



2012 first half-year results

August 2, 2012

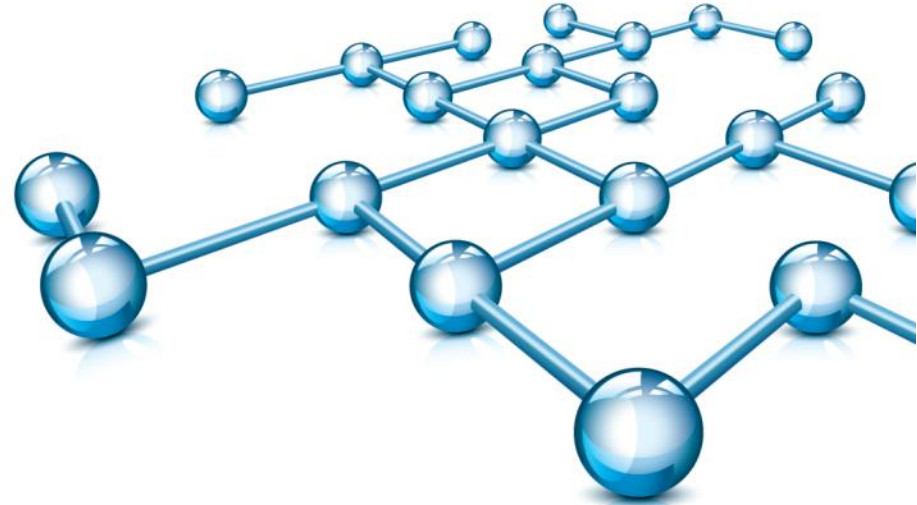
Safe Harbour statement

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.

Agenda

- Highlights
- 2012 first half financial results
- Market update & second half outlook



First half 2012 highlights

- Execution of our strategy is delivering increased revenue, profits, earnings per share and cash generation
- Key growth areas include wireless device, mobile packet core and data center test
- Investing in our solutions portfolio organically and through acquisition
- Took action to re-establish profitability in Service Assurance
- Macro-economic conditions impacted order intake in the second quarter
- Performance Analysis delivered a robust performance in the first half-year

Key performance indicators H1 2012

92

Book to Bill

(H1 2011: 99)

+1%

Revenue

H1 2012: \$262.1m

(H1 2011: \$260.4m)

+9%

Operating Profit⁽¹⁾

H1 2012: \$63.0m

(H1 2011: \$57.8m)

24.0%

Return on Sales⁽¹⁾

(H1 2011: 22.2%)

\$50.4m

Free Cash Flow

(H1 2011: \$17.1m)

+10%

Adjusted EPS⁽¹⁾⁽²⁾

H1 2012: 6.89c

(H1 2011: 6.25c)

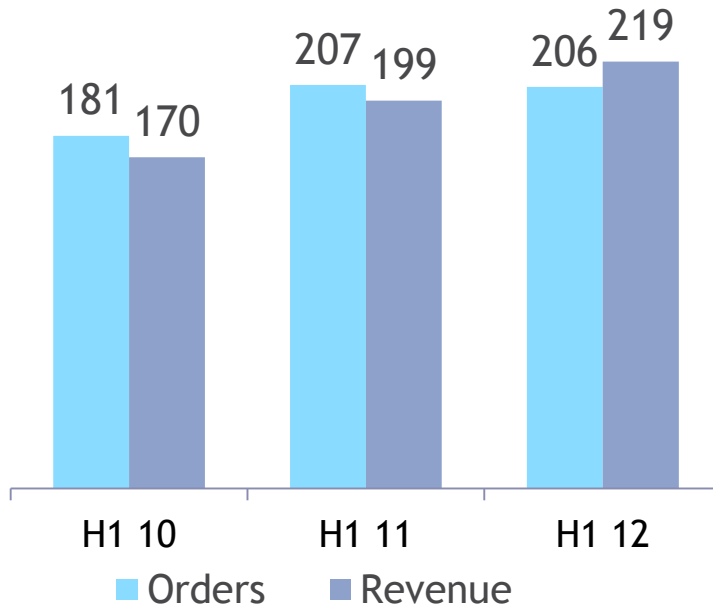
Notes: (1) Before exceptional items, share-based payment, acquired intangible asset amortisation and acquisition expense

