated. The Plan was established effective March 1, 1992, and most recently amended effective August 1, 2011. Nonunion employees of Aeroflex Incorporated and domestic subsidiaries (collectively, the "Company" or "Sponsor") become eligible to participate in the Plan effective on the first day of the month following six months of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended.

Contributions - Under the terms of the Plan, each participant may contribute up to 30% of their eligible compensation on a before-tax basis up to the maximum allowed (\$16,500 in 2011) by the Internal Revenue Service ("IRS"). Pursuant to EGTRRA, all participants who attained the age of 50 before the close of the Plan year are eligible to make additional "catch-up" contributions.

The Company provides a discretionary match on each participant's contribution. During the period January 1, 2011 through October 31, 2011, the Company matched 40% of participant contributions up to the first 8% of the participant's annual compensation, as defined by the Plan. Effective November 1, 2011, the Sponsor discontinued the employer match to the Plan.

Participant accounts - Each participant's account is credited with the participant's contribution, the Company's discretionary matching contribution, rollovers and an allocation of the 401(k) Plan's earnings (losses). The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Management of the funds - All of the investment assets of the Plan are held in a trust for the exclusive benefit of participants and their beneficiaries under the Plan. Contributions are invested in investment funds, as directed by the Plan participants. Participants may change their investment elections at any time.

Vesting - Participants are immediately, and at all times, vested in their voluntary contributions, Company matching contributions, and the actual earnings thereon.

Notes receivable from participants - Participants may borrow from their fund accounts the lesser of \$50,000 or 50% of their account balance. The notes are secured by the balance of the participant's account and bear interest at rates ranging from 4.25% to 10.50%. Principal and interest is paid ratably through payroll deductions.

Payment of benefits - Participants are entitled to receive a distribution of their interest in the Plan upon termination of employment, retirement, in the event they became disabled or in the event of financial hardship (as defined by the Plan). The beneficiary or beneficiaries of a participant's interest are entitled to receive a distribution of such interest in the Plan upon the death of the respective participant.

Unallocated assets - At December 31, 2011, unallocated assets totaled approximately \$700. Such unallocated assets may be used to reduce future employer contributions or pay administrative expenses. For the year ended December 31, 2011, approximately \$5,200 of the Plan's unallocated assets was utilized to reduce employer contributions.

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

2. Summary of Significant Accounting Policies

Basis of accounting - The accompanying financial statements are prepared under the accrual basis of accounting.

Investment valuation and income recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and (losses) on investments bought and sold, as well as held during the year.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Contract with Insurance Company - Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets of a collective investment fund attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the investment contracts, as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Notes receivable from participants - Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Delinquent participant notes are reclassified as distributions based upon the terms of the Plan document.

Payment of benefits - Benefits to participants are recorded when paid.

Administrative expenses - Administrative expenses incurred are the shared responsibility of the Plan and the Company.

Evaluation of subsequent events - Plan management has evaluated subsequent events through October 11, 2012, the date the financial statements are available for issuance, for inclusion or disclosure in the financial statements.

3. Certified Financial Information

The Plan administrator has obtained a certification from Reliance Trust Company ("Reliance"), the custodian of the Plan. The fair value of investments at December 31, 2011 and 2010, totaling \$148,260,742 and \$145,052,676, respectively, were certified by Reliance as complete and accurate in accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the ERISA. Investment activity for the year ended December 31, 2011 was also certified by Reliance.

AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN**Notes to Financial Statements***Year Ended December 31, 2011***4. Investments**

The following presents investments at December 31, 2011 and 2010, that represent 5% or more of the Plan's net assets:

<i>December 31,</i>	<i>2011</i>
Wells Fargo Stable Return Fund M	\$ 35,616,503
Columbia Balanced Z	16,204,550
JPMorgan Large Cap Growth Fund A	14,224,361
Putnam Equity Income Y	14,121,330
Pioneer Bond Y	13,849,982
Columbia Large Company Index Z	13,408,629
Columbia Acorn Z	13,043,329
Columbia Small-Cap Core Z	12,586,554
American Funds Europacific Growth A	8,315,840
<i>December 31,</i>	<i>2010</i>
Stable Asset Fund	\$ 32,503,941
MFS Total Return Fund	12,613,908
American Growth Fund of America	12,488,765
Columbia Large Cap Index Z	12,066,585
Columbia Disciplined Value Fund	11,427,542
Columbia Core Bond Fund	11,403,559
Columbia Small-Cap Core Z	10,543,763
Columbia Acorn Select	8,453,736
Columbia Acorn Z	7,427,805

5. Fair Value Measurements

"Fair Value Measurements" establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active market for identical assets or liabilities (Level 1 measurements) and the lowest priority to the unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from and corroborated by observable market data by correlation or other means.

AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN**Notes to Financial Statements***Year Ended December 31, 2011*

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011:

Mutual funds - Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Stable asset fund - Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables provides the level of valuation assumptions used to determine the carrying value of the Plan's assets which are measured at fair value on a recurring basis at December 31, 2011 and 2010 respectively:

<i>December 31, 2011</i>	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds:				
Diversified Emerging Markets	\$ 362,196	\$ -	\$ -	\$ 362,196
Foreign Large Blend	8,315,840	-	-	8,315,840
Large Blend	13,408,629	-	-	13,408,629
Large Growth	14,224,361	-	-	14,224,361
Large Value	14,121,330	-	-	14,121,330
Mid-Cap Growth	13,043,329	-	-	13,043,329
Mid-Cap Value	4,507,427	-	-	4,507,427
Mixed-Asset Target	1,553,189	-	-	1,553,189
Moderate Allocation	16,204,550	-	-	16,204,550
Small Blend	12,586,554	-	-	12,586,554
Bond	14,316,834	-	-	14,316,834
Total mutual funds	112,644,239	-	-	112,644,239
Stable asset fund	-	-	35,616,503	35,616,503
Total	\$ 112,644,239	\$ -	\$ 35,616,503	\$ 148,260,742

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

December 31, 2010	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds:				
Financial	\$ 25	\$ -	\$ -	\$ 25
Foreign Large Blend	10,065,326	-	-	10,065,326
Large Blend	12,066,585	-	-	12,066,585
Large Growth	14,841,127	-	-	14,841,127
Large Value	14,449,479	-	-	14,449,479
Mid-Cap Blend	4,328,202	-	-	4,328,202
Mid-Cap Growth	15,881,541	-	-	15,881,541
Moderate Allocation	16,799,102	-	-	16,799,102
Small Blend	10,543,763	-	-	10,543,763
Small Growth	2,170,026	-	-	2,170,026
Bond	11,403,559	-	-	11,403,559
Total mutual funds	112,548,735	-	-	112,548,735
Stable asset fund	-	-	32,503,941	32,503,941
Total	\$ 112,548,735	\$ -	\$ 32,503,941	\$ 145,052,676

Level 3 gains and losses - The following table sets forth a summary of changes in fair value of the Plan's Level 3 asset:

Years Ended December 31,	2011
Balance, beginning of year	\$ 32,503,941
Gain/Loss:	
Included in change of net assets	1,434,260
Purchases and Sales:	
Purchases	5,675,055
Sales	(3,960,447)
Fees	(36,306)
Balance, end of year	<u>\$ 35,616,503</u>

6. Plan Termination

Although the Company has not expressed any intent to terminate the Plan, it does have the right to do so at any time, subject to the provisions of ERISA. In the event that the Plan is terminated, participants will become eligible for immediate distribution of 100% of their accounts.

7. Related Party Transactions

Aeroflex Incorporated acts as the Plan Sponsor and the trustees of the Plan are officers of the Company.

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

8. Tax Status

The Plan adopted a prototype plan, which received a determination letter from the Internal Revenue Service dated March 31, 2005, which indicated that the prototype plan document was in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the statement of assets available for benefits.

10. Reconciliation of Financial Statements to Form 5500

The differences between the information reported in the financial statements and the information reported in the Form 5500 arise primarily from presenting investment contracts at fair value in the financial statements.

The following is a reconciliation of net assets available for benefits:

<i>December 31,</i>	2011	2010
Net Assets Available for Benefits	\$ 150,165,678	\$ 146,755,528
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts	962,155	803,934
Conversion in 5500 from Accrual to Cash Basis:		
Employer contributions receivable, current year	-	(10,346)
Participant contributions receivable, current year	(73,825)	(32,738)
Net Assets per Form 5500	<u>\$ 151,054,008</u>	<u>\$ 147,516,378</u>

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

The following is a reconciliation of net increase to Form 5500:

December 31, 2011

Net Increase in Assets Available for Benefits	\$ 3,410,150
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts, current year	962,155
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts, prior year	(803,934)
Conversion in 5500 from Accrual to Cash Basis:	
Participant contributions receivable, current year	(73,825)
Employer contributions receivable, prior year	10,346
Participant contributions receivable, prior year	32,738
Net Increase per Form 5500	<u>\$ 3,537,630</u>

