2007 Preliminary Results

28 February 2008

Safe Harbour Statement

This presentation and the subsequent question and answer session may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. There are risk factors that could cause our actual results to differ materially from those expressed in or implied by such statements.

Spirent disclaims any intention or obligation to revise or update any forward-looking statements that may be made during this presentation or the subsequent question and answer session regardless of whether those statements are affected as a result of new information, future events or otherwise.

Introduction

- Profitability at current sales level
- Performance Analysis product transition
- Sales outlook
- Restructuring progress
- Free cash flow
- Share repurchases
- Management update

Comparative earnings – 2006 vs. 2007

- Continuing operations before exceptional items

£ millions	**2006**	**2007**
Sales	258.9	**237.0**
Gross Profit	157.0	**147.8**
Product Development	53.7	**44.5**
Selling & Distribution	55.8	**47.1**
Administration	39.1	**30.7**
Operating Profit	8.4	**25.5**
Finance Income, Net	6.0	**6.7**
Tax Expense(1)	(0.7)	**(1.5)**
Net Income	13.7	**30.7**
EPS	1.48p	**3.57p**
EPS Before Items(2)	2.10p	**3.95p**
Average Shares Outstanding	925.9	**859.8**

(1) Before prior year items
(2) Before share-based compensation and amortisation of intangibles

SPIRENT Communications

Comparative half year earnings

- Continuing operations before exceptional items

£ millions	2006 H1	2006 H2	2007 H1	2007 H2
Sales	134.2	124.7	114.2	**122.8**
Gross Profit	81.2	75.8	68.4	**79.4**
Product Development	29.7	24.0	22.8	**21.7**
Selling & Distribution	30.9	24.9	25.6	**21.5**
Administration	16.4	22.7	15.0	**15.7**
Operating Profit	4.2	4.2	5.0	**20.5**
Finance Income, Net	2.3	3.7	3.1	**3.6**
Tax Expense(1)	(0.3)	(0.4)	(0.7)	**(0.8)**
Net Income	6.2	7.5	7.4	**23.3**
EPS	0.65p	0.83p	0.85p	**2.72p**
EPS Before Items(2)	0.91p	1.19p	1.01p	**2.94p**
Average Shares Outstanding	954.5	903.6	873.7	**857.1**

(1) Before prior year items
(2) Before share-based compensation and amortisation of intangibles

SPIRENT Communications

Foreign exchange impact

- 2007 increase / (decrease) compared to 2006

£ millions	**Group**	**Performance Analysis**	**Service Assurance**	**Systems**	**Non-Segmental**
Sales	(16.5)	(11.8)	(2.4)	(2.3)	-
Operating Profit	(4.7)	(3.1)	(0.3)	(1.4)	0.1
Transaction	(2.4)	(1.1)	-	(1.3)	-
Translation	(2.3)	(2.0)	(0.3)	(0.1)	0.1

- Communications businesses
  - Principally affected by “translation” exposure

- Systems business
  - Principally affected by “transaction” exposure

- Exchange rate
  - 2007 rate of $2.00/£ 8% weaker vs. 2006
  - Current rate of $1.97/£ 2% stronger vs. 2007

SPIRENT Communications

Restructuring update

- Reduce costs while minimising effect on future product development and market position

	Annualised Reduction			
$ millions	**November Forecast**	**% change vs. 2006**	**Actual 2007 Savings**	**Additional Savings in 2008**
Cost of goods sold[1]	24.5	*17.0%*	9.6	**14.9**
Product development	9.5	*10.0%*	8.6	**0.9**
Sales & marketing	9.5	*9.9%*	7.2	**2.3**
Other overhead	14.5	*24.2%*	7.6	**6.9**
Total savings	58.0	*14.7%*	33.0	**25.0**
Earnings per share effect	3.40p		1.73p	**1.47p**

- Total annualised restructuring savings of $58.0 million or £29.7 million at current exchange rates
  - Approximately 3.40p per share in 2008
  - Excludes net 2006 restructuring of $6.3 million

