



## News Release

### **SPIRENT COMMUNICATIONS PLC HALF-YEAR REPORT 2009**

**London, UK - 4 August 2009:** Spirent Communications plc (“Spirent”, the “Company” or the “Group”) (LSE: SPT), a leading communications technology company, today announces its half-year results for the six months ended 28 June 2009.

#### **Highlights**

- Revenue for the first half-year grew 15 per cent to £139.1 million (first half 2008: £120.5 million) as a result of currency benefit; at constant currencies revenue was down 10 per cent.
- Operating profit up 14 per cent at £24.0 million (first half 2008: £21.0 million); at constant currencies operating profit was down 16 per cent.
- Adjusted earnings per share up 13 per cent at 3.01 pence (first half 2008: 2.67 pence) after charging 0.12 pence (first half 2008: 0.16 pence) for share-based payment and amortisation of intangibles.
- Interim dividend increased by 10 per cent to 0.55 pence per share payable in September 2009 (first half 2008: 0.50 pence).
- Free cash flow of £27.1 million representing 19 per cent of sales (first half 2008: £17.8 million). Closing cash of £80.5 million (31 December 2008: £59.7 million).
- Maintained healthy order book and financial position.

#### **Bill Burns, Chief Executive Officer, commented:**

“In difficult market conditions, Spirent has maintained profitability and gained market share. We have introduced new products and technologies unabated allowing us to deliver best-in-class solutions to our customers in growing markets such as Smartphones. Revenue in the key Performance Analysis business was in line with expectations which, combined with the benefits realised from careful cost management, resulted in a solid first half performance. Whilst the market remains challenging, Spirent is in good shape to deliver on our expected performance in 2009.”

**Results summary**

£ million	First half 2009	First half 2008	Change (%)	Change at constant currencies <sup>3</sup> (%)
<b>Reported</b>				
Revenue	<b>139.1</b>	120.5	15	(10)
Operating profit	<b>24.0</b>	21.0	14	(16)
Profit before tax	<b>23.6</b>	23.4	1	
Basic earnings per share (pence)	<b>3.01</b>	2.85	6	
Interim dividend per share (pence)	<b>0.55</b>	0.50	10	
<b>Adjusted</b>				
Profit before tax <sup>1</sup>	<b>23.6</b>	22.6	4	
Adjusted earnings per share <sup>2</sup> (pence)	<b>3.01</b>	2.67	13	

## Notes

1 Before exceptional items in 2008.

2 Adjusted earnings per share is based on adjusted earnings as set out in note 7 of Notes to the half-year financial statements.

3 Change at constant currencies eliminating the effects of fluctuating exchange rates on the translation of operating results and on transactions.

- ends -

**Enquiries**

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

Andrew Dowler/Juliet Clarke      Financial Dynamics      +44 (0)20 7831 3113

*The Company will host a results presentation today at 09.15 for 09.30 UK time at Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB. A simultaneous webcast of the presentation will be available in the Investors section of the Spirent Communications plc website at [www.spirent.com](http://www.spirent.com).*

**About Spirent Communications plc**

Spirent Communications plc is a leading communications technology company focused on delivering innovative systems and services to meet the needs of customers worldwide. We are a global provider of testing and service assurance solutions that enable the development and deployment of next-generation networking technologies such as Ethernet, Triple Play, wireless, satellite positioning, web applications and security. The Systems group develops power control systems for electrical vehicles in the mobility and industrial markets. Further information about Spirent Communications plc can be found at [www.spirent.com](http://www.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 [www.pinksheets.com](http://www.pinksheets.com).

Spirent and the Spirent logo are trademarks or registered trademarks of Spirent Communications plc. All other trademarks or registered trademarks mentioned herein are held by their respective companies. All rights reserved.

*This document may contain forward-looking statements which are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. You can sometimes, but not always, identify these statements by the use of a date in the future or such words as "will", "anticipate", "estimate", "expect", "project", "intend", "plan", "should", "may", "assume" and other similar words. By their nature, forward-looking statements are inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance and are subject to factors that could cause our actual results to differ materially from those expressed or implied by these statements. The Company undertakes no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise.*

**RESULTS FOR THE FIRST HALF 2009**  
**CHIEF EXECUTIVE OFFICER'S STATEMENT**

Our first half-year performance was generally as expected. Earnings per share increased by 13 per cent despite challenging economic conditions which caused customers to be cautious in making purchase commitments. Our focus on medium to long term growth remains unchanged. Adapting to changing market dynamics and technologies, investing in our solution offerings, strengthening our approach to the market and building solid partnerships with our customers are at the centre of our growth strategy. Through these accomplishments, Spirent will emerge from this challenging economic environment even stronger.

We have maintained profitability in difficult market conditions. Revenue achieved by our core Performance Analysis business was in line with expectations which, combined with the benefits realised from careful cost management, resulted in a solid first half performance. Group operating margins were maintained at 17 per cent of sales. Adjusted earnings per share increased by 13 per cent in the first half of 2009 to 3.01 pence from 2.67 pence in the same period last year. This was after charging 0.12 pence for share-based payment and intangible amortisation (first half 2008: 0.16 pence). In the first half of 2009 we realised cost savings of £4.0 million from actions we announced in our Interim Management Statement in May. In addition, further savings of £1.7 million are expected during the second half-year. Exchange rates had a significant effect on these results boosting revenue by £31.0 million and operating profit by £6.4 million compared with the same period in 2008.

Performance Analysis sales, which increased in sterling by 16 per cent, declined in constant currencies by 10 per cent compared with the first half of 2008. This decline was driven by delays in development expenditure imposed by network equipment manufacturers, especially in the United States. Demand for new technologies and innovation is being seen, but this was offset by decreases in activity in legacy products, positioning test and other products which have enterprise and consumer spending as the end market. The medium and long term outlook for our Performance Analysis solutions is encouraging as customers will continue to invest in new technologies and as the demand for higher data rates intensifies. For example, Spirent's wireless product strategy is to build on our existing capabilities that serve the test requirements for 3G and 4G ("LTE") wireless infrastructure and device performance testing. Spirent is currently delivering LTE test solutions to the market and is well positioned to provide a testing capability for the evolution of wireless networks and the convergence of wireline and wireless technologies on a global scale.

