



2011 Preliminary Results

March 1, 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
- 2011 financial results
- Market update & 2012 outlook



2011 highlights

- Telecom and IT industry fundamentals remain strong
- Execution of our strategy delivering profitable growth
- Driven by mobile internet, wireless and positioning technologies, and the build out of data centers supporting cloud applications
- We are benefiting from our global reach as all three geographic regions grew in 2011 with highest growth in APAC
- Our pace of innovation leads the market as we focus on emerging technologies
- Delivered a strong financial performance in 2011

2011 key performance indicators

102

Book to Bill

(2010: 105)

+10%

Revenue

(2011 revenue: \$528.2m)

+10%

Operating Profit⁽¹⁾

(2011 operating profit: \$125.9m)

23.8%

Return on Sales⁽¹⁾

(2010: 23.7%)

\$76.1m

Free Cash Flow

(2010 free cash flow: \$82.6m)

+17%

Adjusted EPS⁽¹⁾⁽²⁾

(2011 EPS: 13.92 cents)

Notes: (1) Before share-based payment, acquired intangible asset amortisation and acquisition expense (2) Before prior year tax

3 year financials

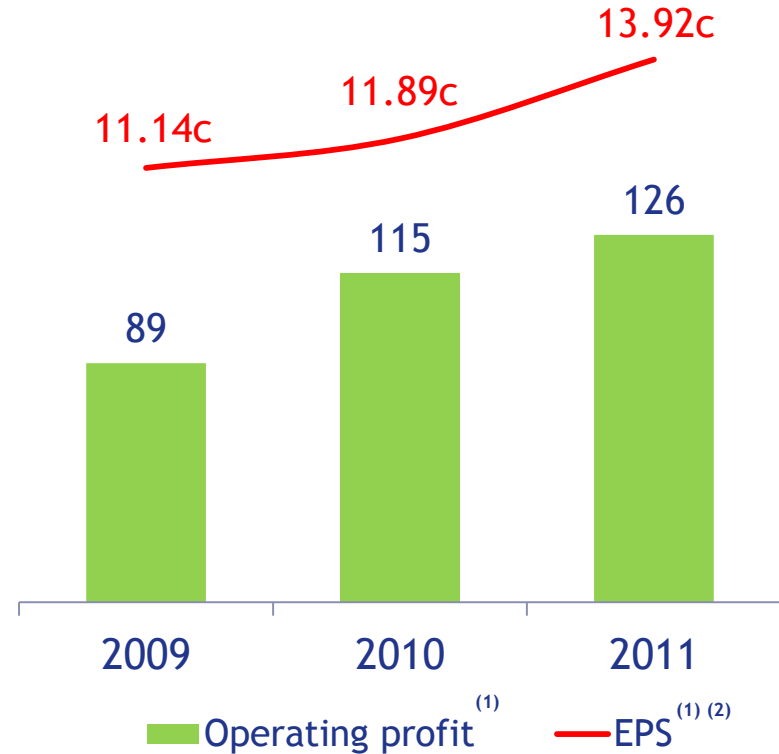
Group Orders & Revenue

\$ millions



Group Operating Profit & EPS

\$ millions



Focus on future growth

Notes: (1) Before share-based payment, acquired intangible asset amortisation and acquisition expense (2) Before prior year tax

Eric Hutchinson, Chief Financial Officer

Agenda

- Highlights
- 2011 financial results
- Market update & 2012 outlook



Comparative results 2011

(\$ millions)	2011	2010	% change
Revenue	528.2	482.2	10%
Gross Profit	348.9	321.1	
Gross Margin	66.1%	66.6%	
Product development	88.1	80.2	
Selling & distribution	97.0	87.9	
Administration	37.9	38.5	
Operating Profit	125.9	114.5	10%
<i>Return on Sales</i>	<i>23.8%</i>	<i>23.7%</i>	
Share-based payment, intangible amortisation and acquisition expense	3.9	1.8	
Reported Operating Profit	122.0	112.7	
Finance income/(costs)	1.3	(0.5)	
Profit before Tax	123.3	112.2	10%
Tax	28.7	33.1	
Net Income	94.6	79.1	
Basic EPS (cents)	14.18	11.77	20%
Adjusted EPS⁽¹⁾⁽²⁾ (cents)	13.92	11.89	17%

- Sales growth driven by demand for testing of wireless, positioning, data connectivity and virtualization
- Underlying gross margin unchanged, 2011 impacted by \$2.9m inventory provision in Service Assurance
- Increased investment in product development and sales channel for future growth
- Best in class operating margins maintained
- Strong EPS growth

