



SPIRENT COMMUNICATIONS PLC

Third Quarter Trading Update & Board Change

London, UK – 5 November 2015: Spirent Communications plc (“Spirent”, the “Company” or the “Group”) (LSE: SPT), a leading communications technology company, today issues the following Trading Update for the period from 1 July to the date of this announcement. All figures relating to trading are for the period 1 July to 30 September 2015, unless otherwise stated.

Third quarter trading

Revenue for the third quarter was \$125.0 million compared with \$110.1 million for the same period of 2014, an increase of 14%. This was as a result of:

- Growth of 13 per cent in Networks & Applications, partly due to the shipment of orders received too late in the second quarter to be converted to revenue.
- Growth of 111 per cent in Service Assurance, as expected, reflecting the shipment of hand held test tools; in 2014 the equivalent shipment was completed earlier in the year.
- A decline of 11 per cent in Wireless & Service Experience due to the continuing volatility of demand in the wireless business caused by fundamental structural and technology changes in the market.

Regionally, there was strong revenue growth in the Americas and in APAC, up 16 per cent and 21 per cent respectively against the third quarter of 2014, but weaker revenue in EMEA, down 10 per cent, reflecting continuing softness in that region.

Adjusted operating profit for the period was \$14.0 million (Q3 2014: \$9.1 million).

Order intake in the period was \$100.9 million compared with \$104.7 million in 2014. Growth in Networks & Applications was countered by weakness in Wireless & Service Experience and by the timing of orders in Service Assurance.

As a result of the changes in the wireless device and carrier acceptance test market, which we expect to impact our revenue in 2016, targeted cost reduction actions will be taken

in the fourth quarter which are expected to achieve \$25 million of annualised cost savings at a cost of approximately \$15 million, which will be taken as an exceptional cost. The cost will be incurred in full during Q4 2015, with the benefit of the cost savings expected to be seen in 2016.

Results

The results for the third quarter and year to date 2015 are set out below:

\$ million	3 rd quarter 2015	3 rd quarter 2014	9 months YTD 2015	9 months YTD 2014
Order intake	100.9	104.7	327.1	321.7
Revenue	125.0	110.1	343.7	331.1
Adjusted operating profit ¹	14.0	9.1	20.0	29.7
Free cash flow ²	18.0	(4.8)	29.1	14.3

Notes

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

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

Cash position

In the third quarter of 2015 free cash inflow was \$18.0 million (Q3 2014: \$4.8 million outflow). Year to date free cash inflow was \$29.1million (2014: \$14.3 million).

Cash and cash equivalents at 30 September 2015 were \$103.4 million (30 June 2015: \$97.0 million) after payment of the interim dividend of \$10.1 million in the third quarter.

Board change

Rachel Whiting, our Chief Financial Officer, has informed the Board of her intention to retire from the Group and will not seek re-election to the Board at the 2016 AGM. Rachel will remain at Spirent until the AGM in May 2016 in order to close the current financial year and to ensure a smooth handover.

A search for a new CFO has been initiated and a further announcement in relation to a new Chief Financial Officer will be made in due course and as appropriate. We thank Rachel for her considerable contribution throughout her 30 years' service with Spirent and wish her well in her retirement.

Outlook

The Board expects the underlying results for the full year to be broadly in line with its previous expectations.

- ends -

Next planned results announcement: 2015 Preliminary Results, 25 February 2016**Enquiries**

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Eric Hutchinson, Chief Executive Office and Rachel Whiting, Chief Financial Officer, will host a conference call for analysts and investors to discuss the Trading Update, commencing at 8:00am UK time on Thursday 5 November. Dial in details as follows:

Conference ID: 73988692

UK Free call: 08000731340

US Free call: 18664341089

Standard International: +44 (0)1452 569393

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 <http://corporate.spirent.com/>.

Spirent Communications plc Ordinary Shares are traded on the London Stock Exchange (ticker: SPT). 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/otc-pink/home>.

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