Service Assurance has maintained profitability on a similar decrease in sales, whilst making investment in new Ethernet and field test solutions targeted at both traditional telecommunications service providers as well as cable multiple system operators. We maintain our focus on returning this business to long term growth.

The Systems business has also maintained profitability despite the reduced demand for industrial product applications and slowdown in consumer demand for privately funded mobility scooters.

The robust cash generation of the Group resulted in free cash flow of £27.1 million in the first half-year (first half 2008: £17.8 million). Cash balances closed at £80.5 million up from £59.7 million at the end of 2008. We are pleased to announce a 10 per cent increase in the interim dividend to 0.55 pence per share which will be paid to shareholders in September 2009.

During this time of global economic uncertainty, we remain focused on our customers' requirements and we are investing in areas that represent their future. We remain optimistic that in the second half of 2009 our diversified solutions portfolio will allow us to continue to increase market share.

Whilst the market remains challenging, Spirent is in good shape to deliver on expected performance in 2009.

## Business group development and performance

### Communications

£ million	First half 2009	First half 2008	Change (%)	Change at constant currencies (%)
Revenue				
Performance Analysis	<b>102.5</b>	88.1	16	(10)
Service Assurance	<b>18.3</b>	15.8	16	(11)
Communications group	<b>120.8</b>	103.9	16	(10)
Segment operating profit <sup>1</sup>				
Performance Analysis	<b>21.9</b>	19.2	14	(13)
Service Assurance	<b>2.6</b>	2.5	4	(20)
Communications group	<b>24.5</b>	21.7	13	(14)
Return on sales (%)				
Performance Analysis	<b>21.4</b>	21.8		
Service Assurance	<b>14.2</b>	15.8		
Communications group	<b>20.3</b>	20.9		

Note

<sup>1</sup> Segment operating profit is before share-based payment and intangible amortisation.

### Performance Analysis

Sales grew by 16 per cent due to the benefit of exchange rates, at constant currencies sales declined by 10 per cent year-on-year. The market for test solutions declined in the first half of 2009 as our customers remain cautious due to the current economic climate. Equipment manufacturers increased their focus on better utilisation of existing investments in test equipment and to operate more cost-effectively.

Gross margin for Performance Analysis was maintained at 71 per cent of sales. Overhead expenses were reduced by £4.0 million compared to the same period last year as a result of the focused cost reduction actions. Overall operating profit improved by £2.7 million to £21.9 million, being a return on sales of 21 per cent.

Demand decreased as wireline network equipment manufacturers in the United States delayed spending, pushing out orders to the second half-year. Global positioning development spending was also delayed in response to falling consumer demand for end products.

More robust demand was seen for wireless test solutions. Across the different technologies Spirent is experiencing strong growth in UMTS, flat in CDMA, and in LTE spending on the device test area is beginning to develop, while LTE infrastructure test spend remains strong.

While the ratio of order intake to sales, the book to bill ratio, fell to 0.93 in the first half-year compared to 1.01 in the first half of 2008, we continue to maintain a healthy order book.

It is necessary for service providers and network equipment manufacturers to invest in new technologies and solutions to remain competitive in today's global market. The long term demand for next-generation wireline and wireless networks and services is driven by two main factors. Firstly, the pervasive nature of the internet on multiple devices (computers, mobile equipment, TV and others), offering content rich applications, is driving growth in traffic and the demand for higher speed access and network complexity. Secondly, enterprises are evolving their business models by connecting digitally with their customers and business partners, which in turn drives the need for economical, high performance advanced data centers.

This investment in next-generation technologies and services drives demand for test equipment in areas where Spirent is well positioned. However, the current economic climate is forcing our customers to delay decisions as they drive more efficiency in their existing labs. This has resulted in lower overall business and intensified competitive pressure across fewer opportunities. Medium to long term these same investments will return the test and measurement market to growth and Spirent is well positioned to capitalise on this opportunity.

During the period the breadth and depth of functionality of Spirent TestCenter™ enabled revenues to remain relatively resilient. The Landslide product line, which evaluates wireless core packet data networks, has seen significant growth during the period as wireless infrastructure spending grew due to the rapid expansion in bandwidth requirements and the introduction of new technologies such as LTE and Femtocells. Legacy products have seen the largest percentage declines during the period as they continue to become a smaller portion of our overall revenue. There was growth year-on-year for our UMTS wireless handset products driven by broader acceptance of performance testing and the increasing need for over-the-air testing. In CDMA, we had a major win at China Telecom who selected Spirent as their test partner as they begin to deploy 3G services. Customers have shown a growing interest in generating more realistic test conditions with our wireless fading simulator to optimise their products' performance and to minimise costly field testing. Customers are beginning to spend on LTE test solutions; Verizon Wireless leads the race to be the first carrier to deploy LTE. We won LTE driven orders from both wireless device test and infrastructure test customers. Much of the first half-year wireless business was driven by manufacturers of Smartphones as this segment of the device market continues to show significant growth. At the same time, the demand for positioning production test equipment decreased markedly in the period, however we expect to see recovery as the demand for multi-global navigational satellite systems gains momentum.

In the first half of 2009, Spirent launched multiple new solutions to support a variety of customer and technology needs. On Spirent TestCenter the Spirent HyperMetrics™ family of modules was launched to deliver the needed scalability, performance and realism for validating tomorrow's network today. We also introduced the industry's first complete suite of products and services specifically designed to holistically validate the performance of all elements of the data center and cloud computing environments including virtual machines, servers and storage devices.