Supplemental Schedule

AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN

Schedule H, Line 4i; (EIN): 11-1974412; (PN): 002

Schedule of Assets (Held at End of Year)December 31, 2011

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor or similar party.	Description of investment (including maturity date, rate of interest, collateral par or maturity value).	Cost**	Current Value	
American Century Livestrong 2015 A	Interest in Registered Investment Company	\$	421,771	
American Century Livestrong 2020 A	Interest in Registered Investment Company		267,472	
American Century Livestrong 2025 A	Interest in Registered Investment Company		289,119	
American Century Livestrong 2030 A	Interest in Registered Investment Company		43,547	
American Century Livestrong 2035 A	Interest in Registered Investment Company		375,575	
American Century Livestrong 2040 A	Interest in Registered Investment Company		3,389	
American Century Livestrong 2045 A	Interest in Registered Investment Company		1,996	
American Century Livestrong Inc A	Interest in Registered Investment Company		150,320	
American Century Mid Cap Value A	Interest in Registered Investment Company		4,507,427	
American Funds Europacific Growth A	Interest in Registered Investment Company		8,315,840	
Columbia Acorn Z	Interest in Registered Investment Company		13,043,329	
Columbia Balanced Z	Interest in Registered Investment Company		16,204,550	
Columbia Large Cap Index Z	Interest in Registered Investment Company		13,408,629	
Columbia Small Cap Core Z	Interest in Registered Investment Company		12,586,554	
JPMorgan Large Cap Growth Fund A	Interest in Registered Investment Company		14,224,361	
Oppenheimer Developing Markets A	Interest in Registered Investment Company		362,196	
Pioneer Bond Y	Interest in Registered Investment Company		13,849,982	
Putnam Equity Income Y	Interest in Registered Investment Company		14,121,330	
Templeton Global Bond Fund A	Interest in Registered Investment Company		466,852	
Wells Fargo Stable Return Fund M	Stable Asset Fund		35,616,503	
			<u>\$ 148,260,742</u>	
Notes Receivable from Participants	Bearing interest at varying rates from 4.25% to 10.50% per annum, maturing on various dates through November 2020.		\$	<u>2,793,266</u>

** Cost information not required when reporting investments directed by participants.

**AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN**

**REPORT ON AUDITS OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

Year Ended December 31, 2011

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Contents

Year Ended December 31, 2011

Pages

Financial Statements

Independent Auditors' Report	1
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4 - 10

Supplemental Schedule

Schedule of Assets (Held at End of Year)	11
--	----

Financial Statements

Independent Auditors' Report

Trustees
Aeroflex Incorporated
Employees' 401(k) Plan
Plainview, New York

We were engaged to audit the financial statements and supplemental schedule of Aeroflex Incorporated Employees' 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Reliance Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Holtz Rubenstein Reminick LLP

Melville, New York
October 11, 2012

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2011	2010
Assets		
Investments, at fair value	\$ 148,260,742	\$ 145,052,676
Notes Receivable from Participants	2,793,266	2,463,702
Participant Contributions Receivable	73,825	32,738
Employer Contributions Receivable	-	10,346
Assets Available for Benefits, at fair value	151,127,833	147,559,462
Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contract	(962,155)	(803,934)
Net Assets Available for Benefits	<u>\$ 150,165,678</u>	<u>\$ 146,755,528</u>

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2011

Additions:

Additions to net assets attributed to:

Investment income:

Net depreciation in fair value of investments	\$ (5,399,021)
Interest and dividend income	7,322,807
	<u>1,923,786</u>

Contributions:

Participant contributions	10,508,514
Employer contributions	2,699,920
Rollover contributions	568,853
	<u>13,777,287</u>
Total Additions	<u><u>15,701,073</u></u>

Deductions:

Deductions from net assets attributed to:

Benefits paid to participants	12,214,273
Administrative expenses	76,650
	<u>12,290,923</u>

Total Deductions

Net Increase	3,410,150
Net Assets Available for Benefits, beginning of year	146,755,528
Net Assets Available for Benefits, end of year	<u><u>\$ 150,165,678</u></u>

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

1. Description of the Plan

The following description of the Aeroflex Incorporated Employees' 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan sponsored by Aeroflex Incorporated. The Plan was established effective March 1, 1992, and most recently amended effective August 1, 2011. Nonunion employees of Aeroflex Incorporated and domestic subsidiaries (collectively, the "Company" or "Sponsor") become eligible to participate in the Plan effective on the first day of the month following six months of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended.

Contributions - Under the terms of the Plan, each participant may contribute up to 30% of their eligible compensation on a before-tax basis up to the maximum allowed (\$16,500 in 2011) by the Internal Revenue Service ("IRS"). Pursuant to EGTRRA, all participants who attained the age of 50 before the close of the Plan year are eligible to make additional "catch-up" contributions.

The Company provides a discretionary match on each participant's contribution. During the period January 1, 2011 through October 31, 2011, the Company matched 40% of participant contributions up to the first 8% of the participant's annual compensation, as defined by the Plan. Effective November 1, 2011, the Sponsor discontinued the employer match to the Plan.

Participant accounts - Each participant's account is credited with the participant's contribution, the Company's discretionary matching contribution, rollovers and an allocation of the 401(k) Plan's earnings (losses). The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Management of the funds - All of the investment assets of the Plan are held in a trust for the exclusive benefit of participants and their beneficiaries under the Plan. Contributions are invested in investment funds, as directed by the Plan participants. Participants may change their investment elections at any time.

Vesting - Participants are immediately, and at all times, vested in their voluntary contributions, Company matching contributions, and the actual earnings thereon.

