



SPIRENT COMMUNICATIONS PLC

Third Quarter Trading and Board Update

London, UK – 3 November 2016: 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.

Trading

Orders received in the third quarter were up 8 per cent compared to the same quarter last year. Asia was particularly strong in the period as Chinese network equipment manufacturers invested in their domestic infrastructure buildout and global growth. Customer consolidation and market challenges resulted in some weakness in Europe. After nine months, order intake remains slightly ahead of last year. Market trends such as the fast growing need for connectivity are driving increased demand for Ethernet infrastructure.

The order book has increased during 2016, with a book to bill ratio of 102 for the first nine months of the year (compared to 95 for the prior year), in anticipation of some key technical upgrades and new product releases in the next six months. As previously highlighted, revenue for the third quarter of 2015 reflected a \$10.3 million shipment of hand-held test tools within Service Assurance, which was not expected to repeat in 2016. As a result, revenue in the third quarter of \$110.9 million was down 11 per cent on the same period last year and 6 per cent down compared to the first nine months of 2015.

As was seen in the first half, strong growth in Networks & Applications has been offset by the expected reduction in our Wireless business.

Results

The results for the third quarter and year to date 2016 are set out below:

\$ million	3 rd quarter 2016	3 rd quarter 2015	9 months YTD 2016	9 months YTD 2015
Order intake	108.5	100.9	330.2	327.1
Revenue	110.9	125.0	324.4	343.7
Adjusted operating profit ¹	10.2	14.0	20.6	20.0
Free cash flow ²	6.1	18.0	19.5	29.1

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.

Year to date adjusted operating profit is level year-on-year, with the usual expected full year weighting to the last quarter.

The balance sheet remains strong with a net cash balance of \$91.4 million at 30 September compared to \$96.1 million at the end of June 2016, after payment of the interim dividend of \$10.1 million.

Board update

The Board recognises the need to build experience relevant to its evolving technical and global footprint and is undertaking a planned programme to refresh the composition of the Board.

Paula Bell joined as Chief Financial Officer on 5 September and following an extensive search we expect to appoint new Non-Executive Directors shortly. Having joined the Board in December 2006, and appointed Chairman of the Company in March 2010, Alex Walker has informed the Board of his long standing intention to retire from the Group and will not seek re-election to the Board at the AGM in May 2017. A search for a new Chairman will be initiated using search consultants and a further update on his successor will be made in due course. To facilitate this, Jonathan Silver will replace Sue Swenson with immediate effect as Senior Independent Director. The Board would like to thank Alex for his significant contribution and for his support and leadership during his ten-year tenure. Similarly, Tom Maxwell will retire at the same time - we thank him for his contribution after serving nine years with the Board.

Market focus

Spirent occupies an expert position in the industry it serves, it is well regarded and has technologies and service levels that differentiate the Company in the market. The key objective is to leverage those capabilities to enhance the long term value of the business.

The last few years have seen significant advances in technology, designed to cater for our customers' increasing communication demands. We are actively working to focus our lines of business on those test technologies and services which will best drive sustainable earnings growth. External consultants were engaged to benchmark our sales and distribution organisation and we are implementing a programme to increase our effectiveness and efficiency. The details of both of these initiatives and the resulting organisation design and implementation, will be announced alongside our full year results.

Outlook

The growth in network infrastructure and demand for high speed connectivity continues. Customer order placements remain lumpy and heavily weighted to the end of the year, typical of their expenditure cycles.

The pipeline for contracts for the fourth quarter is large and attractive, combined with the momentum in our core business Networks & Applications, gives the Board confidence that the full year results will be broadly in line with previous expectations.

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Enquiries

Eric Hutchinson, Chief Executive Officer Spirent Communications plc +44 (0)1293 767676
Paula Bell, Chief Financial Officer

James Melville-Ross/Emma Appleton FTI Consulting +44 (0)20 3727 1000

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.otcm Markets.com/marketplaces/otc-pink>.

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