Our priorities for the second half-year include delivery of our first LTE device test solution, in CDMA we will be supporting the China Telecom ecosystem as they plan to deploy CDMA EV-DO Rev B, and supporting Verizon Wireless suppliers with making the CDMA network and devices "LTE ready" to support multimode operation. We will build on our leadership position in CDMA and UMTS over-the-air test by further evolution of our products and systems including global positioning. Our broadband lab testing solutions will focus on validating innovations in virtualisation, cloud computing and data centers before live network deployment. We plan to address the challenges of deployment of High Speed Ethernet networks with the launch of our 40G and 100G Ethernet test solutions on Spirent TestCenter. In positioning we will deliver a single platform for multi-GNSS test of multiple satellite constellations.

We expect market conditions for the second half of 2009 to remain similar to those of the first half.

### **Service Assurance**

As expected, market conditions remained challenging through the first half of 2009 for both service assurance and field test solutions. However, there are indications that service providers are beginning to invest in service assurance solutions for next-generation networks. Specifically, we have seen increased demand, and won, centralised test opportunities for Ethernet and wireless 3G / 4G backhaul test solutions.

Service Assurance revenues at constant currencies declined by 11 per cent in the first half of 2009 compared to the first half of 2008 as service providers continued to reduce spend on legacy solutions and remained cautious on next-generation network spend. The first half was highlighted by increased orders for our installed next-generation monitoring solutions and additional wins for our Ethernet centralised test solutions and wireless backhaul offerings. While there is more demand for next-generation solutions, it is not anticipated that revenue for these solutions will reach levels to cover the decline in legacy solution spend until some time in the second half of 2010.

Despite the decrease in revenues, return on sales in the first half of 2009 was 14 per cent compared to 16 per cent in the first half of 2008. The decrease in return on sales was primarily

attributable to higher development spend incurred in the first half of 2009 in order to launch our Ethernet centralised test solutions and several new modules of the Tech-X Flex field test product line.

In the first half of 2009, we launched new solutions for Ethernet business services and 3G / 4G wireless backhaul including a new line of 1G and 10G Ethernet probes, and completed the development of several new modules for the Tech-X Flex field test product line providing us with a suite of “in-home” and “outside the home” test capabilities for service providers and cable multiple system operators.

Overall the service assurance and field test markets are expected to remain slow for the remainder of 2009 due to the economic climate and caution around capital spending. However, we believe that increased global competition and the transition to next-generation networks provides additional market opportunities for the Service Assurance division with cable multiple system operators, wireline and wireless service providers.

## Systems

£ million	First half 2009	First half 2008	Change (%)	Change at constant currencies (%)
Revenue	<b>18.3</b>	16.6	10	(11)
Segment operating profit	<b>2.1</b>	2.1	-	(29)
Return on sales (%)	<b>11.5</b>	12.7		

Systems’ revenue increased by 10 per cent compared with the first half of 2008 with operating profits remaining flat year-on-year. Favourable exchange rates masked a fall in revenue measured in constant currencies due to the effects of the current global recession. Adjusting for exchange rate effects, revenues were down by 11 per cent compared to the first half of 2008. The division’s medical mobility business remained reasonably robust in spite of a 9.5 per cent cut in US government healthcare reimbursement levels for powered wheelchairs. The market for industrial products was significantly affected by the slowdown in global economic activity.

Systems continues to make improvements in its cost structure through moving more production to China and overall cost reduction programmes. The division is investing in new product developments and will launch several new products during the second half of 2009. With the help of these products Systems expects to be well positioned when the current challenging economic environment comes to an end.

### Corporate and non-segmental costs

Corporate costs were £1.8 million for the first half of 2009 (first half 2008: £1.6 million) and non-segmental costs were £0.8 million which comprise share-based payment of £0.3 million (first half 2008: £0.9 million) and intangible amortisation of £0.5 million (first half 2008: £0.3 million).

### Group financial performance

	First half 2009	First half 2008	Change (%)	Change at constant currencies <sup>4</sup> (%)
Book to bill ratio <sup>1</sup>	<b>0.91</b>	0.98		
Revenue (£ million)	<b>139.1</b>	120.5	15	(10)
Gross profit margin (%)	<b>65.2</b>	63.5		
Operating profit (£ million)	<b>24.0</b>	21.0	14	(16)
Return on sales (%)	<b>17.3</b>	17.4		
Adjusted earnings per share <sup>2</sup> (pence)	<b>3.01</b>	2.67	13	
Free cash flow <sup>3</sup> (£ million)	<b>27.1</b>	17.8	52	

#### Notes

1 The ratio of orders booked to revenue in the period.

2 Adjusted earnings per share is based on earnings as set out in note 7 of Notes to the half-year financial statements.

3 Operating cash flow, net interest and net capital expenditure for the period.

4 Change at constant currencies eliminating the effects of fluctuating exchange rates on the translation of operating results and on transactions.

### Revenue

Reported revenue was up 15 per cent compared with the first half of 2008, a result of exchange rate benefits. Revenue at constant currencies decreased by 10 per cent. The geographical profile by market of revenue reflected the decline in United States activity levels. The United States contributes the greater part of revenue and comprises 49 per cent of total revenues (first half 2008: 51 per cent). At constant currencies revenue was down in all regions compared with the first half of 2008 apart from in China, where there was growth of 18 per cent and in India where the increase was 8 per cent.

The book to bill ratio was lower at 0.91 compared with 0.98 for the first half of 2008. In the first half-year the order book declined in Performance Analysis as demand fell but it remains healthy. Service Assurance order book decreased as expected due to normal seasonal factors.

**Operating profit**

Operating profit increased by 14 per cent to £24.0 million from £21.0 million for the first half of 2008. At constant currencies operating profit was down 16 per cent. The cost reductions announced in the first quarter of 2009 have resulted in approximately £4.0 million of profit improvement in the first half. Further benefit of £1.7 million is expected to be seen in the second half of 2009 from cost management. Total annualised cost controls implemented in 2009 amount to £11.3 million. The £1.0 million cost to achieve them has been expensed in the first half-year as an ordinary item.