Notes receivable from participants - Participants may borrow from their fund accounts the lesser of \$50,000 or 50% of their account balance. The notes are secured by the balance of the participant's account and bear interest at rates ranging from 4.25% to 10.50%. Principal and interest is paid ratably through payroll deductions.

Payment of benefits - Participants are entitled to receive a distribution of their interest in the Plan upon termination of employment, retirement, in the event they became disabled or in the event of financial hardship (as defined by the Plan). The beneficiary or beneficiaries of a participant's interest are entitled to receive a distribution of such interest in the Plan upon the death of the respective participant.

Unallocated assets - At December 31, 2011, unallocated assets totaled approximately \$700. Such unallocated assets may be used to reduce future employer contributions or pay administrative expenses. For the year ended December 31, 2011, approximately \$5,200 of the Plan's unallocated assets was utilized to reduce employer contributions.

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

2. Summary of Significant Accounting Policies

Basis of accounting - The accompanying financial statements are prepared under the accrual basis of accounting.

Investment valuation and income recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and (losses) on investments bought and sold, as well as held during the year.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Contract with Insurance Company - Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets of a collective investment fund attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the investment contracts, as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Notes receivable from participants - Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Delinquent participant notes are reclassified as distributions based upon the terms of the Plan document.

Payment of benefits - Benefits to participants are recorded when paid.

Administrative expenses - Administrative expenses incurred are the shared responsibility of the Plan and the Company.

Evaluation of subsequent events - Plan management has evaluated subsequent events through October 11, 2012, the date the financial statements are available for issuance, for inclusion or disclosure in the financial statements.

3. Certified Financial Information

The Plan administrator has obtained a certification from Reliance Trust Company ("Reliance"), the custodian of the Plan. The fair value of investments at December 31, 2011 and 2010, totaling \$148,260,742 and \$145,052,676, respectively, were certified by Reliance as complete and accurate in accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the ERISA. Investment activity for the year ended December 31, 2011 was also certified by Reliance.

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

4. Investments

The following presents investments at December 31, 2011 and 2010, that represent 5% or more of the Plan's net assets:

<i>December 31,</i>	<i>2011</i>
Wells Fargo Stable Return Fund M	\$ 35,616,503
Columbia Balanced Z	16,204,550
JPMorgan Large Cap Growth Fund A	14,224,361
Putnam Equity Income Y	14,121,330
Pioneer Bond Y	13,849,982
Columbia Large Company Index Z	13,408,629
Columbia Acorn Z	13,043,329
Columbia Small-Cap Core Z	12,586,554
American Funds Europacific Growth A	8,315,840
<i>December 31,</i>	<i>2010</i>
Stable Asset Fund	\$ 32,503,941
MFS Total Return Fund	12,613,908
American Growth Fund of America	12,488,765
Columbia Large Cap Index Z	12,066,585
Columbia Disciplined Value Fund	11,427,542
Columbia Core Bond Fund	11,403,559
Columbia Small-Cap Core Z	10,543,763
Columbia Acorn Select	8,453,736
Columbia Acorn Z	7,427,805

5. Fair Value Measurements

"Fair Value Measurements" establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active market for identical assets or liabilities (Level 1 measurements) and the lowest priority to the unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from and corroborated by observable market data by correlation or other means.

AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN**Notes to Financial Statements***Year Ended December 31, 2011*

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011:

Mutual funds - Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Stable asset fund - Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables provides the level of valuation assumptions used to determine the carrying value of the Plan's assets which are measured at fair value on a recurring basis at December 31, 2011 and 2010 respectively:

<i>December 31, 2011</i>	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds:				
Diversified Emerging Markets	\$ 362,196	\$ -	\$ -	\$ 362,196
Foreign Large Blend	8,315,840	-	-	8,315,840
Large Blend	13,408,629	-	-	13,408,629
Large Growth	14,224,361	-	-	14,224,361
Large Value	14,121,330	-	-	14,121,330
Mid-Cap Growth	13,043,329	-	-	13,043,329
Mid-Cap Value	4,507,427	-	-	4,507,427
Mixed-Asset Target	1,553,189	-	-	1,553,189
Moderate Allocation	16,204,550	-	-	16,204,550
Small Blend	12,586,554	-	-	12,586,554
Bond	14,316,834	-	-	14,316,834
Total mutual funds	112,644,239	-	-	112,644,239
Stable asset fund	-	-	35,616,503	35,616,503
Total	\$ 112,644,239	\$ -	\$ 35,616,503	\$ 148,260,742

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

December 31, 2010	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds:				
Financial	\$ 25	\$ -	\$ -	\$ 25
Foreign Large Blend	10,065,326	-	-	10,065,326
Large Blend	12,066,585	-	-	12,066,585
Large Growth	14,841,127	-	-	14,841,127
Large Value	14,449,479	-	-	14,449,479
Mid-Cap Blend	4,328,202	-	-	4,328,202
Mid-Cap Growth	15,881,541	-	-	15,881,541
Moderate Allocation	16,799,102	-	-	16,799,102
Small Blend	10,543,763	-	-	10,543,763
Small Growth	2,170,026	-	-	2,170,026
Bond	11,403,559	-	-	11,403,559
Total mutual funds	112,548,735	-	-	112,548,735
Stable asset fund	-	-	32,503,941	32,503,941
Total	\$ 112,548,735	\$ -	\$ 32,503,941	\$ 145,052,676