- 2007 savings principally realised in H2
  - H1: 0.17p
  - H2: 1.56p

- Additional savings of 1.47p to be realised in 2008

Note: Assumes $/£ exchange rate of 1.95

(1) Assumes constant sales

Performance Analysis review

$ millions	2006	2007	H1 2007	H2 2007
Sales	332.1	338.4	158.6	**179.8**
Gross Profit	219.9	238.7	107.4	**131.3**
Product Development	77.3	73.8	37.0	**36.8**
Other Expenses	123.0	120.3	61.5	**58.8**
Operating Profit(1)	19.6	44.6	8.9	**35.7**
Operating Margin	5.9%	13.2%	5.6%	**19.9%**
Free Cash Flow	10.9	81.6	25.2	**56.4**
FCF Margin	3.3%	24.1%	15.9%	**31.4%**

- Restructuring benefits increased as year progressed
- H2 sales growth from Spirent Test Center and other continuing products
  - Legacy product declines had less impact
- Continuing focus in 2008 on gross margin improvement
  - Best in class achieves 81% gross margin vs. 73% for Performance Analysis
  - Increasing proportion of software
  - Complete offshore outsourcing programme

(1) Before exceptional items

SPIRENT Communications

Performance Analysis orders and revenue trends

	Q1		Q2		Q3		Q4	
	$m	YoY %	$m	YoY %	$m	YoY %	$m	YoY %
Orders	86.7	2.0%	80.4	0.5%	91.0	6.9%	105.5	16.9%
Revenues	73.3	(9.8%)	85.3	5.7%	82.7	8.4%	97.1	3.6%

- Order book developed strongly in H2
- 2007 year end order book principally for immediately available products
- Improved sales visibility for 2008
  – Supports current management outlook
  – Enables more efficient operations

SPIRENT® Communications

Performance Analysis – composition of orders

	2007 Orders Year-over-Year Increase / (Decrease)					
$ millions	**Full Year**	**%**	**H1**	**%**	**H2**	**%**
Wireless	26.8	29%	10.3	24%	**16.5**	**34%**
New Broadband	40.9	43%	12.3	28%	**28.6**	**56%**
Subtotal	67.7	36%	22.6	26%	**45.1**	**45%**
Legacy Broadband	(44.4)	(35%)	(22.5)	(34%)	**(21.9)**	**(37%)**
Total	23.3	7%	0.1	0%	**23.2**	**15%**

- Continue to expect Performance Analysis' orders will grow above industry rates as growth in new product orders continue to outpace the decline in legacy broadband products
  - Legacy products currently 22% of orders vs. 37% in 2006
- Significant investment in wireless to support further growth
- New releases of Spirent Test Center broadened addressable market in H2
  - Additional Spirent Test Center releases through 2008 to further expand addressable market
  - Spirent Test Center growth rate in excess of 100%
- Integration project for "other broadband" products in process
  - Revenue impact expected in 2009

SPIRENT® Communications

Performance Analysis market drivers

- Data intensive traffic (e.g., IPTV) driving demand for continuous performance increases
  - IP video bandwidth requirements
    - Voice: 125x
    - Typical PDF: 36,000x
    - Blackberry message: 3,600,000x
  - Current migration from 1Gb Ethernet to 10Gb
  - Future requirements for 40Gb and 100Gb

- New wireless services and technologies driving demand for wireless testing
  - EVDO rA
  - LTE / WiMAX
  - Streaming mobile video
  - Location based services

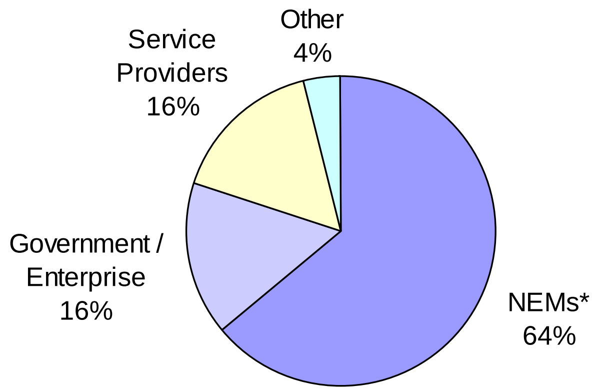
- Increased demand for integration of applications
  - Layers 4-7
  - Wireless to *wired* network services