**Currency impact**

There has been a marked benefit from translation period-on-period. The average sterling to US dollar exchange rate decreased from 1.98 for the first half of 2008 to 1.50 for the first half of 2009. This increased reported sales by £26.9 million and operating profit by £5.4 million on translation. The Group is also exposed to transactional currency risk and had hedged its full year 2009 expected US dollar exposures at the end of 2008 at an average rate of \$1.76:£1. This has resulted in an increase in revenue of £4.1 million and an increase in operating profit of £1.0 million compared with the first half of 2008. For the second half of 2009 the average hedged rate is \$1.74:£1.

**Cost of sales and operating expenses**

Gross margin for the Group was higher at 65.2 per cent compared with 63.5 per cent for the first half of 2008, reflecting the benefits of the outsourcing of production and improved product mix.

As the development of new innovative test products is key to the success of the Performance Analysis division, product development is focused on growth markets based on Spirent's competitive capabilities and forms a substantial proportion of the total costs. For the Group a total of £25.1 million, being 18 per cent of revenue, was expensed during the first half of 2009 (first half 2008: £21.4 million and 18 per cent of revenue). Of this amount £20.1 million is within the Performance Analysis division (first half 2008: £17.9 million).

Other operating costs increased to £41.6 million, 30 per cent of sales, compared with £34.1 million in the first half of 2008, 28 per cent of sales. This increase is principally a result of the exchange rate translation effect on US dollar operating expenses of £7.1 million plus the losses on exchange rate hedging of £3.0 million, net of the impact of cost reduction actions taken in the first half of 2009 of £4.0 million less cost to implement them of £1.0 million. Within other costs the charge for share-based payment was £0.3 million for the first half of 2009 compared with £0.9 million for the first half of 2008.

**Net finance income and expense**

Net finance expense was £0.4 million for the first half of 2009 compared with net finance income, excluding exceptional finance income, of £1.6 million for the first half of 2008. This comprises an interest charge for the pension plan of £0.5 million (first half 2008: income £0.2 million) and net interest income of £0.1 million (first half 2008: £1.4 million) reflecting much lower interest rates in the UK and US where the majority of the funds are held. Exceptional interest income of £0.8 million was reported in the first half of 2008 in relation to interest received on tax refunds for prior periods.

**Profit before tax**

Reported profit before tax was £23.6 million compared with £23.4 million in the first half of 2008. There were no adjustments to the reported numbers in the first half of 2009, adjusted profit before tax excluding exceptional items was £22.6 million for the first half of 2008.

**Tax**

The tax charge for the first half of 2009 was £3.6 million. This gives a current year effective tax rate of 15.3 per cent (first half 2008: 10.6 per cent). As the Group utilises the benefits of tax losses brought forward it is expected that the future tax rate will increase progressively.

**Earnings per share**

Basic earnings per share for the Group was 3.01 pence compared with 2.85 pence for the first half of 2008. There were no adjustments to reported earnings in the first half of 2009, adjusted basic earnings per share was 2.67 pence for the first half of 2008. There were 664.5 million weighted average Ordinary Shares in issue (first half 2008: 757.2 million).

**Financing and cash flow**

Cash and cash equivalents were £80.5 million at the end of the first half of 2009, an increase over the £59.7 million at 31 December 2008, with free cash flow of £27.1 million being generated in the first half of 2009. Free cash flow for the first half of 2008 was £17.8 million. In 2009 tax payments were £3.9 million and working capital reduced by £4.5 million. In 2008 tax payments were £0.8 million and working capital absorption was £7.4 million.

Net cash inflow from operating activities before tax was £33.9 million (first half 2008: £19.5 million).

Expenditure on property, plant and equipment net of proceeds from sale was £3.1 million compared with £3.4 million in the first half of 2008, below the depreciation charge for the period of £4.8 million (first half 2008: £4.5 million).

Finance income received in the first half of 2009 was much reduced at £0.2 million compared with finance income received in the first half of 2008 of £2.5 million, which included £0.8 million of exceptional interest on prior year tax refunds.

The Group continues to be debt free, but has a £25.0 million three-year working capital facility in place until 2011.

### **Defined benefit pension plans**

The accounting valuation of the defined benefit pension plans has fallen to a deficit of a net £6.4 million from a surplus of £2.6 million at 31 December 2008, comprised of a surplus of £0.4 million in one of the UK plans and a deficit of £6.8 million in the main plan. The reasons for this are the fall in global equity markets and a change in the assumptions used to value the plans' liabilities. These results were based on the triennial valuation at 1 April 2006. The next triennial valuation of the plans at 1 April 2009 has commenced, such a valuation involves a complete review of all the assumptions including longevity and funding assumptions and may result in increases to future contributions, although these are not expected to be material.

In addition there is a liability for an unfunded plan of £0.4 million (31 December 2008: £0.6 million).

### **On-market share repurchase**

The Company did not repurchase any shares in the period.

### **Dividend**

The Board has declared an interim dividend of 0.55 pence per share, a 10 per cent increase over that for the first half 2008. This approximates to a payment of £3.7 million and represents dividend cover of 5.5 times. The dividend will be paid to Ordinary shareholders on 17 September 2009 and to ADR holders on 28 September 2009. The dividend is payable to all shareholders on the register of members at the close of business on 14 August 2009.

### **Risks and uncertainties**

The principal risks and uncertainties affecting the Spirent Communications Group in respect of the remaining six months of the year to 31 December 2009 remain those as identified on pages 15 to 17 of the Annual Report 2008, a copy of which is available at the Company's website at [www.spirent.com](http://www.spirent.com).