(2) Before prior year tax and tax in respect of items in note 1

Performance Analysis half year progress

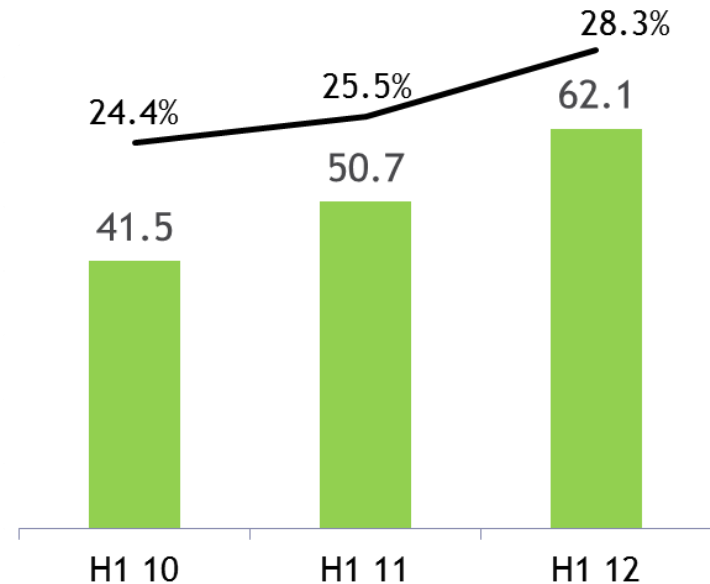
Order intake and revenue

(\$ millions)



Operating profit & RoS

(\$ millions)

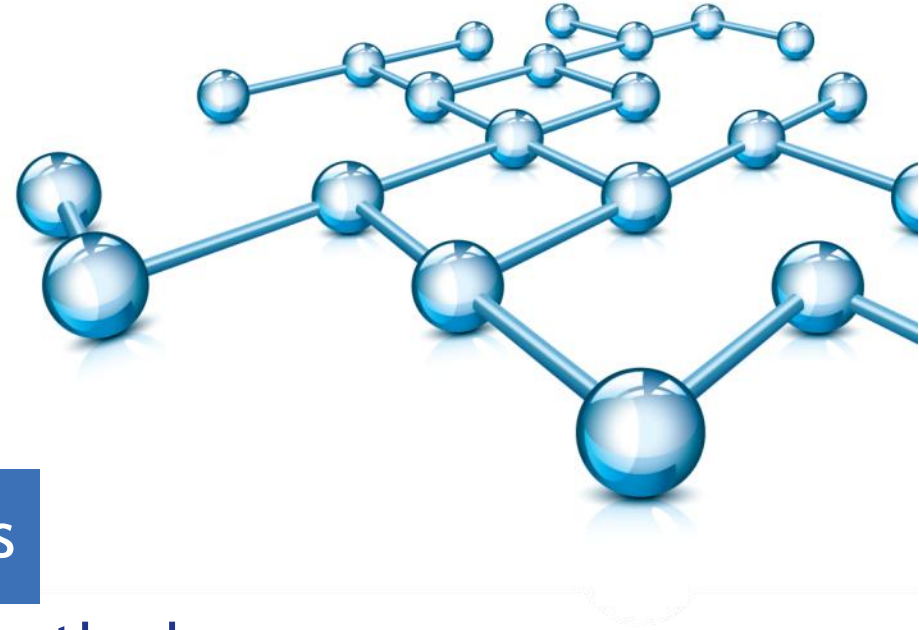


- Revenue growth of 10% to \$219 million
- Order intake flat, impacted by macro-economic conditions
- Operating profit up 22% to \$62.1 million
- Increased RoS due to operating leverage and product mix

Eric Hutchinson, Chief Financial Officer

Agenda

- Highlights
- 2012 first half financial results
- Market update & second half outlook



Comparative results H1 2012

(\$ millions)	H1 2012	H1 2011	% change
Revenue	262.1	260.4	1%
Gross Profit ⁽¹⁾	178.2	170.5	
Gross Margin⁽¹⁾	68.0%	65.5%	
Product development	44.6	44.0	
Selling & distribution	49.6	48.2	
Administration	21.0	20.5	
Operating Profit⁽¹⁾⁽²⁾	63.0	57.8	9%
Return on Sales⁽¹⁾⁽²⁾	24.0%	22.2%	
Exceptional items, share-based payment, intangible amortisation and acquisition expense	6.4	2.6	
Reported Operating Profit	56.6	55.2	
Net finance income	0.7	0.6	
Profit before Tax	57.3	55.8	3%
Tax	17.5	16.1	
Net Income	39.8	39.7	
Basic EPS (cents)	6.07	5.94	2%
Adjusted EPS⁽¹⁾⁽²⁾⁽³⁾ (cents)	6.89	6.25	10%

