2009 Preliminary Results

March 4, 2010

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Welcome

Bill Burns, Chief Executive Officer

2009 Highlights

- Evolving communication landscape is driving complexity and growing the importance of testing
- Markets showing signs of recovery in the fourth quarter
- We are more focused and at the same time more agile in meeting customer needs than we have ever been
- Released more innovative solutions to market than ever before
- Demand for our wireless test solutions remains strong
- Gained market share
- Strong financial performance in 2009

Key Financial Highlights

102

Book to Bill

(2008: 98)

+6%

Revenue

(2009 revenue: £272.1m)

+14%

Operating Profit

(2009 operating profit: £55.3m)

20.3%

Return on Sales

(2008: 18.9%)

+31%

Free Cash Flow

(2009 free cash flow: £55.1m)

+9%

Adjusted EPS[1]

(2009 EPS: 7.11p)

Notes: (1) Before share-based payment and acquired intangible amortisation

Financial Review

Eric Hutchinson, Chief Financial Officer

Comparative results 2009

(£ millions)	2008	2009	YoY % Change £	YoY % Change Constant Currency
Sales	257.9	**272.1**	*6%*	*(10%)*
Gross Profit	166.6	**180.5**		
Gross Margin	*64.6%*	***66.3%***		
Product Development	45.3	**47.5**		
Selling & Distribution	46.7	**49.7**		
Administration	25.9	**28.0**		
Operating Profit	48.7	**55.3**	*14%*	*(6%)*
Operating Margin	*18.9%*	***20.3%***		
Finance (Expense)/Income, Net	2.7	**(1.2)**		
Tax Expense(1)	(5.3)	**(8.0)**		
Net Income	46.1	**46.1**		
Adjusted EPS	6.24p	**6.91p**	*11%*	
Adjusted EPS Before Items(2)	6.54p	**7.11p**	*9%*	
Average Shares Outstanding	738.5	**667.0**		

- Operating profit ahead of expectations
- Gross margin increased by 1.7 percentage points
- Operating profit return on sales 20% compared to 19%

Strong performance despite market conditions

Notes: (1) Before one time deferred tax credit and prior year tax (2) Before share-based payment and acquired intangible amortisation

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Comparative results – 2009 Fourth Quarter

(£ millions)	2008	2009	YoY % Change £	YoY % Change Constant Currency
Sales	72.6	**69.9**	*(4%)*	*(4%)*
Gross Profit	49.4	**46.4**		
Gross Margin	*68.0%*	***66.4%***		
Product Development	13.0	**11.4**		
Selling & Distribution	13.8	**12.8**		
Administration	6.6	**4.5**		
Operating Profit	16.0	**17.7**	*11%*	*6%*
Operating Margin	*22.0%*	***25.3%***		
Finance (Expense)/Income, Net	0.2	**(0.6)**		
Tax Expense(1)	(1.6)	**(2.3)**		
Net Income	14.6	**14.8**		
Adjusted EPS	2.04p	**2.21p**	*8%*	
Adjusted EPS Before Items(2)	2.11p	**2.24p**		

- Operating profit growth of 6%
- Operating profit return on sales increased to 25%

Order intake recovery, market share gains coupled with best in class operating performance

Notes: (1) Before one time deferred tax credit and prior year tax (2) Before share-based payment and acquired intangible amortisation

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Performance Analysis review

($ millions)	**2008**	**2009**	**H1 2009**	**H2 2009**
Sales	353.7	**316.8**	153.8	163.0
Gross Profit	256.1	**231.4**	109.7	121.7
Gross Margin	*72.4%*	***73.0%***	*71.3%*	*74.7%*
Product Development	69.8	**60.7**	30.2	30.5
Other Expenses	103.2	**92.4**	46.6	45.8
Operating Profit (1)	83.1	**78.3**	32.9	45.4
Operating Margin	*23.5%*	***24.7%***	*21.4%*	*27.9%*
Free Cash Flow	79.4	**83.4**	29.4	54.0
FCF Margin	*22.4%*	***26.3%***	*19.1%*	*33.1%*

- Improved performance in H2 2009
- Increased gross margin performance
- Operating margin increased to 25% on lower revenue
- Free cash flow benefited from positive credit collections