**Condensed consolidated income statement**

£ million	Notes	First half 2009			First half 2008
		Total <sup>1</sup>	Before exceptional items	Exceptional items <sup>note 5</sup>	Total
<b>Revenue</b>	3,4	<b>139.1</b>	120.5	-	120.5
Cost of sales		<b>(48.4)</b>	(44.0)	-	(44.0)
<b>Gross profit</b>		<b>90.7</b>	76.5	-	76.5
Product development		<b>(25.1)</b>	(21.4)	-	(21.4)
Selling and distribution		<b>(25.4)</b>	(22.0)	-	(22.0)
Administration		<b>(16.2)</b>	(12.1)	-	(12.1)
<b>Operating profit</b>	3	<b>24.0</b>	21.0	-	21.0
Finance income		<b>0.2</b>	1.6	0.8	2.4
Finance costs		<b>(0.6)</b>	-	-	-
<b>Profit before tax</b>	3	<b>23.6</b>	22.6	0.8	23.4
Tax	6	<b>(3.6)</b>	(1.8)	-	(1.8)
<b>Profit for the period attributable to equity shareholders of parent Company</b>		<b>20.0</b>	20.8	0.8	21.6
<b>Earnings per share (pence)</b>	7				
Basic		<b>3.01</b>			2.85
Diluted		<b>3.00</b>			2.82

**Condensed consolidated statement of comprehensive income**

£ million	First half 2009	First half 2008 (restated) <sup>2</sup>
<b>Profit for the period</b>	<b>20.0</b>	21.6
<b>Other comprehensive income</b>		
Fair value movements on cash flow hedges	<b>4.9</b>	0.7
Exchange differences on retranslation of foreign operations	<b>(14.3)</b>	0.2
Actuarial losses on defined benefit pension plans	<b>(8.7)</b>	(1.2)
Irrecoverable element of pension plan surplus	<b>0.2</b>	0.4
Deferred tax on defined benefit pension plans	<b>2.4</b>	0.1
<b>Other comprehensive income</b>	<b>(15.5)</b>	0.2
<b>Total comprehensive income for the period attributable to equity shareholders of parent Company</b>	<b>4.5</b>	21.8

## Notes

1 There were no exceptional items in the first half of 2009.

2 Restated for a change in respect of the implementation of IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". See note 2.

**Condensed consolidated balance sheet**

£ million	Notes	28 June 2009	29 June 2008 (restated) <sup>1</sup>	31 December 2008
<b><u>Assets</u></b>				
<b>Non-current assets</b>				
Intangible assets		67.7	57.9	77.6
Property, plant and equipment		15.0	14.5	18.6
Trade and other receivables		1.7	1.4	2.5
Cash on deposit		2.2	2.9	2.5
Defined benefit pension plan surplus	9	0.4	5.5	2.6
Deferred tax		14.5	10.6	12.2
		<b>101.5</b>	92.8	116.0
<b>Current assets</b>				
Inventories		18.2	19.4	24.2
Trade and other receivables		50.3	52.7	62.4
Derivative financial instruments		0.8	0.2	-
Cash and cash equivalents		80.5	67.7	59.7
		<b>149.8</b>	140.0	146.3
<b>Total assets</b>		<b>251.3</b>	232.8	262.3
<b><u>Liabilities</u></b>				
<b>Current liabilities</b>				
Trade and other payables		(54.1)	(55.3)	(63.5)
Current tax		(4.5)	(33.8)	(4.6)
Derivative financial instruments		(0.8)	-	(5.6)
Provisions and other liabilities		(3.3)	(3.9)	(3.7)
		<b>(62.7)</b>	(93.0)	(77.4)
<b>Non-current liabilities</b>				
Trade and other payables		(3.9)	(0.6)	(5.1)
Defined benefit pension plan deficit	9	(7.2)	(0.7)	(0.6)
Provisions and other liabilities		(5.5)	(6.6)	(8.2)
		<b>(16.6)</b>	(7.9)	(13.9)
<b>Total liabilities</b>		<b>(79.3)</b>	(100.9)	(91.3)
<b>Net assets</b>		<b>172.0</b>	131.9	171.0
<b><u>Capital and reserves</u></b>				
Share capital	11	22.4	26.3	22.4
Share premium account		17.3	15.7	17.2
Capital redemption reserve		10.6	6.5	10.6
Capital reserve		1.4	3.6	1.4
Translation reserve		8.3	(6.5)	22.6
Unrealised gains and losses		0.2	0.2	(4.7)
Retained earnings		111.8	86.1	101.5
<b>Total equity attributable to equity shareholders of parent Company</b>		<b>172.0</b>	131.9	171.0

Note

1 Restated for a change in respect of the implementation of IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". See note 2.

**Condensed consolidated cash flow statement**

£ million	Note	First half 2009	First half 2008
<b>Cash flows from operating activities</b>			
Cash flow from operations	10	33.9	19.5
Tax paid		(3.9)	(0.8)
<b>Net cash inflow from operating activities</b>		<b>30.0</b>	18.7
<b>Cash flows from investing activities</b>			
Interest received		0.2	2.5
Transfer from long term deposit		0.3	0.8
Purchase of property, plant and equipment		(3.2)	(3.4)
Proceeds from sale of property, plant and equipment		0.1	-
<b>Net cash used in investing activities</b>		<b>(2.6)</b>	(0.1)
<b>Cash flows from financing activities</b>			
Dividend paid		(4.0)	-
Proceeds from the issue of share capital and employee share ownership trust		0.2	0.3
On-market share repurchase		(0.1)	(30.3)
<b>Net cash used in financing activities</b>		<b>(3.9)</b>	(30.0)
Net increase/(decrease) in cash and cash equivalents		23.5	(11.4)
Cash and cash equivalents at the beginning of the year		59.7	79.0
Effect of foreign exchange rate changes		(2.7)	0.1
<b>Cash and cash equivalents at the end of the period</b>		<b>80.5</b>	67.7

