



SPIRENT COMMUNICATIONS PLC Third Quarter Trading Update

London, UK – 9 November 2017: Spirent Communications plc (“Spirent”, the “Company” or the “Group”) (LSE: SPT), a leading communications technology company, today issues the following Trading Update for the third quarter of the Company’s financial year, from 1 July to 30 September 2017.

Performance

Trading in the third quarter was positive, including most notably strategic contract wins in service assurance solutions and continued benefit from growth in security solution sales. Further, we have recently been certified as a global member of CREST, a world leading assurance body for security testing.

Revenue in the third quarter was up 1 per cent compared to the same quarter last year. After nine months revenue growth in Networks & Security and Lifecycle Service Assurance offset the expected decline in Connected Devices.

As we reported at the half year, demand for high-speed Ethernet testing has been subject to the shifting of major investment plans by our US customers to the fourth quarter of 2017 and into 2018. Overall, order intake in the third quarter was lower by 7 per cent compared to the same period last year. The predicted decrease in the Connected Devices segment accounted for 5 percentage points of the reduction. Our revenue expectations for the year remain unchanged.

Strong, focused cost management continues to drive improved earnings, and for the nine months year to date adjusted operating profit increased 62 per cent to \$33.4 million, compared to the same period last year.

The balance sheet remains strong with a net cash balance of \$115.6 million at 30 September compared to \$110.2 million at the end of June this year, including and after payment of the interim dividend of \$10.4 million in September.

Results

The results for the third quarter and year to date 2017 are set out below:

\$ million	3 rd quarter 2017	3 rd quarter 2016	9 months YTD 2017	9 months YTD 2016
Order intake	100.5	108.5	298.9	330.2
Revenue	112.5	110.9	326.1	324.4
Adjusted operating profit ¹	16.0	10.2	33.4	20.6
Free cash flow ²	14.6	6.1	43.3	19.5

Notes

1 Adjusted operating profit is before charging exceptional items, acquired intangible asset amortisation and share-based payment.

2 Operating cash flow after tax, net interest and net capital expenditure.

Contract wins

During the last three months Spirent has won two new large strategic contracts for its Lifecycle Service Assurance segment. A tier-1 North American service provider has placed a c.\$6 million order for our Visionworks Customer Experience Assurance solution for deployment in the live network, with multiple additional phases planned over the next twelve months. In addition, we have won another key contract for c.\$4 million with a tier-1 mobile operator selecting our Visionworks Mobility Service Assurance products. With a growing pipeline for automated testing and assurance solutions, the Lifecycle Service Assurance segment continues to gather momentum as customers look to transition to developing active testing in the live network.

Outlook

We said at the half year that customers were planning to increase the development of live operation service assurance systems during the second half of 2017 and securing recent Lifecycle Service Assurance contracts validates this transition is underway. The long-term positive trends for future growth continue in network infrastructure, virtualisation, network assurance and high-speed connectivity. The order pipeline for the fourth quarter is attractive and combined with the continued momentum in our growth businesses, gives the Board confidence that expectations for the full year results remain unchanged.

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About Spirent Communications plc

Spirent Communications plc is a global leader in test and measurement inspiring innovation within development labs, communication networks and IT organisations. We enable today's communication ecosystem as well as tomorrow's emerging enterprises to deploy life enriching communications networks, devices, services and applications. Further information about Spirent Communications plc can be found at <https://corporate.spirent.com/>.

Spirent Communications plc Ordinary Shares are traded on the London Stock Exchange (ticker: SPT; LEI: 213800HKCUNWP1916L38). The Company operates a Level 1 American Depositary Receipt (ADR) programme with each ADR representing four Spirent Communications plc Ordinary Shares. The ADRs trade in the US over-the-counter (OTC) market under the symbol SPMYY and the CUSIP number is 84856M209. Spirent ADRs are quoted on the Pink OTC Markets electronic quotation service which can be found at <http://www.otcmarkets.com/marketplaces/otc-pink>.

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