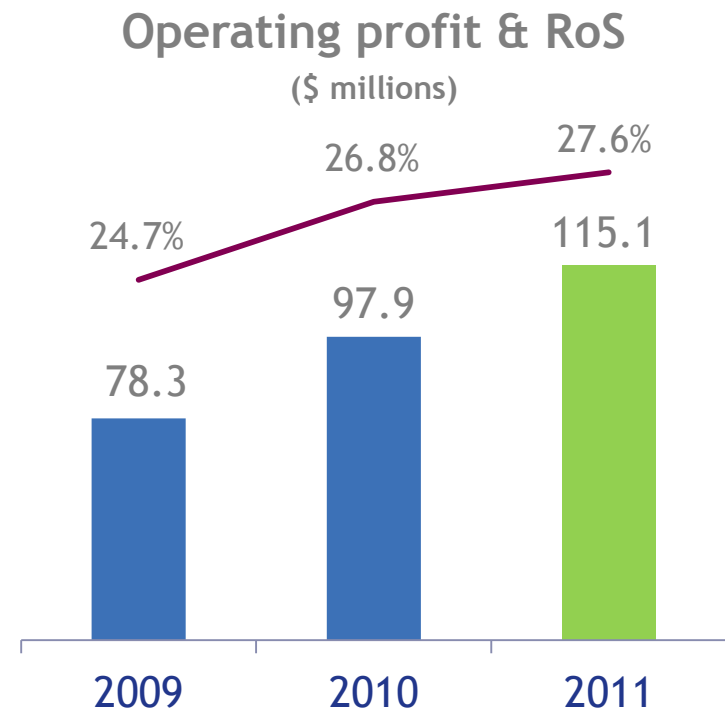
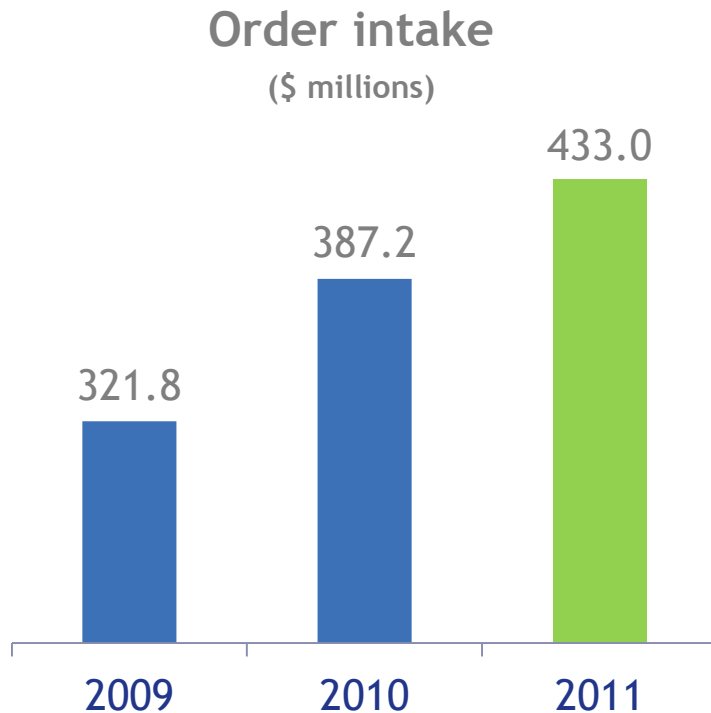
Notes: (1) Before share-based payment, acquired intangible asset amortisation and acquisition expense (2) Before prior year tax credit of \$5.4m (2010: \$1.0m)

Performance Analysis review

(\$ millions)	2011	2010	% change
Revenue	416.4	365.8	14%
Gross Profit	298.2	262.9	
<i>Gross Margin</i>	<i>71.6%</i>	<i>71.9%</i>	
Product development	74.4	65.9	
Other expenses	108.7	99.1	
Operating Profit	115.1	97.9	18%
<i>Return on Sales</i>	<i>27.6%</i>	<i>26.8%</i>	

- 12% order intake growth resulting in Book to Bill of 104
- Wireless, positioning and data center represent highest growth
- Investment in new developments for future growth
- ROS increase through operating leverage

Performance Analysis - financial trends



- Well positioned to capitalize on long term investment trends in data connectivity
- Order growth across all three regions
- Financial performance amongst the best in T&M industry