**Condensed consolidated statement of changes in equity**

£ million	Share capital	Share premium account	Capital redemption reserve	Capital reserve	Translation reserve	Unrealised gains and losses	Retained earnings <sup>1</sup>	Total equity
<b>At 1 January 2008</b>	28.0	15.5	4.8	3.6	(6.7)	(0.5)	96.5	141.2
Total comprehensive income	-	-	-	-	0.2	0.7	20.9	21.8
Share cancellation	(1.7)	-	1.7	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	0.9	0.9
New shares issued	-	0.2	-	-	-	-	-	0.2
Employee share ownership trust	-	-	-	-	-	-	0.1	0.1
Share repurchase	-	-	-	-	-	-	(32.3)	(32.3)
<b>At 29 June 2008</b>	26.3	15.7	6.5	3.6	(6.5)	0.2	86.1	131.9
<b>At 1 January 2009</b>	22.4	17.2	10.6	1.4	22.6	(4.7)	101.5	171.0
Total comprehensive income	-	-	-	-	(14.3)	4.9	13.9	4.5
Share-based payment	-	-	-	-	-	-	0.3	0.3
New shares issued	-	0.1	-	-	-	-	-	0.1
Employee share ownership trust	-	-	-	-	-	-	0.1	0.1
Equity dividends	-	-	-	-	-	-	(4.0)	(4.0)
<b>At 28 June 2009</b>	22.4	17.3	10.6	1.4	8.3	0.2	111.8	172.0

## Note

<sup>1</sup> Restated for a change in respect of the implementation of IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". See note 2.

## **Notes to the half-year condensed consolidated financial statements**

### **1 Basis of preparation**

The half-year condensed consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed and adopted for use in the European Union and issued by the International Accounting Standards Board. This condensed set of half-year financial statements has also been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority.

The half-year condensed consolidated financial statements are unaudited but have been reviewed by the auditors. A copy of their review report is included at the end of this report.

The half-year condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 31 December 2008, which have been prepared in accordance with IFRSs as adopted by the European Union.

The half-year condensed consolidated financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The comparative financial information for the year to 31 December 2008 is based on the statutory accounts for that period, which have been filed with the Registrar of Companies. The auditors’ report on those accounts was unqualified and did not contain a statement made under Section 237(2) or (3) of the Companies Act 1985.

The half-year condensed consolidated financial statements for the period ended 28 June 2009 were approved by the directors on 4 August 2009.

### **2 Accounting policies**

The accounting policies adopted are consistent with those applied in the consolidated financial statements for the year ended 31 December 2008.

The following new standards, amendments to standards and interpretations are mandatory for the first time in the current period and have been adopted by the Group with no significant impact on its consolidated results or financial position. IAS 1(revised) “Presentation of Financial Statements” has introduced a number of terminology changes and changes to presentation and disclosure. IFRS 8 “Operating Segments” has not required a change to the reported segments, however segment profit is measured before share-based payment and intangible amortisation and this has required a change to the way the results have been presented. Comparative information has been restated on the same basis.

#### **International Accounting Standards (“IAS/IFRS”)**

---

IAS 1 (revised)	Presentation of Financial Statements
IAS 23	Borrowing Costs
IAS 27 and IFRS 1	Amendment to IAS 27 and IFRS 1 – Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate
IAS 32 and IAS 1	Amendment to IAS 32 and IAS 1 – Puttable Financial Instruments and Obligations Arising on Liquidation
IAS 38	Amendment to IAS 38 – Intangible Assets
IFRS 2	Amendment to IFRS 2 – Vesting Conditions and Cancellations
IFRS 8	Operating Segments
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation

---

The comparative information for the first half of 2008 has been restated following further clarification on the implementation of IFRIC 14 “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”.

Any surplus on the defined benefit pension plans that may ultimately be repaid to the Company would currently be subject to a 35 per cent tax charge prior to repayment. IFRIC 14 requires that this liability be recognised as a reduction in the surplus available at the balance sheet date. This tax had previously been provided as a deferred tax liability for which a right of set off existed against the deferred tax asset.

The consolidated balance sheet and consolidated statement of comprehensive income have been restated.

The effect on the consolidated balance sheet is as follows:

**First half 2008**

£ million	Defined benefit pension plan surplus	Deferred tax asset
As previously reported	6.7	9.4
Restated for IFRIC 14	(1.2)	1.2
29 June 2008 as restated	5.5	10.6

The effect on the consolidated statement of comprehensive income is as follows:

**First half 2008**

£ million	Irrecoverable element of pension plan surplus	Deferred tax on defined benefit pension plans
As previously reported	-	0.4
Restated for IFRIC 14	0.4	(0.3)
29 June 2008 as restated	0.4	0.1

### 3 Segmental analysis

£ million	Performance Analysis	Service Assurance	Communications Total	Systems	Corporate	Total
<b>First half 2009</b>						
<b>Revenue</b>						
External sales	<b>102.5</b>	<b>18.3</b>	<b>120.8</b>	<b>18.3</b>	<b>-</b>	<b>139.1</b>
<b>Profit before tax</b>						
Total reportable segment profit/(loss)	<b>21.9</b>	<b>2.6</b>	<b>24.5</b>	<b>2.1</b>	<b>(1.8)</b>	<b>24.8</b>
Unallocated amounts						
Intangible amortisation						<b>(0.5)</b>
Share-based payment						<b>(0.3)</b>
Operating profit						<b>24.0</b>
Finance income						<b>0.2</b>
Finance costs						<b>(0.6)</b>
Profit before tax						<b>23.6</b>
<b>Other information</b>						
Product development	<b>20.1</b>	<b>3.8</b>	<b>23.9</b>	<b>1.2</b>	<b>-</b>	<b>25.1</b>
Capital expenditure	<b>2.9</b>	<b>0.2</b>	<b>3.1</b>	<b>0.1</b>	<b>-</b>	<b>3.2</b>
Depreciation	<b>4.0</b>	<b>0.5</b>	<b>4.5</b>	<b>0.2</b>	<b>0.1</b>	<b>4.8</b>
<b>First half 2008</b>						
<b>Revenue</b>						
External sales	88.1	15.8	103.9	16.6	-	120.5
<b>Profit before tax</b>						
Total reportable segment profit/(loss)	19.2	2.5	21.7	2.1	(1.6)	22.2
Unallocated amounts						
Intangible amortisation						(0.3)
Share-based payment						(0.9)
Operating profit						21.0
Finance income						2.4
Profit before tax						23.4
<b>Other information</b>						
Product development	17.9	2.4	20.3	1.1	-	21.4
Capital expenditure	2.9	0.2	3.1	0.2	0.1	3.4
Depreciation	3.8	0.4	4.2	0.2	0.1	4.5

There were no inter-segment sales in any of the above periods.