Level 3 gains and losses - The following table sets forth a summary of changes in fair value of the Plan's Level 3 asset:

Years Ended December 31,	2011
Balance, beginning of year	\$ 32,503,941
Gain/Loss:	
Included in change of net assets	1,434,260
Purchases and Sales:	
Purchases	5,675,055
Sales	(3,960,447)
Fees	(36,306)
Balance, end of year	<u>\$ 35,616,503</u>

6. Plan Termination

Although the Company has not expressed any intent to terminate the Plan, it does have the right to do so at any time, subject to the provisions of ERISA. In the event that the Plan is terminated, participants will become eligible for immediate distribution of 100% of their accounts.

7. Related Party Transactions

Aeroflex Incorporated acts as the Plan Sponsor and the trustees of the Plan are officers of the Company.

AEROFLEX INCORPORATED

EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

8. Tax Status

The Plan adopted a prototype plan, which received a determination letter from the Internal Revenue Service dated March 31, 2005, which indicated that the prototype plan document was in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the statement of assets available for benefits.

10. Reconciliation of Financial Statements to Form 5500

The differences between the information reported in the financial statements and the information reported in the Form 5500 arise primarily from presenting investment contracts at fair value in the financial statements.

The following is a reconciliation of net assets available for benefits:

<i>December 31,</i>	2011	2010
Net Assets Available for Benefits	\$ 150,165,678	\$ 146,755,528
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts	962,155	803,934
Conversion in 5500 from Accrual to Cash Basis:		
Employer contributions receivable, current year	-	(10,346)
Participant contributions receivable, current year	(73,825)	(32,738)
Net Assets per Form 5500	<u>\$ 151,054,008</u>	<u>\$ 147,516,378</u>

AEROFLEX INCORPORATED EMPLOYEES' 401(k) PLAN

Notes to Financial Statements

Year Ended December 31, 2011

The following is a reconciliation of net increase to Form 5500:

December 31, 2011

Net Increase in Assets Available for Benefits	\$ 3,410,150
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts, current year	962,155
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts, prior year	(803,934)
Conversion in 5500 from Accrual to Cash Basis:	
Participant contributions receivable, current year	(73,825)
Employer contributions receivable, prior year	10,346
Participant contributions receivable, prior year	32,738
Net Increase per Form 5500	<u>\$ 3,537,630</u>

Supplemental Schedule

AEROFLEX INCORPORATED
EMPLOYEES' 401(k) PLAN

Schedule H, Line 4i; (EIN): 11-1974412; (PN): 002

Schedule of Assets (Held at End of Year)*December 31, 2011*

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor or similar party.		Description of investment (including maturity date, rate of interest, collateral par or maturity value).	Cost**	Current Value
American Century Livestrong 2015 A		Interest in Registered Investment Company	\$	421,771
American Century Livestrong 2020 A		Interest in Registered Investment Company		267,472
American Century Livestrong 2025 A		Interest in Registered Investment Company		289,119
American Century Livestrong 2030 A		Interest in Registered Investment Company		43,547
American Century Livestrong 2035 A		Interest in Registered Investment Company		375,575
American Century Livestrong 2040 A		Interest in Registered Investment Company		3,389
American Century Livestrong 2045 A		Interest in Registered Investment Company		1,996
American Century Livestrong Inc A		Interest in Registered Investment Company		150,320
American Century Mid Cap Value A		Interest in Registered Investment Company		4,507,427
American Funds Europacific Growth A		Interest in Registered Investment Company		8,315,840
Columbia Acorn Z		Interest in Registered Investment Company		13,043,329
Columbia Balanced Z		Interest in Registered Investment Company		16,204,550
Columbia Large Cap Index Z		Interest in Registered Investment Company		13,408,629
Columbia Small Cap Core Z		Interest in Registered Investment Company		12,586,554
JPMorgan Large Cap Growth Fund A		Interest in Registered Investment Company		14,224,361
Oppenheimer Developing Markets A		Interest in Registered Investment Company		362,196
Pioneer Bond Y		Interest in Registered Investment Company		13,849,982
Putnam Equity Income Y		Interest in Registered Investment Company		14,121,330
Templeton Global Bond Fund A		Interest in Registered Investment Company		466,852
Wells Fargo Stable Return Fund M		Stable Asset Fund		35,616,503
				<u>\$ 148,260,742</u>
Notes Receivable from Participants		Bearing interest at varying rates from 4.25% to 10.50% per annum, maturing on various dates through November 2020.	\$	<u>2,793,266</u>

** Cost information not required when reporting investments directed by participants.

Fee and Compensation Disclosure Report

This document is intended to assist a plan administrator (“you”) in completing the Form 5500 Schedule C¹ by identifying different types of compensation paid with respect to the Hartford product utilized by your plan.