SPIRENT® Communications

Performance Analysis market drivers (cont'd)

- Performance Analysis' key customers are primarily research & development groups of Network Equipment Manufacturers

Performance Analysis Sales by Customer Type



*Includes IC Manufacturers

- Major NEMs increased R&D spending by about 12.7% in 2007[(1)]
  - Competitive pressure to invest in higher performance network technologies

(1) Spirent estimate based on reported LTM data from Alcatel-Lucent, Cisco, Ericsson, Juniper Networks, Motorola and Nortel

SPIRENT Communications

Service Assurance review

$ millions	2006	2007	H1 2007	H2 2007
Sales	80.6	68.6	32.6	**36.0**
Operating Profit / (Loss)[1]	(2.0)	6.6	1.8	**4.8**
Operating Margin	(2.5%)	9.6%	5.5%	**13.3%**
Free Cash Flow	(13.3)	6.6	4.5	**2.1**
FCF Margin	-	9.6%	13.8%	**5.8%**

- 2006 includes $8.0 million of revenue deferred from prior years
- Cost reductions more than offset sales decline
- Foreign exchange impact minimal
- Renewed interest in “Triple Play” network monitoring solutions
  - Possible sales upside in 2008/2009

(1) Before exceptional items

SPIRENT Communications

Systems review

£ millions	2006	2007	H1 2007	H2 2007
Sales	35.8	33.4	17.1	**16.3**
Operating Profit[(1)]	4.7	3.8	1.7	**2.1**
Operating Margin	13.1%	11.4%	9.9%	**12.9%**
Free Cash Flow	6.1	5.1	2.8	**2.3**
FCF Margin	17.0%	15.3%	16.4%	**14.1%**

- Operations principally in UK
  - Customers principally in US
  - High sensitivity to exchange rates
  - Operating profit impacted by £1.4 million in 2007
- Actions taken
  - Increased manufacturing outsourcing to Far East from 24% to 54%
    - Target to increase to 65% by year-end 2008
  - Adjust pricing where possible
  - Revenues hedged at $2.03/£ for the year

(1) Before exceptional items

Free cash flow

£ millions	2006	2007
Net cash flow from operating activities	4.0	49.8
Net interest income	4.1	5.6
Net capital expenditure	(14.5)	(5.2)
Free cash flow	**(6.4)**	**50.2**
Net (Acquisitions) / Disposals	233.8	(11.7)
Share capital	2.4	4.4
Pension, loan repayments and long-term deposits	(137.7)	4.8
Cash inflow before share buyback	92.1	47.7
Share buyback	(41.9)	(66.3)
Cash inflow/(outflow)	50.2	(18.6)
Closing cash and cash equivalents	97.6	79.0

- 2007 free cash flow equals 21% of sales
- Performance Analysis inventory turnover increased by 42% from 2.6x to 3.7x
- Share repurchases of £75.0 million
  - £66.3 million in 2007
  - £8.7 million additional repurchases in 2008 to date
  - Continue to review additional share repurchases
  - Shares outstanding decreased by 108.0 million to 777.6 million currently

Summary and outlook

- H2 begins to reflect effect of restructuring and improving revenue growth
  - Full year of benefits in 2008
- Market outlook supported by next generation broadband and wireless technologies, IPTV and other market drivers
- Current order book enhances sales visibility for 2008
- Further cost savings in place for 2008
- Free cash flow available for shareholder distributions or expansion of business
- Strong and stable management team now in place
  - Capitalise on breadth of product portfolio
- Expect to separate Chairman and CEO roles prior to 2009 annual meeting
  - Complete reversion to compliance with Combined Code

SPIRENT®
Communications