#### 4 Geographical information

£ million	First half 2009	First half 2008
<b>Revenue by market</b>		
Europe	20.6	21.2
United States	68.5	61.6
Asia Pacific, Rest of Americas, Africa	50.0	37.7
	<b>139.1</b>	120.5

Europe includes United Kingdom revenue of £4.3 million (first half 2008: £5.9 million).

Revenues are attributed to countries based on customer location.

	First half 2009	First half 2008
<b>Average exchange rates</b>		
US dollar	1.50	1.98
Euro	1.12	1.29

#### 5 Exceptional items

There were no exceptional operating items in the first half of 2009 (first half 2008: nil). Exceptional interest income of £0.8 million was credited in the first half of 2008 in relation to prior year tax refunds.

#### 6 Tax

£ million	First half 2009	First half 2008
<b>Current income tax</b>		
Overseas tax	4.4	2.4
Amounts overprovided in previous years	-	(0.6)
Total income tax	4.4	1.8
<b>Deferred tax</b>		
Recognition of deferred tax assets	(4.4)	-
Origination and reversal of temporary differences	3.6	-
Total deferred tax	(0.8)	-
<b>Tax charge in the income statement</b>	<b>3.6</b>	1.8

## 7 Earnings per share

Earnings per share is calculated by reference to the profit for the period and the number of Ordinary Shares in issue as follows:

£ million	First half 2009	First half 2008
<b>Profit for the period attributable to equity shareholders of parent Company</b>	<b>20.0</b>	21.6
Number million		
<b>Weighted average number of shares in issue – basic</b>	<b>664.5</b>	757.2
Dilutive potential of employee share options	1.7	8.2
<b>Weighted average number of shares in issue – diluted</b>	<b>666.2</b>	765.4
Pence		
<b>Earnings per share</b>		
Basic	<b>3.01</b>	2.85
Diluted	<b>3.00</b>	2.82

The Group discloses adjusted earnings per share attributable to equity shareholders in order to provide a measure to enable period-on-period comparisons to be made of its performance. A reconciliation is provided below:

	First half 2009		First half 2008	
	£ million	EPS(p)	£ million	EPS(p)
<b>Profit for the period attributable to equity shareholders of parent Company</b>	<b>20.0</b>	<b>3.01</b>	21.6	2.85
Exceptional finance income	-		(0.8)	
Prior year tax credit	-		(0.6)	
<b>Adjusted basic</b>	<b>20.0</b>	<b>3.01</b>	20.2	2.67
Adjusted diluted		<b>3.00</b>		2.64

## 8 Dividends paid and proposed

£ million	First half 2009	First half 2008
<b>Amounts recognised as distributions to equity shareholders in the period</b>		
Final dividend paid for the year ended 31 December 2008 of 0.6 pence (31 December 2007: nil) per Ordinary Share	<b>4.0</b>	-
<b>Amounts approved by the directors (not recognised as a liability at the balance sheet date)</b>		
Interim dividend 0.55 pence (2008: 0.50 pence) per Ordinary Share	<b>3.7</b>	3.7

An interim dividend of 0.55 pence per Ordinary Share (2008: 0.50 pence per Ordinary Share) was declared by the Board on 4 August 2009 and will be paid to Ordinary shareholders on 17 September 2009 and to ADR holders on 28 September 2009.

This dividend has not been included as a liability in these financial statements and is payable to all shareholders on the Register of Members at the close of business on 14 August 2009

## 9 Defined benefit pension plans

The defined pension plans are in the United Kingdom. In addition there is a United Kingdom unfunded plan.

The most recent actuarial valuations, at 1 April 2006, of the plans' assets and the present value of the defined benefit plans' obligations, using the projected unit credit method, have been used and updated. The key financial assumptions are as follows:

	<b>First half 2009</b>	First half 2008	Year 2008
Inflation (%)	<b>3.5</b>	4.1	3.0
Rate of increase in pensionable salaries (%)	<b>4.0</b>	4.8	3.5
Rate of increase for pensions in payment pre 2001 service (%)	<b>3.8</b>	4.1	3.6
Rate of increase for pensions in payment post 2001 pre April 2005 service (%)	<b>3.3</b>	4.0	2.9
Rate of increase for pensions in payment post April 2005 service (%)	<b>2.2</b>	2.5	2.1
Rate of increase in deferred pensions (%)	<b>3.5</b>	4.1	3.0
Discount rate (%)	<b>6.1</b>	6.6	6.0

An operating charge of £0.1 million (first half 2008: £0.1 million) and a net interest charge of £0.5 million (first half 2008: net interest income £0.2 million) have been recognised.

Changes in the market value of pension plan assets were largely due to a decline in global stock markets and increases in the liabilities were due to changes in the assumptions.

The assets and liabilities in the defined benefit pension plans were as follows:

	<b>First half 2009</b>	First half 2008	Year 2008
Market value of defined benefit pension plans' assets	<b>124.7</b>	134.5	129.3
Present value of defined benefit pension plans' obligations	<b>(131.1)</b>	(127.8)	(126.5)
Net (deficit)/surplus in the plans	<b>(6.4)</b>	6.7	2.8
Irrecoverable element of pension plan surplus	-	(1.2)	(0.2)
Net defined benefit pension plan (deficit)/surplus on the balance sheet	<b>(6.4)</b>	5.5	2.6

The assets and liabilities on the balance sheet are as follows:

	<b>First half 2009</b>	First half 2008	Year 2008
<b>Assets</b>			
Defined benefit pension plan surplus	<b>0.4</b>	5.5	2.6
<b>Liabilities</b>			
Defined benefit pension plan deficit	<b>6.8</b>	-	-
Unfunded plan	<b>0.4</b>	0.7	0.6
	<b>7.2</b>	0.7	0.6