As permitted under the Schedule C rules, compensation is disclosed in the attached report as an actual dollar amount, an estimate or a formula or rate.

- Where an actual dollar amount of compensation is disclosed, no further notation regarding compensation calculations is generally provided.
- Where an estimate of the compensation amount is disclosed, we have used a reasonable method to arrive at the estimate and we have described the method used to arrive at the estimated amount.
- Where a formula or rate is provided to report compensation, we have used a reasonable method to arrive at the estimate and we have described the method used to arrive at the estimated amount. This formula or rate may be disclosed to describe the compensation to which it applies under the Schedule C rules. Alternatively, for purposes of Schedule C disclosure or in connection with your fiduciary review of the compensation paid with respect to the services, products and investment options utilized by the plan, you may calculate and disclose an actual or estimated dollar amount by multiplying the rate by the total assets to which it applies.

Please note that, unless otherwise indicated in the descriptions contained in this report, direct compensation is presented on a plan year basis 01/01/2011 - 12/31/2011 and indirect compensation is presented on a calendar year basis ending 12/31/2011.

This report includes compensation actually paid to or by the Hartford within the indicated plan year as part of your Hartford product. *(Note: If the plan year period or plan year end indicated in this Schedule C reporting package is incorrect, please notify your Hartford customer service representative immediately).* This report does not include amounts deducted from plan assets and paid to third parties (other than Hartford). In addition, the report does not include compensation related to investments held by the plan that are not serviced on our recordkeeping system. You should contact your other service providers for reportable compensation information. You may also receive information on the compensation reported here from other service providers as is described below.

Please note that we have provided suggested service codes with respect to services provided through our Hartford product. Please review all Schedule C and other Form 5500 materials with your experienced benefits counsel and other professionals to determine the most appropriate codes for your plan. In addition, please note that because plans with fewer than 100 participants (as of the beginning of the plan year) are generally not required to file Schedule C, you should refer to the instructions provided by the IRS for Schedule C and/or review the applicability of Schedule C to your plan with your experienced tax/benefits counsel, to determine whether it is necessary for the plan to report the information contemplated by this report.

Please contact your Hartford Service Team should you require additional information regarding the compensation paid to or by Hartford with respect to your plan.

Information provided in this document and related materials we provide are not intended to be and shall not be deemed tax advice, tax form preparation services, legal advice, advice to plans regarding compliance with ERISA reporting compliance, or accounting or other professional services. As described above, the information contained in this report may not cover all of the compensation received by the plan’s service providers. We strongly encourage you to review all Schedule C and other Form 5500 materials with experienced benefits counsel and other professionals.

¹ Please refer to the Schedule C of the Form 5500 and its instructions (available at: <http://www.dol.gov/ebsa/5500main.html>), and please confer with experienced benefits counsel and other professionals, to determine the applicability of Schedule C to your plan.

FORM 5500 SCHEDULE C REPORT
SCHEDULE C, LINE 2(h) AND LINE 3(e) FORMULA DESCRIPTION

AEROFLEX INC EMPLOYEES' 401(K) PLAN (675102)
EIN #: 11-1974412

Please note that, unless otherwise indicated in the descriptions contained in this report, direct compensation is presented on a plan year basis 01/01/2011 - 12/31/2011 and indirect compensation is presented on a calendar year basis ending 12/31/2011.

For use with lines 2(h), 3(c), 3(d), 3(e)

Total Direct Compensation Paid **\$76,653.84**

The total amount identified above reflects all fees deducted from plan assets at the plan administrator's direction for the plan year. Service providers which have received portions of these direct fees are listed below, along with the amount of fees they received. Please note that if there is a discrepancy between the total direct fees reported above and the sum of the direct fees reported below, you should contact your other service providers or your plan records to identify the recipient(s) of the fees and any other information relevant to your Schedule C filing.

Recipient: Hartford Retirement Services, LLC EIN: 26-1589907

Service Codes: 15, 37, 38, 49, 59, 60, 62, 63, 64, 65, 72, 99, 50 (if direct compensation amount reflected below)

Direct Compensation **\$10,751.72**

The total amount identified above reflects fees deducted from plan assets at the plan administrator's direction for the 2011 plan year for the above named recipient. Please review other service providers, below, to determine whether direct fees were also paid to them. Also, please review your records to determine whether other service providers may have received any compensation not reported below (e.g., a reimbursement paid to any plan fiduciary, your employee benefits counsel, or a plan auditor).

Note: Due to system accounting protocols (including 'cash basis' accounting), amounts reported as Direct Compensation and amounts reported as paid to Hartford Retirement Services, LLC are the net result of aggregating direct compensation after the effects of adjustments processed in 2011, some of which may have pertained to prior years.

