



News Release

SPIRENT COMMUNICATIONS PLC

INTERIM MANAGEMENT STATEMENT (UNAUDITED)

London, UK – 5 May 2010: Spirent Communications plc (“Spirent”, the “Company” or the “Group”) (LSE: SPT), a leading communications technology company, announces the following unaudited Interim Management Statement for the period since 31 December 2009.

Trading performance for the period since 31 December 2009 is in line with the Board’s expectations.

Highlights - First quarter 2010

- Revenue up by 5 per cent to \$107.9 million, down in sterling by 3 per cent to £69.5 million.
- Operating profit up by 30 per cent to \$21.5 million, up in sterling by 20 per cent to £13.8 million.
- Order intake growth of 12 per cent in US dollars, Group book to bill ratio of 100 compared with 93 in the first quarter of 2009.

Bill Burns, Chief Executive Officer, commented:

“Spirent’s broad portfolio of leading communication test solutions coupled with the market recovery, which began in the fourth quarter of 2009, has enabled us to deliver further profitable growth. We look forward to seeing the positive start to the year continue throughout the remainder of 2010.”

The results for the first quarter of 2010 are set out below in sterling, the current reporting currency, and also in US dollars, the currency in which the Group’s revenue and operating profit are principally generated.

Results summary

	1st quarter 2010 £ million	1 st quarter 2009 £ million	1st quarter 2010 US\$ million	1 st quarter 2009 US\$ million
Revenue	69.5	71.6	107.9	103.1
Operating profit	13.8	11.5	21.5	16.6
Basic earnings per share (pence/cents)	1.34	1.43	2.08	2.06

In US dollar terms there was growth in revenue of 5 per cent compared with the first quarter of 2009 and the order book was maintained, with a Group book to bill ratio of 100 (first quarter of 2009: ratio of 93). Operating profit improved by 30 per cent in US dollars and return on sales was 19.9 per cent (first quarter 2009: 16.1 per cent).

As previously advised, the effective tax rate has increased from 15 per cent for the full year 2009 to a rate of 34 per cent for the first quarter of 2010. The prior year had benefited from the recognition of tax losses brought forward and these were substantially utilised by the end of 2009. Basic earnings per share for the quarter was 1.34 pence (first quarter 2009: 1.43 pence), with the effect of the increase in the tax rate being a reduction of 0.38 pence per share. Earnings include a charge of 0.04 pence per share for share-based payment and acquired intangible asset amortisation (first quarter 2009: 0.05 pence).

Performance Analysis

Revenue expressed in US dollars, was \$81.1 million for the first quarter of 2010 compared with \$76.3 million for the first quarter of 2009, an increase of 6 per cent. Gross margin was maintained at 72.6 per cent (first quarter 2009: 72.5 per cent) and operating profit was \$19.4 million compared with \$14.8 million for the first quarter of 2009, an improvement of 31 per cent.

In the first quarter of 2010 order intake was ahead of revenue with a divisional book to bill ratio of 101, and growing by 14 per cent over the previous year.

Service Assurance and Systems

Revenues and profits were in line with our expectations.

Cash

Free cash flow¹ for the first quarter of 2010 was \$25.6 million (£16.5 million) (first quarter 2009: \$25.1 million (£17.4 million)). Share issues net of repurchases amounted to an inflow of £1.2 million and exchange rate movement added £1.3 million to the cash balance. At 4 April 2010 cash and cash equivalents were £127.1 million up from £108.0 million at 31 December 2009.

Outlook

We look forward to seeing the positive start to the year continue throughout the remainder of 2010.

Note

¹ Operating cash flow after tax, net interest and net capital expenditure.

- ends

Enquiries

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The Company's AGM is being held today at 10.30am UK time at the offices of the Company's PR Advisers, Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB.

About Spirent Communications plc

Spirent Communications plc is a global leader in test and measurement inspiring innovation within development labs, communication networks and IT organisations. We enable today's communication ecosystem as well as tomorrow's emerging enterprises to deploy life-enriching communications networks, devices, services and applications. 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.

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.

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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.

Consolidated income statement (unaudited)**Quarter ended 4 April 2010**

	1st quarter 2010 £ million	1 st quarter 2009 ¹ £ million	1st quarter 2010 US\$ million	1 st quarter 2009 ¹ US\$ million
Revenue	69.5	71.6	107.9	103.1
Cost of sales	(23.6)	(24.0)	(36.6)	(34.6)
Gross profit	45.9	47.6	71.3	68.5
Product development	(12.2)	(13.3)	(19.0)	(19.1)
Selling and distribution	(14.0)	(13.6)	(21.8)	(19.6)
Administration	(5.9)	(9.2)	(9.0)	(13.2)
Operating profit	13.8	11.5	21.5	16.6
Net finance expense	(0.1)	(0.3)	(0.2)	(0.4)
Profit before tax	13.7	11.2	21.3	16.2
Tax	(4.7)	(1.7)	(7.3)	(2.5)
Profit for the period attributable to equity shareholders of parent Company	9.0	9.5	14.0	13.7
Earnings per share (pence/cents)				
Basic	1.34	1.43	2.08	2.06
Diluted	1.32	1.43	2.05	2.06

Note

1 Quarter ended 29 March 2009.

Segmental analysis

	1 st quarter 2010 £ million	1 st quarter 2009 £ million	1 st quarter 2010 US\$ million	1 st quarter 2009 US\$ million
Revenue				
Performance Analysis	52.2	53.0	81.1	76.3
Service Assurance	7.6	9.9	11.8	14.3
Communications	59.8	62.9	92.9	90.6
Systems	9.7	8.7	15.0	12.5
	69.5	71.6	107.9	103.1
Operating profit				
Performance Analysis	12.5	10.3	19.4	14.8
Service Assurance	0.8	1.4	1.3	2.0
Communications	13.3	11.7	20.7	16.8
Systems	1.6	1.0	2.4	1.5
Segment operating profit	14.9	12.7	23.1	18.3
Non-segmental				
Corporate	(0.8)	(0.9)	(1.2)	(1.3)
Acquired intangible amortisation	(0.2)	(0.2)	(0.3)	(0.3)
Share-based payment	(0.1)	(0.1)	(0.1)	(0.1)
	13.8	11.5	21.5	16.6
<u>Other information</u>				
Depreciation	1.9	2.5	2.9	3.6
Capital expenditure	2.5	1.0	3.9	1.4
<u>Earnings per share</u>				
Basic (pence/cents)	1.34	1.43	2.08	2.06
Diluted (pence/cents)	1.32	1.43	2.05	2.06
Weighted average number of shares in issue at period end – basic (million)	673.5	664.1	673.5	664.1
Weighted average number of shares in issue at period end – diluted (million)	682.1	665.9	682.1	665.9
<u>Average exchange rate against sterling</u>				
US dollar	1.55	1.44		