**10 Reconciliation of profit before tax to cash generated from operations**

£ million	First half 2009	First half 2008
<b>Profit before tax</b>	<b>23.6</b>	23.4
Adjustments for:		
Finance income	<b>(0.2)</b>	(2.4)
Finance costs	<b>0.6</b>	-
Depreciation of property, plant and equipment	<b>4.8</b>	4.5
Loss on the disposal of property, plant and equipment	-	0.2
Intangible asset amortisation	<b>0.5</b>	0.3
Share-based payment	<b>0.3</b>	0.9
Changes in working capital		
Deferred income received	<b>3.6</b>	1.2
Decrease/(increase) in receivables	<b>5.3</b>	(2.4)
Decrease/(increase) in inventories	<b>3.9</b>	(1.6)
Decrease in payables	<b>(6.1)</b>	(2.2)
Decrease in provisions	<b>(2.2)</b>	(2.4)
Defined benefit pension plan	<b>(0.2)</b>	-
<b>Cash flow from operations</b>	<b>33.9</b>	19.5

**11 Share capital**

The authorised share capital was 1,250 million Ordinary Shares of 3 1/3 pence (first half 2008: 1,250 million).

Number million	First half 2009	First half 2008
<b>Issued and fully paid</b>		
At 1 January	<b>671.8</b>	840.8
Allotted pursuant to share incentives exercised	<b>1.3</b>	1.0
Cancelled during the period	-	(50.0)
<b>Share capital at the end of the period</b>	<b>673.1</b>	791.8

The Company has been operating an on-market share repurchase programme. There were no shares repurchased during the first half of 2009 (first half 2008: 50.8 million Ordinary Shares at a cost of £32.3 million). Shares repurchased were placed in treasury or were cancelled.

**12 Related party transactions**

There have been no related party transactions in the first half of 2009 which have materially affected the financial position or the performance of the Group.

Related parties are consistent with those disclosed in the Group's Annual Report for the year ended 31 December 2008.

**13 Capital commitments and contingent liabilities**

There are no material capital commitments. There have been no material changes since 31 December 2008 to the Group's indemnities and contingencies.

**Statement of directors' responsibilities**

The directors confirm that to the best of their knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed and issued by the IASB and adopted by the EU.

The half-year management report includes a fair review of the information required by:

- (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the 2008 Annual Report.

The directors of Spirent Communications plc are listed in the Spirent Communications plc Annual Report for 31 December 2008.

By order of the Board of Spirent Communications plc.

**E G Hutchinson**  
**Chief Financial Officer**  
**4 August 2009**

## **Independent review report to Spirent Communications plc**

### **Introduction**

We have been engaged by the Company to review the condensed set of financial statements in the half-year financial report for the six months ended 28 June 2009 which comprises the Condensed consolidated income statement, the Condensed consolidated statement of comprehensive income, the Condensed consolidated balance sheet, the Condensed consolidated cash flow statement, the Condensed consolidated statement of changes in equity and the related notes 1 to 13. We have read the other information contained in the half-year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

### **Directors' responsibilities**

The half-year financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-year financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-year financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

### **Our responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-year financial report based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-year financial report for the six months ended 28 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

## **Glossary**

3G (Third Generation)	Third generation of mobile communications following first generation (analogue) and second generation (digital) that promises megabits per second.
4G (Fourth Generation)	Future generation of mobile communications following 3G that promises hundreds of megabits per second.
Broadband	Generic term for devices with a bandwidth greater than one megabit per second.
CDMA (Code Division Multiple Access)	A digital cellular standard technology allowing communications circuits to carry multiple conversations simultaneously, thus increasing its capacity; used in radio communications.
Data Center	A centralised location where computing resources critical to an organisation are maintained in a highly controlled environment.
Ethernet	A family of networking technologies developed for local area networks, migrating to metro area networks and becoming a dominant standard in wireline networks.
EV-DO Rev A (Evolution-Data Optimised revision A)	Data only (revision A) is a collection of mobile telephone protocols that extend and improve the performance of existing CDMA protocols for high speed data transmission, typically for broadband internet access.
EV-DO Rev B (Evolution-Data Optimised revision B)	Revision B involves aggregating multiple EV-DO revision A channels to provide higher bandwidth and lower latency for multimedia delivery, two-way data transmissions, VoIP-based concurrent services, and dynamically scalable bandwidth.
Femtocell	A small cellular base station designed for use in residential or small business environments. It connects to the service provider's network via broadband typically to support 2 to 4 active mobile phones.
Galileo	The informal name for the European Global Navigation Satellite System, a system that will offer users anywhere in the world "near pinpoint" geographic positioning when it becomes fully operational.
GPS (Global Positioning System)	A system for determining location and height at any point on the earth's surface. A receiver uses minute differences in measured time signals from clocks on satellites to calculate these positions and altitudes.
GLONASS (Global Navigation Satellite System)	Global navigation satellite system operated by the Russian Federation Ministry of Defence.
HSPA (High Speed Packet Access)	A collection of mobile telephone protocols that extend and improve the performance of existing UMTS protocols for high speed data transmission.
Internet/IP telephony	Generic term used to describe various approaches to running voice telephony over IP.
IP (Internet Protocol)	Data protocol used by many networking devices to facilitate and control the flow of data.
LTE (Long Term Evolution)	A standard to enhance existing 3G wireless to add 4G mobile communications technology on an IP network air interface, to create a wireless broadband internet system.
Location Based Services	The delivery of information, mapping and locally available business and public data over the wireless network dependent upon the ability to locate mobile devices by means of direct satellite or cellular assisted satellite signals.
Triple Play	Voice, video and data transmitted over a single transport medium.
UMTS (Universal Mobile Telecommunications System)	One of the 3G wireless technologies. The most common form of UMTS uses WCDMA on its underlying air interface and offers support for high speed data transfer.
WCDMA (Wideband CDMA)	A global standard for mobile 3G.