

**About Spirent**

Spirent is a global leader in communications test and measurement listed on the London Stock Exchange.

We inspire innovation by testing and assuring today's new technologies that will enable tomorrow's networks and services. By enhancing the products, services and applications that drive the ever-evolving communications and IT industries, we truly enrich the lives of people around the world by enabling them to communicate faster and more effectively – anytime, anywhere.

Spirent's communications businesses serve 1,400 customers worldwide. Spirent employs 1,540 employees. The Group is organised into three business segments.

**Our business at a glance**
**Performance Analysis:**

Revenue 2011 \$416.4m (2010:\$365.8m)

Operating profit 2011 \$115.1m (2010:\$97.9m)

Develops innovative solutions for functional, conformance and performance testing of current and next-generation communications technologies that simulate real-world conditions in the lab, before a commercial launch.

**Divisional focus:**

Ethernet, data center, cloud computing, virtualization and applications  
 Wireless devices and network infrastructure  
 Satellite navigation and positioning technologies

**Service Assurance:**

Revenue 2011 \$54.1m (2010: \$57.0m)

Operating profit 2011 \$7.0m (2010:\$13.0m)

Provides solutions which allow service providers to diagnose, troubleshoot and determine how to resolve issues with networks and systems within the live network.

**Divisional focus:**

Ethernet business services  
 Wireless backhaul  
 Field test solutions

**Systems 2011:**

Revenue 2011 \$57.7m (2010: \$59.4m)

Operating profit 2011 \$9.0m (2010:\$8.8m)

Develops and supplies sophisticated electronic control systems for electrically powered vehicles in the medical mobility and industrial markets.

**Divisional focus:**

Motorised wheelchair and mobility scooters  
 Commercial and industrial electric vehicles  
 Low speed electric vehicles

**Financial highlights 2011**

- Group revenue up 10% to \$528.2 million (2010: \$482.2 million) reflecting growth across all regions, with a book to bill ratio of 102 (2010: 105).
- Performance Analysis, our major division, saw revenue up 14% with strong growth in wireless, positioning and data center technologies. Service Assurance and Systems saw slightly lower sales, down 5% and 3%, respectively.
- Adjusted Group operating profit up 10% to \$125.9 million (2010: \$114.5 million). Reported operating profit \$122.0 million (2010: \$112.7 million). Growth in Performance Analysis 18%.
- Basic earnings per share rose 20% to 14.18 cents (2010: 11.77 cents). Adjusted basic earnings per share up 17% to 13.92 cents (2010: 11.89 cents).
- The strong financial performance supports an increase of 17% in total dividend to 2.93 cents per share; final dividend proposed 1.67 cents per share (equivalent to 1.05 pence per share).
- Return on sales, based on adjusted operating profit, maintained at 24% after increasing investment in product development for future growth.
- Free cash flow of \$76.1 million (2010: \$82.6 million) reflected an increased investment in the business.

**Key financials**

\$ million	2011	2010	2009
Reported revenue	<b>528.2</b>	482.2	427.2
Reported operating profit	<b>122.0</b>	112.7	86.8
Adjusted operating profit <sup>1</sup>	<b>125.9</b>	114.5	88.8
Basic earnings per share (cents)	<b>14.18</b>	11.77	13.67
Adjusted basic earnings per share <sup>1</sup> (cents)	<b>13.92</b>	11.89	11.14
Total dividend per share <sup>2</sup> (cents)	<b>2.93</b>	2.50	1.93

**Notes**

1 Before share-based payment, acquired intangible asset amortisation, acquisition expenses and prior year tax.

2 Dividends are determined in US dollars and paid in sterling at the exchange rate prevailing when the dividend is proposed or declared.

### Our strategy

Our vision is to be the global leader in growing and emerging test and measurement markets. The key elements of our strategy are as follows:

#### Focus on growing and emerging technology markets

Spirent closely monitors the ever-changing trends across the communications and IT landscape, strategically reallocating resources to address growing and emerging technology markets.

#### Invest in our people

Spirent is its employees. Finding, keeping and engaging highly qualified and skilled employees is central to our ability to deliver on our strategy and to the success of our business.

#### Innovation

Remaining at the leading edge of technology is critical to our continued success.

#### Evolve and expand our solutions portfolio

We invest in development across our product and service portfolio at a level that enables us to bring the most advanced test solutions to market.

#### "Right Solution" at the "Right Time"

We enable our customers to bring new products and technologies to market in the shortest amount of time by making available the solutions they need, when they need them.

#### Global reach

Our geographic diversity is a key strength. We have built a world-class organisation that enables Spirent to develop and maintain strong customer relationships around the globe.

### Spirent share price

Share price*	174.00p
52-week closing price range	105.80-174.00p
Shares in issue with voting rights	662m
Market cap*	£1,151m

\*At 3 May 2012

### Management

#### Bill Burns, Chief Executive Officer



Bill was appointed to the Board in November 2008. He is responsible for formulating the Group's objectives and strategy for approval by the Board.

Before his appointment to the Board, Bill was Chief Executive Officer of the Communications Group.

Before joining the Company in November 2004, Bill held several executive leadership positions at Tellabs, Inc.

#### Eric Hutchinson, Chief Financial Officer



Eric was appointed to the Board in January 2000. He is responsible for overseeing the financial operations of the Group and setting its financial strategy in conjunction with the Audit Committee and the Board.

Eric joined the Company in 1983. He is a Fellow of the Association of Chartered Certified Accountants and a member of the Financial Reporting Review Panel.

### Major shareholders\*\*

Major shareholders**	% held
BlackRock Inc.	14.96
Prudential plc	10.69
AXA Investment Managers SA	7.18
Ameriprise Financial, Inc.	5.82
Aviva plc	5.54
Legal & General Group plc	5.10
Artemis Investment Management Limited	4.98
Standard Life Investments Ltd	4.89
Sun Life Assurance Company of Canada (UK) Ltd	3.53

\*\*At 20 March 2012