Service Assurance review

(\$ millions)	2011	2010	% change
Revenue	54.1	57.0	(5)%
Gross Profit	29.4	36.8	
Gross Margin	54.3%	64.6%	
Product development	8.9	9.9	
Other expenses	13.5	13.9	
Operating Profit	7.0	13.0	(46)%
Return on Sales	12.9%	22.8%	

- Revenue decrease due to service provider cutbacks on legacy spending
- Gross margin decrease in 2011 due to inventory provision of \$2.9m, 2010 benefited from a \$2.8m software contract
- Overheads tightly controlled
- Investment in new product areas for Ethernet and wireless monitoring solutions

Systems review

(\$ millions)	2011	2010	% change
Revenue	57.7	59.4	(3)%
Gross Profit	21.4	21.4	
Gross Margin	37.1%	36.0%	
Product development	4.8	4.4	
Other expenses	7.6	8.2	
Operating Profit	9.0	8.8	2%
Return on Sales	15.6%	14.8%	

- Revenue impacted by difficult market conditions due to Medicare changes
- Gross margin increase through supply chain improvements and off-shore contract manufacturing
- Overheads tightly controlled
- Investment in new product areas for rehabilitation wheelchair systems and industrial controllers

Free cash flow

(\$ millions)	2011	2010
Operating Profit	122.0	112.7
Depreciation and loss on disposal	13.3	11.9
Intangible amortisation & share-based payment	4.0	2.0
Working capital and pensions	(18.8)	(9.7)
Cash Flow From Operations	120.5	116.9
Tax	(21.8)	(17.5)
Net Cash Flow From Operating Activities	98.7	99.4
Net interest income	0.9	0.8
Net capital expenditure	(23.5)	(17.6)
Free Cash Flow	76.1	82.6
Acquisitions	(14.5)	-
Dividends	(17.5)	(13.7)
Share buyback (net)	(32.6)	(14.4)
Exchange	1.1	(4.5)
Closing Cash And Cash Equivalents	236.5	223.9

- Continued investment in the business to fund growth
- High conversion of earnings to cash
- Cash used for acquisition, share buybacks and dividends

Tax and adjusted EPS

Tax

- 2011 current year effective tax rate of 27.7%, due to the benefits of US Research and Experimental tax credits
- Cash taxes paid \$21.8m, 18% of profit in 2011
- Expected tax rate for 2012 forecast to be 30%

EPS

- Adjusted EPS is calculated before share-based payment, acquired intangible amortisation and acquisition expense and before prior year tax credit of \$5.4m
- Resulting in an increase of 17% to 13.92 cents per share

Shareholder distribution

- Strong financial performance in 2011 supports an increase of 17% in the total dividend per share to 2.93 cents
- A cash distribution for the year of \$19.0m
- Dividend cover maintained at 4.8 times
- Final dividend per share of 1.67 cents
- Payable 3 May 2012 in sterling, set at 1.05 pence per share
- Dividend policy is to progress distribution with earnings growth
- Share buybacks will be made to offset the dilutive effect of the exercise of share-based incentives

Bill Burns, Chief Executive Officer

Agenda

- Highlights
- 2011 financial results
- Market update & 2012 outlook



Industry fundamentals remain strong...