- Strong sales growth in Asia Pacific, decline in Europe
- Underlying gross margin increased
- Operating profit growth of 9%
- Best-in-class operating margins maintained
- Exceptional items of \$2.9m in Service Assurance
- Effective tax rate 29.9%
- Adjusted EPS growth of 10%

Notes: (1) Before exceptional items (2) Before share-based payment, acquired intangible asset amortisation and acquisition expense
(3) Before prior year tax and tax in respect of items in note 1 and 2

Performance Analysis review

(\$ millions)	H1 2012	H1 2011	% change
Revenue	219.4	198.8	10
Gross Profit	158.5	142.1	
<i>Gross Margin</i>	72.2%	71.5%	
Product development	38.3	36.5	
Other expenses	58.1	54.9	
Operating Profit	62.1	50.7	22
<i>Return on Sales</i>	28.3%	25.5%	

- Revenue growth at upper end of guidance
- Profit grew by 22%
- RoS increased to 28.3%
- Book to bill 94 as some areas slowed in Q2

Service Assurance review

(\$ millions)	H1 2012	H1 2011	% change
Revenue	16.7	31.0	(46)
Gross Profit ⁽¹⁾	10.3	17.2	
Gross Margin⁽¹⁾	61.7%	55.5%	
Product development	3.9	5.0	
Other expenses ⁽¹⁾	5.8	6.9	
Operating Profit⁽¹⁾	0.6	5.3	(89)
Return on Sales⁽¹⁾	3.6%	17.1%	

- Steep decline in legacy revenue
- Gross margin benefited from product mix
- Annualised savings of \$5 million achieved in Q2 at an exceptional cost of \$1.7m
- Exceptional inventory provision of \$1.2m for legacy products
- Profitable at significantly lower revenues

Notes: (1) Before exceptional items

Systems review

(\$ millions)	H1 2012	H1 2011	% change
Revenue	26.0	30.6	(15)
Gross Profit	9.4	11.2	
<i>Gross Margin</i>	<i>36.2%</i>	<i>36.6%</i>	
Product development	2.4	2.5	
Other expenses	3.6	4.1	
Operating Profit	3.4	4.6	(26)
<i>Return on Sales</i>	<i>13.1%</i>	<i>15.0%</i>	

- Revenue down as expected due to US Medicare changes
- Growth in high end rehabilitation wheelchairs, mobility scooters and industrial controllers
- Long term benefit from demographic trends will result in higher demand for personal mobility
- Expansion of served markets through investment in industrial markets

Free cash flow

(\$ millions)	H1 2012	H1 2011
Operating profit	56.6	55.2
Depreciation	7.5	6.4
Intangible amortisation & share-based payment	2.8	1.8
Working capital and pensions	4.9	(21.9)
Cash flow from operations	71.8	41.5
Tax	(15.0)	(12.6)
Net Cash Flow From Operating Activities	56.8	28.9
Net interest income	0.1	0.5
Net capital expenditure	(6.5)	(12.3)
Free Cash Flow	50.4	17.1
Acquisitions	(39.8)	(14.5)
Dividends and share buyback (net)	(12.9)	(18.8)
Exchange	0.5	2.4
Closing Cash And Cash Equivalents	234.7	210.1

- Working capital reduction compared to increase in H1 2011
- High conversion of earnings to cash at 127%
- Cash applied to acquisitions, share buybacks and dividends

Tax and adjusted EPS

Tax

- Effective tax rate for H1 2012 was 29.9% of pre-tax profit before charging acquired intangible asset amortisation
- Cash taxes paid \$15.0m equivalent to 26% of profit in H1 2012
- Expected tax rate for full year 2012 forecast to be 29.9%

EPS

- Adjusted EPS is calculated before exceptional items of \$2.9m, share-based payment, acquired intangible amortisation, acquisition expense and related tax effects, and prior year tax
- Resulting in an increase of 10% to 6.89 cents per share