Notes: (1) Before share-based payment and acquired intangible amortisation

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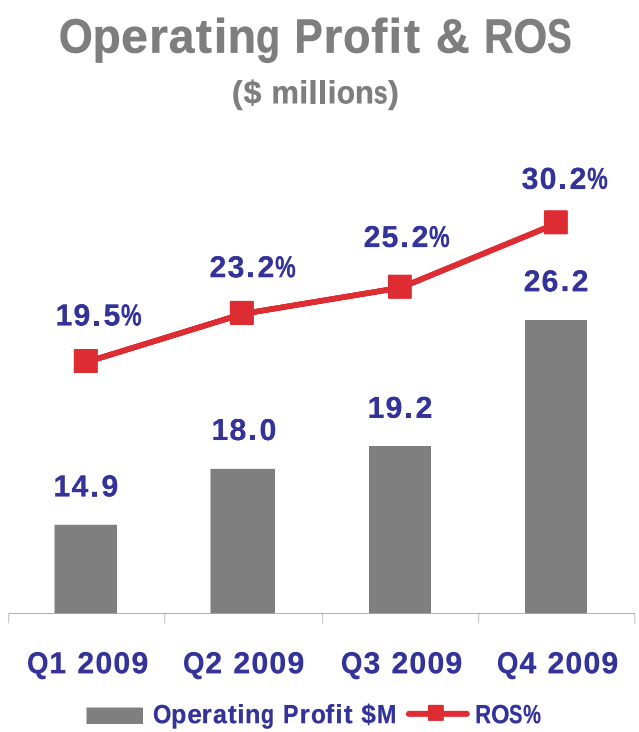
Performance Analysis – delivering results



- Solid order intake recovery in Q4, growth of 17%
- Book to Bill positive for the year at 102, Q4 118
- Operating profit progressive throughout 2009
- Enter 2010 with a strong order book

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Service Assurance review

($ millions)	2008	2009	H1 2009	H2 2009
Sales	61.9	52.6	27.4	25.2
Operating Profit [1]	8.9	7.5	3.9	3.6
Operating Margin	*14.4%*	*14.3%*	*14.2%*	*14.3%*
Free Cash Flow	3.7	9.6	11.6	(2.0)
FCF Margin	*6.0%*	*18.3%*	*42.3%*	*(7.9%)*

- Growth in new product sales masked by legacy revenue decline
- Strong demand for industry's first 10 GbE test solution
- Demand for monitoring wireless backhaul networks
- Expecting revenue stability in 2010

Solid Q4 2009 order intake

Notes: (1) Before share-based payment

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Systems review

(£ millions)	2008	2009	H1 2009	H2 2009
Sales	33.2	36.8	18.3	18.5
Operating Profit (1)	4.3	5.0	2.1	2.9
Operating Margin	*13.0%*	*13.6%*	*11.5%*	*15.7%*
Free Cash Flow	3.6	6.4	2.1	4.3
FCF Margin	*10.8%*	*17.4%*	*11.5%*	*23.2%*

- Profitability increased in difficult market conditions
- Benefit from exchange rate
- Recession impacted industrial products
- US government healthcare funding controls
- New products introduced gained market share
- Strong free cash flow

Further progress expected in 2010

 Notes: (1) Before share-based payment

2009 foreign exchange impact

- Sales increased by £38.9 million
- Operating profit increased by £9.7 million
- 2009 exchange rate of $1.57 / £
- 15% stronger versus 2008

Adjusted EPS and tax

	£ million	EPS (pence)
Reported earnings	58.1	8.71
Add: Share-based payment	0.4	0.06
Add: Acquired intangible amortisation	0.9	0.14
Add: Prior year tax	1.8	0.27
Less: Deferred tax credit	(13.8)	(2.07)
Adjusted earnings	47.4	7.11

- Reported earnings per share of 8.71p
  - £13.8 million tax credit to recognise deferred tax assets
- Effective tax rate in 2010 expected to be 34% in income statement, cash tax paid in line with previous guidance
- Pro forma EPS for 2009 at 34% tax rate is 5.55p

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EPS sensitivity analysis

- Pro forma EPS sensitivity to change in underlying Performance Analysis sales

Sales % change	Pro Forma (pence) Change	Pro Forma (pence) EPS
15%	1.85	7.40
10%	1.15	6.70
5%	0.49	6.04
0%	-	5.55
(5%)	(0.50)	5.05

  - Each 1% change in PA sales changes EPS by 0.10p
  - Benefit of operational gearing at higher growth rates

- Sensitivity to exchange rate movements

	Change			Pro Forma
$ / £ Rate	Sales (£ m)	Op. Profit (£ m)	EPS (pence)	EPS (pence)
1.40	28	8	0.76	6.24
1.50	13	4	0.36	5.84
1.60	-	-	-	5.48
1.70	(12)	(3)	(0.32)	5.16
1.80	(22)	(6)	(0.60)	4.88

  - Each $0.01 change in $ / £ rate changes EPS by 0.03p (approx)