Mobile Internet

Smarter Planet

Big Data

Cloud Computing

Cyber Security

Global Situational Awareness

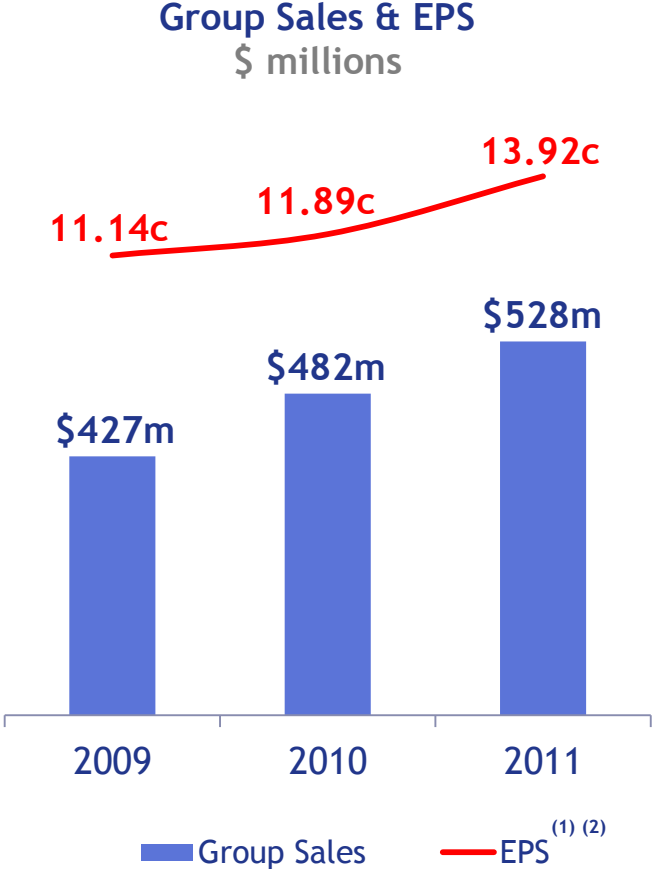
The Internet of Things



...enabled by the technologies we test

- 4G / Long Term Evolution (LTE)
- Mobile backhaul & mobile packet core
- 10, 40 and 100 Gigabit Ethernet
- Virtualization & cloud computing
- Applications testing
- Infrastructure security
- Global Positioning

Our strategy is delivering profitable growth



Our strategy, delivering profitable growth



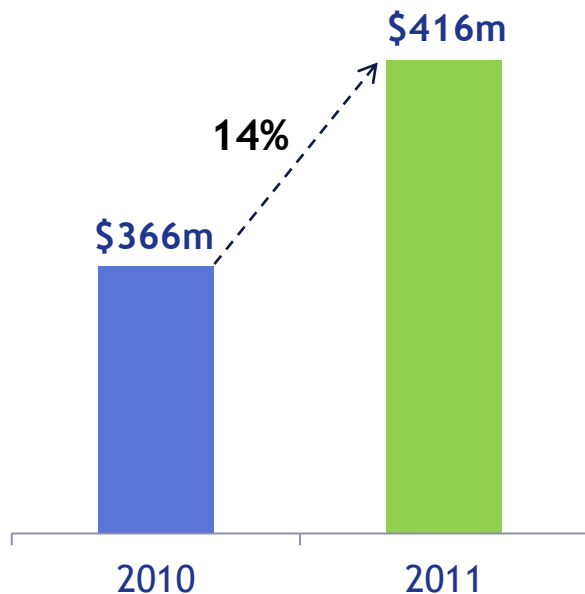
‘Right Solution’ at the ‘Right Time’