Shareholder distributions

Ordinary dividend

- Maintain high dividend cover
- Sustainable, progressive dividend in line with earnings growth
- Interim dividend up 10% to 1.39c per Ordinary Share
- Payable in sterling at 0.89p per share at \$1.56:£1, 16% up in sterling terms
- A cash distribution of \$9.1 million
- Dividend cover 5 times adjusted earnings

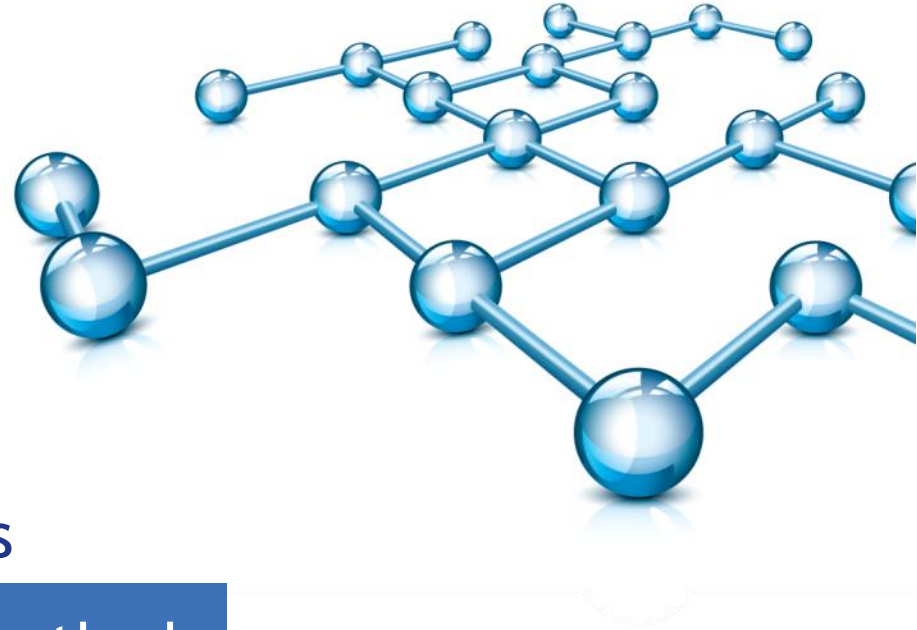
Share buyback

- Share buybacks will be made to offset the dilutive effect of the exercise of share-based incentives and as deemed appropriate

Bill Burns, Chief Executive Officer

Agenda

- Highlights
- 2012 first half financial results
- Market update & second half outlook



Industry fundamentals remain strong...



...enabled by the technologies we test:

10, 40 and 100 Gigabit Ethernet

4G / Long Term Evolution (LTE)

Global Positioning



Security

Mobile Backhaul & Packet Core

Cloud Computing & Virtualization

Application-Aware Networks

Delivering on our strategy



Performance Analysis Revenue Growth

Wireless Device Test



+33%

Mobile Packet Core



+64%

Data Center



+22%

North America



+10%

Asia Pacific



+28%

Executing on our strategy once again delivered profitable growth, despite macro-economic challenges



Spirent solutions portfolio

Mobile Devices



Networks



Application & Security



Testing Across the Converged, High Performance
Application-Aware Service Delivery Architecture

3G and 4G/LTE
RF Performance
VoLTE
Hybrid Positioning

Mobile Internet
High Speed Ethernet
Data Center
Enterprise

Cloud Computing
Virtualization
Applications
Cyber Security

Our portfolio of products and services is well aligned with
the opportunities and enabling technologies in areas that
matter most to our customers

