

ADVA Optical Networking Updates Q3 Guidance

Munich, Germany. August 28, 2017. The management board of ADVA Optical Networking SE (FSE: ADV) resolved today to adjust the Q3 2017 revenue and profitability guidance.

Q3 2017 Revenue Guidance

Revenues in Q3 2017 (including acquisition of MRV Communications, Inc. ("MRV") completed on 14 August 2017) are forecasted to be between EUR 110 million and EUR 125 million. Revenues in Q3 2017, excluding acquisition of MRV, are forecasted to be between EUR 104 million and EUR 114 million, down from previous guidance of between EUR 120 million and EUR 130 million. The reduction is largely due to weaker than expected orders.

Q3 2017 Pro Forma Operating Income Guidance

IFRS pro forma operating income in Q3 2017 (including acquisition of MRV) is forecasted to be between -4% and 2% of revenues. IFRS pro forma operating income in Q3 2017, excluding acquisition of MRV, is forecasted to range between -3% and 2% of revenues. The previous guidance was between 2% and 5% of revenues. IFRS pro forma operating income excludes stock-based compensation, non-recurring restructuring costs, amortization and impairment of goodwill, and acquisition-related intangible assets.

The aforementioned figures also exclude non-recurring restructuring costs in connection with headcount reductions. To maximize the value of the MRV acquisition and enhance profitability throughout the combined company, ADVA Optical Networking will reduce the combined workforce. While the combined workforce will decrease, management expects that these decreases will lead to enhanced operating efficiencies and synergies throughout the company. Based on the information presented to the management board today the non-recurring restructuring costs in 2017 are expected to amount to EUR 9 million. Management expects that the reductions will lead to cost savings of EUR 15 million per year on a run rate basis, with the initial effect of these savings being realized in late Q4.

Q4 2017 Outlook

ADVA Optical Networking will publish its Q3 2017 financial results in late October, 2017. It will also release revenue and IFRS pro forma operating profitability guidance for Q4 2017 on the same date.

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About ADVA Optical Networking

At ADVA Optical Networking we're creating new opportunities for tomorrow's networks, a new vision for a connected world. Our intelligent telecommunications hardware, software and services have been deployed by several hundred service providers and thousands of enterprises. Over the past twenty years, our innovative connectivity solutions have helped to drive our customers' networks forward, helped to drive their businesses to new levels of success. We forge close working relationships with all our customers. As your trusted partner we ensure that we're always ready to exceed your networking expectations. For more information on our products and our team, please visit us at: www.advaoptical.com.

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