Revenue Growth

Performance Analysis

Revenue

\$ millions



Wireless Device



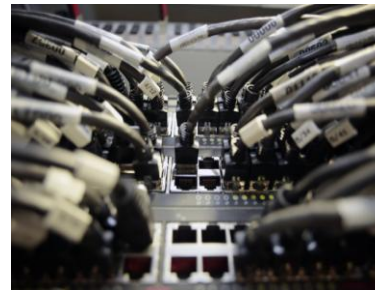
+28%

Positioning



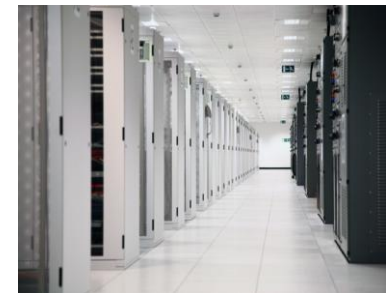
+37%

Mobile Packet Core



+60%

Data Center

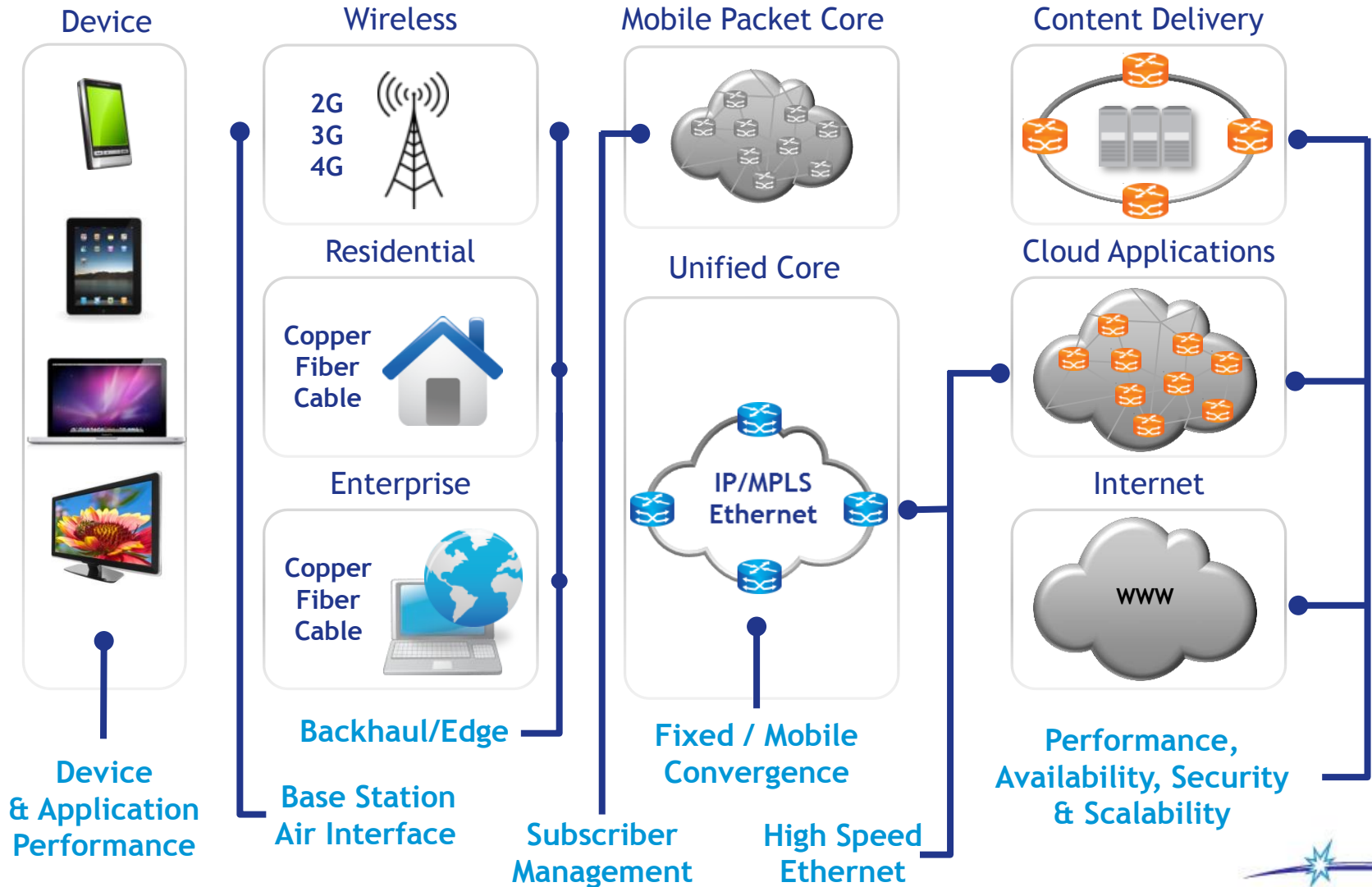


+19%

Our strategy, delivering profitable growth



Evolve and expand our solutions portfolio



Our strategy, delivering profitable growth



Global reach

All regions grew with APAC experiencing highest growth

APAC
Revenue Growth

16%

Global equipment and device suppliers investing in APAC based R&D centers

Large & growing APAC equipment & device suppliers

Strong desire by APAC Service Providers to test

Strong manufacturing base

Spirent is a T&M leader in APAC



Our strategy, delivering profitable growth



Innovation

Technology focus areas set the foundations for growth

Mobile Devices



Ethernet Networks



Application & Security



Converged High Performance
Service Delivery Architecture

LTE
Location Based Services
RF Performance
Hybrid Positioning

Mobile Internet
High Speed Ethernet
Data Center
IPv6

Cloud Computing
Virtualization
Internet Security
Applications

Our strategy, delivering profitable growth



Focusing on growing & emerging technology markets

New product offering for mobile device developers ...



Leverage our customer relations and our carrier acceptance solutions & IP

Differentiated solution offering around ease of use and automation

Expand our addressable market

Our strategy, delivering profitable growth



Investing in our people

Technical expertise

Professional development

Patent Award Program

Employee engagement survey

Graduate hiring program

Performance related incentives

Management leadership development

Employee Stock Purchase Plan

Career progression

College intern program

Global workforce committed to making Spirent successful!



Global leader in Test & Measurement



Global Leader in Ethernet Test



Global Leader in Cloud Infrastructure Test



Conclusion

- Telecom and IT industry fundamentals remain strong
- Driven by Mobile Internet, Big Data, Internet of Things, Smarter Planet, Cyber Security, Global Situational Awareness
- Our results reflect the successful execution of our strategy
- Recognized as leader in test & measurement
- Investing in our core markets to capitalise on growing and emerging trends
- Expanding our addressable markets through organic investments
- All of which, we believe, will enable Spirent to deliver further growth in 2012 and beyond

