

SOFTWARE RADIO TECHNOLOGY PLC
("SRT" or the "Company")

AGM Statement and Trading Update

Software Radio Technology plc is pleased to announce that at its AGM to be held today at 11.00 a.m., Simon Tucker, the Chief Executive Officer, will provide the following trading update.

During the first quarter of this financial year which ended on 30 June 2010, the Company achieved revenues of £1.82 million, a 147% increase on the same period in the previous year, with a gross profit margin of 50% and net profit before tax of £448,000. The Company remains debt free and as at 30 June 2010 had cash of £1,234,000, an increase of 30% on the year end position of £952,000 on 31 March 2010. The above financial data for the first quarter is unaudited.

On 13 July 2010 SRT reported a forward order book worth US\$5.7 million. Since then the Company has announced additional orders worth US\$750,000 and today announces a further conditional order for a customised version of the Class B product from a new customer which may be worth up to US\$2.4 million over the next six months. A conditional order is where a firm order has been received but the Company believes that the total order value, whilst likely, is not guaranteed.

During the last year the market for AIS devices has continued to grow and evolve with new markets and opportunities arising. SRT estimates that of the world's 26 million vessels, approximately 200,000 have been fitted with an AIS device since 2002 and a further one million vessels are required to fit an AIS device during the next four years, with further mandates expected to add to this.

SRT regularly evaluates its target markets, including the appropriate sales channel strategy, on an individual basis. Today, the Company has over 30 customers around the world, each with their own brands and sales channels providing a wide variety of AIS products to meet demand from all market segments.

In the case of China it has become apparent that the market opportunity created by the national mandate programme is considerably larger than the 220,000 vessels originally estimated in September 2009 when SRT announced the receipt of a US\$18 million order from a strategic partner. As stated in the announcement, the order represents only a proportion even of the original market size estimate. In respect of the order, US\$1.86 million has been delivered and paid for to date, all of which was accounted for in the year ended 31 March 2010.

Following a re-evaluation of the Chinese market, SRT has determined that a single exclusive partner for this market does not provide SRT with optimal

distribution. SRT is therefore pleased to announce that it has successfully renegotiated the agreement and order announced in September 2009 such that the remaining balance of the original order becomes conditional and SRT is freed from its exclusivity obligations in China. SRT continues to work closely with this important customer to maximise the potential of their sales channels into the Chinese market.

Further to the renegotiation of this agreement, SRT now plans to expand its distribution into this important market and is pleased to announce that it has signed a distributor agreement with a new customer in China whose sales channels access new segments of this market.

SRT has continued to invest heavily in core technology and product offerings to ensure that customers have the products which the market demands. In the last year SRT has added two new product lines to its portfolio (the Class A and Dual Channel Receiver) and over the next year will launch a range of new products based upon two new module solutions; a credit card sized Class B and an even smaller AIS Transmitter solution. The Company expects these products will set a new market benchmark in terms of price, size and performance.

Neil Peniket, SRT COO said; "SRT has a talented in-house development team and we seek to deploy innovative ideas and technologies to ensure that our solutions are the market leaders. A good example of this is our forthcoming Class B which will offer customers significant cost and size reductions with improved performance."

Simon Tucker, SRT CEO said: "SRT has established itself as the market leader in a rapidly growing global market with a proven range of technologies and products and has started to generate profits and cash. We will continue to innovate technologically and commercially in order to maintain and consolidate our position. Whilst we expect there will be challenges along the way due to the early stage nature of our target markets, we look forward to the future with great optimism."

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About SRT:

Software Radio Technology plc develops advanced radio communications technologies which are used to create enabling modules and OEM products. SRT Marine Technology Limited focuses on VHF and AIS technologies for use in navigation and homeland security identification and tracking applications. SRT

Marine Technology provides its solutions in a variety of module and OEM product formats.