Expanding our served markets



Wireless



Cloud-Based
Testing as a Service



Cyber Security



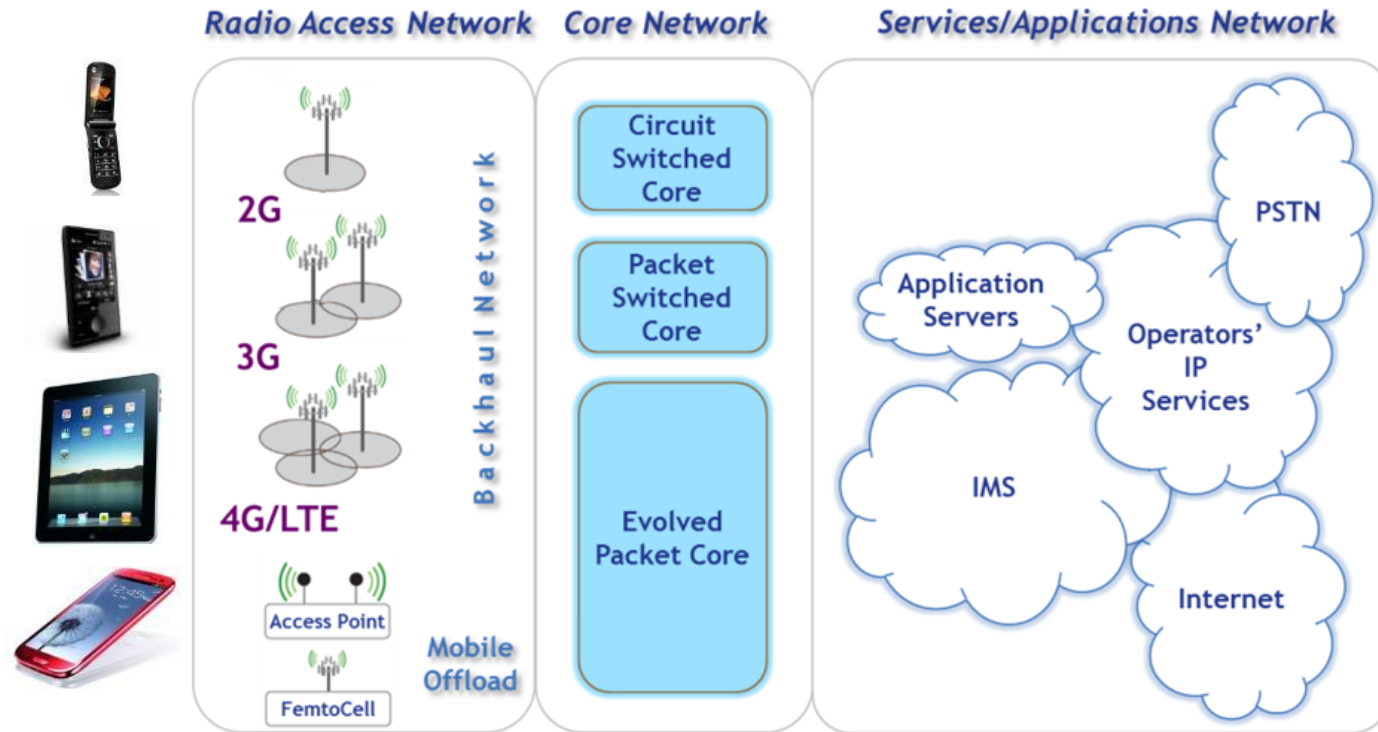
Automation



Hybrid
Positioning

Driving further profitable growth
organically and through acquisition

Wireless: Testing LTE and the mobile internet

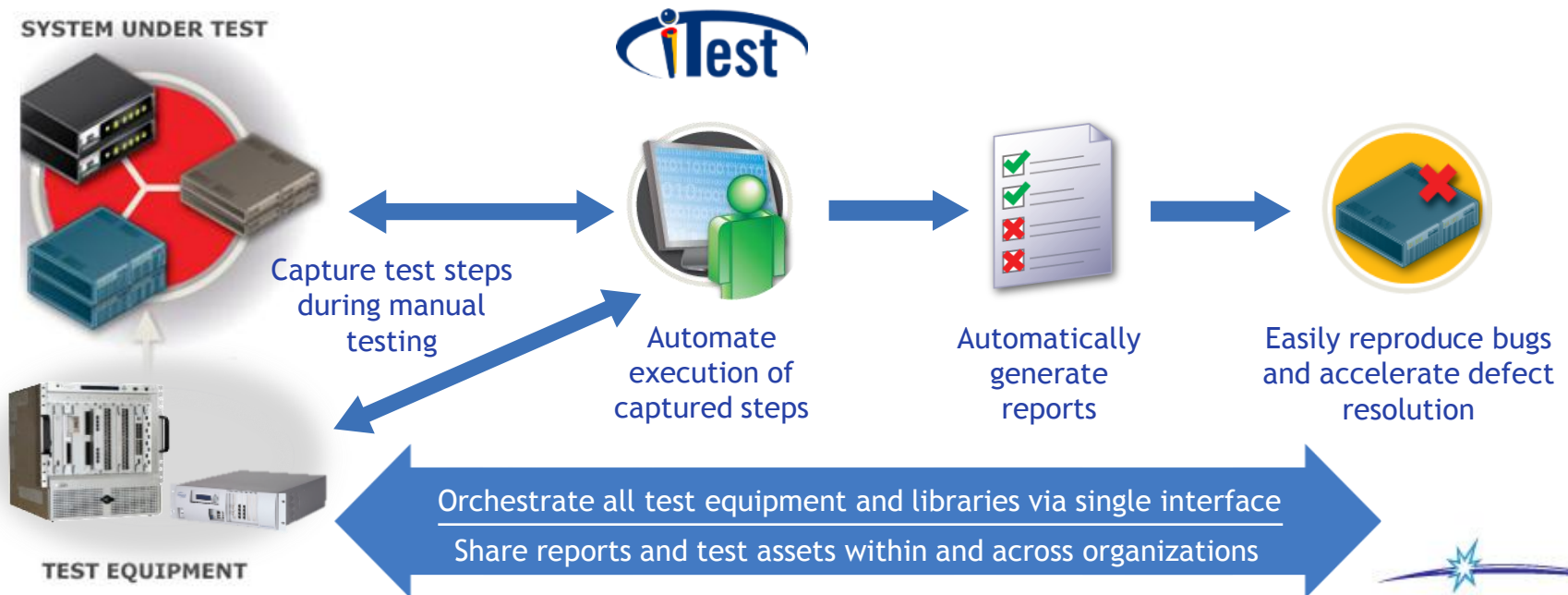
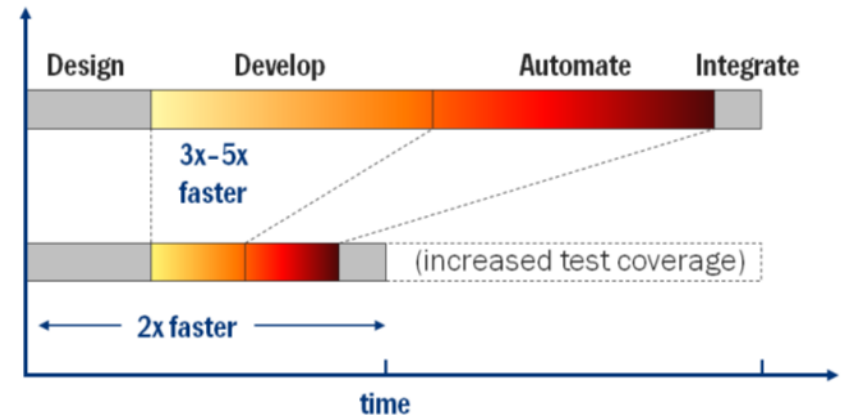


Mobility • Antenna Performance • Data Throughput • Call Reliability • Network Interoperability • Service Interaction • RF Performance • SVLTE • VoLTE/IMS • A-GNSS • Hybrid Positioning • Wi-Fi Offload • 2G/3G/LTE Mobility • Mobile IP • Policy Management • Charging • Security • Application Scale & Performance • Subscriber Management • Carrier-grade Ethernet Mobile Backhaul • Deep Packet Inspection • Emergency Services • Heterogeneous & Self-optimizing Networks • Small Cells • Device-specific Application Performance & Security • Infrastructure Test Optimization

Automation: Spirent iTest

Acquisition of Fanfare in 2011

- Reduces testing cycle by more than half over traditional approaches
- Improves quality and reduces costs
- Significantly reduces overall time to market for our customers



Cyber Security and Cloud-Based Testing as a Service

- Acquisition of Mu Dynamics in 2012



Network Security

Best-in-class cyber security and resiliency assessment



Application-Aware Networks

Industry's first solution that emulates real application traffic in the lab



Web applications

Cloud-based service that allows enterprise application and website developers to test users' quality of experience

Hybrid positioning



Spirent Hybrid
Location Test
System (HLTS)

Summary and outlook

- Industry fundamental drivers remain strong
- Good progress in our core Performance Analysis business in the first half 2012
- Best-in-class operating performance
- Well-positioned solutions portfolio with continued investment to expand our served markets
- Macro-economic uncertainty causing volatility in demand
- Mid to low single digit growth expected in the second half 2012
- We remain confident in the future prospects for Spirent