Please review the detailed breakdown at the end of the report for further information.

Indirect Compensation

Float compensation	Payor: Reliance Trust Company	EIN: 58-1428634	\$314.44
---------------------------	-------------------------------	-----------------	-----------------

This is an estimate based on the average annual rate of float compensation (0.0712% for 2011) earned on certain processing bank accounts for the 2011 calendar year multiplied by an estimate of the assets related to uncashed checks*. This estimate does not include float earned for any other reason (e.g., if amounts remitted to The Hartford cannot be immediately invested because they are not in good order). Please review or request a copy of the current float disclosure for more information about the other circumstances in which float is earned.

* A complete listing of distribution checks that remain outstanding is available on the Retirement Plan Access web site under the Standard Reports section (Report R03998-Outstanding Distribution Checks). Uncashed check assets will continue to remain in a float-earning bank account until such time direction is received from the Plan Sponsor. The Plan Sponsor should consult with their tax advisor or benefits counsel to determine if assets attributable to uncashed checks should be included on the Form 5500 filing.

Non Monetary Compensation

Please note that items of nonmonetary compensation need to be reported for Schedule A or C (Form 5500) purposes if they exceed certain *de minimus* amounts. Transactions generating nonmonetary compensation may include gifts, gratuities, or certain types of in-kind benefits. Hartford's Code of Ethics and Business Conduct generally restricts Hartford employees from giving to or receiving gifts from customers and/or business partners having a value of over \$100, in any individual situation, without prior approval. However, it is possible that one or more of your service providers for the calendar year, including Hartford, engaged in transactions generating nonmonetary compensation. Information concerning reportable transactions undertaken between or among non-Hartford parties may not be available to The Hartford.

Please consult with your legal or tax advisors if you have any questions.

Compensation paid with respect to Funds

<i>Investment Option Name</i>	<i>EIN</i>	<i>Rate of Fees and Payments Received By Hartford with Respect to the Fund* (rates as of 12/31/2011)</i>	<i>Total Fund Annual Operating Expenses (Fund Expense Ratio) (as of 12/31/2011)</i>
AMERICAN CEN LIVSTRONG 2020-A	43-0821857	0.60% x assets	0.46%
AMERICAN CENT LIVESTRONG INC-A	43-0821857	0.60% x assets	0.46%
AMERICAN CENTURY MID CAP VAL-A	43-0821857	0.60% x assets	1.26%
AMERICAN CNT LIVESTRONG 2015-A	43-0821857	0.60% x assets	0.46%
AMERICAN CNT LIVESTRONG 2025-A	43-0821857	0.60% x assets	0.46%
AMERICAN CNT LIVESTRONG 2030-A	43-0821857	0.60% x assets	0.46%
AMERICAN CNT LIVESTRONG 2035-A	43-0821857	0.60% x assets	0.46%
AMERICAN CNT LIVESTRONG 2045-A	43-0821857	0.60% x assets	0.46%
AMERICAN CNT LIVSTRONG 2040-A	43-0821857	0.60% x assets	0.46%
AMERICAN FUNDS EUROPACIFIC-A	95-1411037	0.35% x assets	0.82%
AMERICAN FUNDS GROWTH FUND-A	52-0792143	0.35% x assets	0.68%
BLACKROCK LARGE CAP VALUE-I	13-3806694	0.20% x assets	1.03%
COLUMBIA ACORN FUND-Z	36-2692100	0.25% x assets	0.76%
COLUMBIA ACORN SELECT-Z	36-2692100	0.25% x assets	0.97%
COLUMBIA BALANCED-Z	36-3376651	0.25% x assets	0.83%
COLUMBIA BOND-Z	36-3376651	0.25% x assets	0.84%
COLUMBIA CORE BD Z	36-3376651		0.00%
COLUMBIA DISCIPLINED VALUE-Z	36-3376651		0.00%
COLUMBIA LARGE CAP INDEX-Z	36-3376651	0.10% x assets	0.20%
COLUMBIA LARGE VALUE QUANT-Z	36-3376651	0.25% x assets	1.05%
COLUMBIA SMALL CAP CORE-Z	36-6851784	0.25% x assets	1.07%
DREYFUS MIDCAP INDEX	13-3618129	0.10% x assets	0.51%
INVESCO DIVERSIFIED DIVIDEND-A	13-2576643	0.60% x assets	1.02%
INVESCO FINANCIAL SERVICES FD-A	84-0933032		0.00%
JANUS FUND-T	84-0592523	0.25% x assets	0.89%
JPMORGAN LARGE CAP GROWTH FUND-A	26-3613641	0.55% x assets	1.23%
MFS TOTAL RETURN FUND-A	04-2468583	0.63% x assets	0.79%
NEUBERGER BERMAN LARGE CP VAL TR	13-6068441	0.35% x assets	1.04%
OPPENHEIMER DEVELOPING MKTS-A	93-6305075	0.55% x assets	1.30%
PIONEER BOND-Y	04-2652279	0.20% x assets	0.61%
PUTNAM EQUITY INCOME-Y	04-6407893	0.15% x assets	0.87%
ROYCE VAL PLUS SVC	13-3139046	0.35% x assets	1.44%