Free cash flow

- 2009 free cash flow of 8.26p per share equals 20% of sales

(£ millions)	**2008**	**2009**
Net cash flow from operating activities	47.7	61.2
Net interest income	1.4	0.4
Net capital expenditure	(6.9)	(6.5)
Free cash flow	**42.2**	**55.1**
Share capital	2.4	2.4
Transferred from long-term deposits	1.2	1.4
Cash inflow before dividend and share buyback	45.8	58.9
Dividend paid	(3.7)	(7.7)
Share buyback	(67.2)	(0.7)
Cash inflow/(outflow)	(25.1)	50.5
Effect of foreign exchange rate changes	5.8	(2.2)
Closing cash and cash equivalents	59.7	108.0

Shareholder distribution

- Ordinary dividend
  - Maintain high dividend cover
  - Sustainable, progressive dividend policy

final dividend	0.66p per share
cash required	£4.4 million
total dividend for the year	1.21p per share
total cash used	£8.1 million
dividend cover	5.7x

Segment and market review

Bill Burns, Chief Executive Officer

Market overview

Growing and Emerging trends

Smartphones represent 15% of all devices sold in 2009. Expected to grow to 20% by 2011.

Cloud computing spending currently \$16B. Expected to grow almost threefold to \$42B by 2012.

Application stores experience explosive growth. Apple tops 3 billion downloads.

Virtualization is implemented on 16% of the world's computing resources. Anticipated to be on 50% by 2012.

High Speed Ethernet port sales equal 3M in 2009. Will quadruple by 2012 to 12 million ports.

Satellite Navigation capable devices surpass the 750M units mark in 2009. Expected to double to 1.5B units by 2015.

 Notes: Data from In-Stat, IDC, InformationWeek, GALILEO, Reuters, Forrester

Market overview

Impact on our customers

Service Providers focus on network capacity to meet broadband, wireless and enterprise demand

Equipment Manufacturers innovation shifting to growth markets

Enterprise undergoing data center transformation including virtualization and cloud computing

Market overview

Growth opportunities for test and measurement

Complexity in managing converged wireline legacy, next generation wireless and outsourced content delivery networks

Investment in new technologies needed to improve performance and increase network capacity