<i>Investment Option Name</i>	<i>EIN</i>	<i>Rate of Fees and Payments Received By Hartford with Respect to the Fund*</i> <i>(rates as of 12/31/2011)</i>	<i>Total Fund Annual Operating Expenses (Fund Expense Ratio) (as of 12/31/2011)</i>
STABLE ASSET FUND	NA ¹		0.00%
TEMPLETON FOREIGN FUND-A	22-2169185	0.35% x assets plus \$16/participant	1.17%
TEMPLETON GLOBAL BOND FUND-A	59-6865210	0.35% x assets plus \$16/participant	0.88%
WELLS FARGO STABLE RETURN-M	41-0449260	0.25% x assets	0.00%

¹ At the time this report was generated this information was not available.

The list includes any investment option held by the plan on at least one month end during the 2011 calendar year. To arrive at an estimate of the dollar amount that Hartford received from each fund, multiply the rate of fees received from each fund by your plan's year-end balance (or if the fund was liquidated prior to year end, the balance on the liquidation date) and, if applicable, the per participant fee by the number of participants in the fund at year end (or the liquidation date if earlier). This will be an estimate because your plan's balance and number of participants will vary over the course of the year, so the year-end balance and number of participants may be higher or lower than the daily balance. In addition, these fees are calculated on a daily basis.

* Please note that Hartford Retirement Services, LLC's affiliate, Hartford Securities Distribution Company, Inc., receives the sales compensation (12b-1 fees) portion of this amount. After compensating the plan's broker-dealer firm, if applicable, any residual amount is paid to Hartford Retirement Services, LLC.

Recipient: Other EIN: 99-9999999

Service Codes:

Please contact your Service Provider for the list of applicable services performed and Service Codes.

Direct Compensation

\$65,902.12

The total amount identified above reflects fees deducted from plan assets at the plan administrator's direction for the 2011 plan year for the above named recipient.

Note: Due to system accounting protocols (including 'cash basis' accounting), amounts reported as Direct Compensation are the net result of aggregating direct compensation after the effects of adjustments processed in 2011, some of which may have pertained to prior years.

Please review the detailed breakdown at the end of the report for further information.

Indirect Compensation

\$0.00

Our records indicate that this recipient did not receive any Indirect Compensation. Please review your records to determine whether this service provider may have received any compensation not reported.

Recipient: GPC Securities, Inc. EIN: 58-1517899

Service Codes: 15, 64, 65

Indirect Compensation

Transaction Processing Services

Payor: Hartford Retirement Services, LLC EIN: 26-1589907

\$45,250.12

GPC Securities, Inc. performed recordkeeping and trading functions through August 22, 2011. These activities were transferred to Hartford Securities Distribution Company, Inc. ("HSD") on August 23, 2011. HSD is a broker-dealer registered with the Securities and Exchange Commission which executes, clears and settles the Plan's purchase, exchange and redemption of shares or units in the funds on an agency basis. It is a wholly-owned affiliate of Hartford Retirement Services, LLC. More information is available in the Fund Fee Disclosure Notice for Retirement Plan Fiduciaries which accompanies the HSD Securities Account Agreement.

This is an estimate based on multiplying actual 2011 month end assets by 0.045%/12 for months January through August and then summing the results.

Recipient: Morningstar Associates, LLC EIN: 36-4317381

Service Code: 49

Indirect Compensation

"Managed by You" services fee Payor: Hartford Life Insurance Company EIN: 06-0974148 **\$43.60**

This is an estimate determined by dividing a flat annual fee paid to Morningstar by the number of plans to whom this feature is made available.

Recipient: Reliance Trust Company EIN: 58-1428634

Indirect Compensation

Custodial/Trust service fee **\$7,455.46**

Service Codes: 19, 25, 99

Payors: Hartford Life Insurance Company EIN: 06-0974148
 Hartford Retirement Services, LLC EIN: 26-1589907

This is an estimate based on multiplying actual 2011 month end assets by 0.005%/12 and then summing the results.

Direct Revenue Detail

Recipient: *Hartford Retirement Services, LLC*

<u>Fee Description</u>	<u>Dollar Amount</u>
Loan Set-up Fee	\$6,350.00
One-Time Distribution Fee	\$4,401.72
Total Direct Revenue:	\$10,751.72

Recipient: *Other*

<u>Fee Description</u>	<u>Dollar Amount</u>
Holding Account: Collective Trust Fee	\$4.80
Collective Trust Fee	\$33,346.64
ERISA Spending Account: Outside Fee	\$32,550.68
Total Direct Revenue:	\$65,902.12

Grand Total Direct Fees:

\$76,653.84