Quality of experience is an imperative to consumers and enterprise customers

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Our strategy

Focus on growing and emerging markets

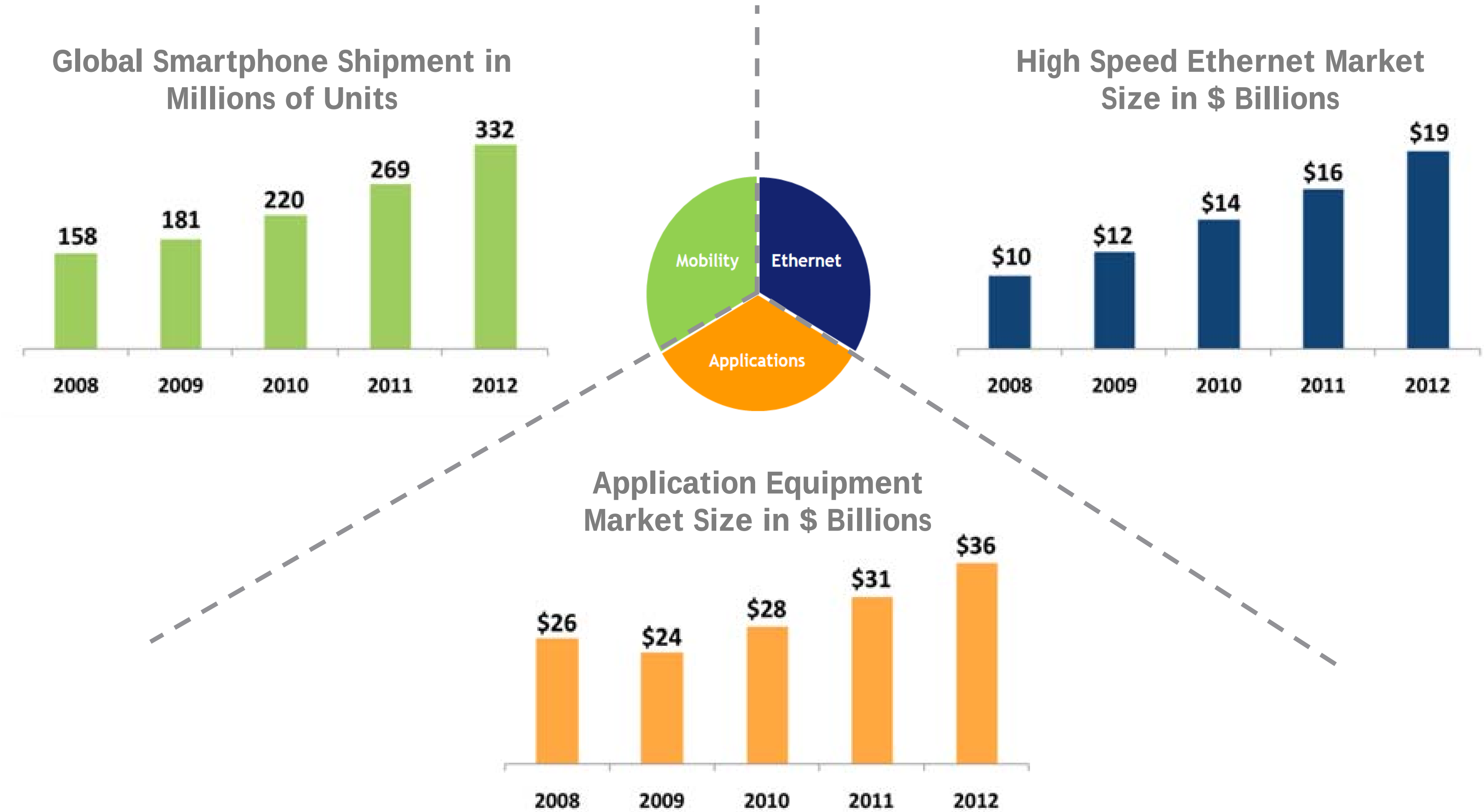
Invest in our solutions portfolio

Innovation

'Right Solution' at the 'Right Time'

Global reach

Focus on growing and emerging markets



Represent significant growth opportunities for Spirent

 Notes: Data from Infonetics Research

Invest in our solutions portfolio

SPIRENT News Release
IMMEDIATE RELEASE
LTE Device Test
Mobility

SPIRENT News Release
IMMEDIATE RELEASE
SR5500 Virtual Drive Test
Mobility

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Landslide LTE Support
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Tech-X Flex Field Test Modules
Applications

and much more….

We continue to invest in the areas that matter most to our customers

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Innovation

Landslide Mobile Packet Core

SR5500 Faders

LTE Mobile Device Test System

5% of Bookings in 2009

Spirent continues to lead the test and measurement market in innovation

‘Right Solution’ at the ‘Right Time’

40/100 Gb Ethernet

Highest Scale and
Performance 40/100 GbE
Test Solution Available

3 customer wins in Dec 2009

Total Time to Market: 5 Months

FROM CONCEPT → **TO LAUNCH** → **TO MARKET LEADERSHIP**

Bringing solutions to market at the ‘right time’ is a key to our success

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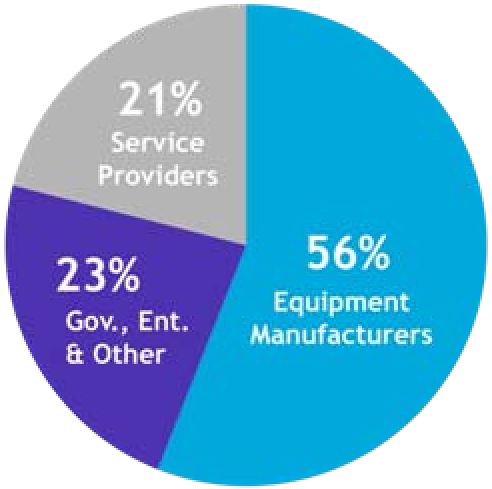
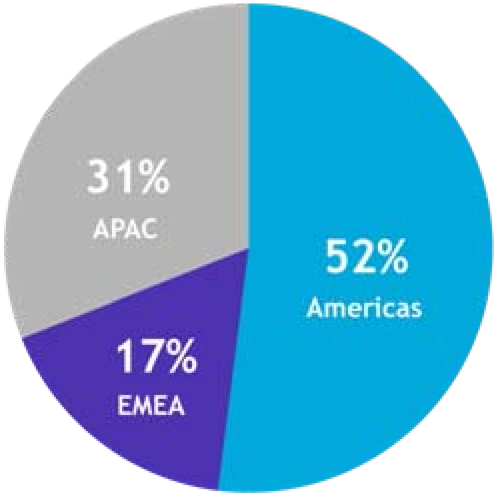
Global Reach

Performance Analysis
2009 Orders by Customer Type



Performance Analysis
2009 Orders by Geography



- Diversified and loyal customer base
- Addressing the needs of our customers on a global scale
- Gained market share globally in 2009

Well positioned to capitalise on shifting global demand

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2010

- Telecom / IT recovery is having a positive impact on test and measurement spending
- Positive momentum as we enter 2010
- Today's solution portfolio aligned with customer needs
- Our innovation is focused on the areas that matter most to our customers
- Continue to manage expenses thoughtfully as economy recovers
- Outpace market recovery by growing market share

SPIRENT®
Communications