

SOFTWARE RADIO TECHNOLOGY PLC

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2008

Software Radio Technology plc ("SRT" or "the Company"), the AIM-quoted developer and licensor of sophisticated digital wireless technology, announces its results for the year ended 31 March 2008.

Highlights:

- 160% increase in revenues
- Profitable at EBITDA*
- First national mandate of AIS Class B in Turkey
- 91,650 units of TETRA ASIC's sold
- Appointment of Numis Securities as Nomad and Broker

SRT Chairman Richard Moon said: "SRT has made significant progress during the past year in revenue generation and profit creation as well as continuing to build its market position in the Professional Mobile Radio and Marine Technology sectors.

Our PMR division supported its first Asian license customers into production during 2007 and generated royalty revenue on 91,650 units. We also developed and launched our own OEM TETRA handset and received an excellent initial response from the market.

Our Marine division is now delivering its low cost AIS solution to customers around the world. Our target market is growing rapidly and we have seen the announcement of the first national mandate in Turkey with more expected."

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***EBITDA is stated before the charge for share based payment**

SOFTWARE RADIO TECHNOLOGY PLC
(“SRT” or the “Company”)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The Directors of SRT, the AIM-quoted developer and licensor of digital wireless technology reference designs, which facilitate and fast-track the manufacture of sophisticated digital communications and tracking/surveillance products within the professional homeland security market, are pleased to provide the preliminary announcement of the results for the year ended 31 March 2008.

CHAIRMAN’S STATEMENT

Financial Review

Turnover for the year increased by 160% to £4.7m (£1.8m), split 46% SRT Marine Technology Limited and 54% SRT PMR Technology Limited. This yielded a positive adjusted EBITDA of £20,823 compared to last year’s loss of (£2,655,880). The average gross margin increased from 39% to 59% primarily due to some exceptional one-off license fees.

Despite significant investment in technology and product development the year ended debt free with £3.5m of cash in the balance sheet.

Our Marine division is now delivering its low cost AIS solution to customers around the world. Our target market is growing rapidly and we have seen the announcement of the first national mandate in Turkey with more expected.

Our PMR division supported its first Asian license customers into production during 2007 and generated royalty revenue on 91,650 units. We also developed and launched our own OEM TETRA handset and received an excellent initial response from the market.

The audit opinion is qualified in respect of the recoverability of £1.7m of amounts recoverable on contracts and debtors due primarily from customers in China, as a result of the typical business practices in the Asian region. Further information is set out in note 1 to this release.

Board Composition and Governance:

In 2007, Dr George Kyprios joined the Board of SRT plc as Managing Director of SRT PMR Technology Limited. The Directors now believe that the Board, as currently constituted, is appropriate for a company of SRT plc’s size and incorporates a suitable balance of skills; however, this matter is kept under continuous review. SRT plc continues to strive for standards of corporate governance which are high for a company of its size.

Employees:

SRT plc operates in challenging markets and technologies which in turn places large demands on our staff. We are fortunate in having an expert and dedicated workforce who have enabled us to progress. I would like to thank them personally and on behalf of the Board for their continued hard work and support.

Operational Review:

SRT PMR Technology - TETRA

Dr George Kyrios joined as Managing Director of SRT PMR Technology Limited in September 2007, thereby completing the SRT plc Group Executive management team. George has had a very successful career running electronics businesses around the world and brings valuable experience to take the company forward from its current stage and take full advantage of future opportunities.

Our first license customers received the first orders for their TETRA handsets, commenced production and started deliveries. During the year SRT PMR Technology Limited generated royalty revenue on a total of 91,650 units. This is an important milestone and commences the start of the royalty ramp up. However, whilst we are delighted with this start and the global market continues to grow, visibility of the ramp up remains limited and could be subject to substantial and unforeseen delays in the future as the market continues to develop.

During the first calendar quarter of 2008 we concluded a joint venture agreement with Groupco Technology Inc in Taiwan. Groupco was an existing TETRA licensee, however as a natural evolution of our license business model a closer relationship was defined whereby Groupco and SRT would have a more co-operative relationship. Groupco plans to become a leading provider of TETRA products and solutions in Taiwan and other local Asian markets and ultimately seek a listing on the local stock market within 3 years. We believe this is an excellent investment for SRT PMR Technology Limited and we look forward to working with our new partners. It is our intention to continue this trend and form closer relationships with selected partners in the future.

Having completed our core TETRA handset solution, last year we announced that we would be adding an OEM TETRA handset product to our range of TETRA license solutions. By offering a complete handset in a white label OEM format, we will be able to open new markets in regions such as the EU through a wider network of master distributors. We have made good progress with this project and to date have invested a total of £531,000 cash in this project with a further £250,000 forecast prior to production which is expected to commence from Q3 this financial year. This was formally launched at the annual TETRA World Congress in Hong Kong in May 2008 and received an excellent response.

TETRA networks are now established in 100 countries and continue to grow in size and capacity. This in turn is driving the increase in demand for TETRA handsets globally. In general we see the demand for professional mobile radio communication solutions growing and this is presenting a number of complementary opportunities some of which may prove to be attractive to SRT PMR Technology Limited.

SRT Marine Technology - AIS

SRT Marine Technology has established itself as the global leader in the provision of AIS technology and product solutions.

We have continued to supply AIS technology, modules and OEM products to a growing customer base. Products containing SRT's technology are in operation in many countries from China and Russia to Sweden, Canada and Brazil. Within 12 months of the launch of our low cost AIS Class B solution the first national mandate in Turkey was announced which is expected to lead to up to

35,000 units being required. There are indications of further mandates, however timing remains unclear.

SRT Marine Technology has invested in supporting some of its customers in awareness campaigns to increase non-mandated purchases of AIS Class B amongst leisure and commercial users. This has included advertising and the creation of a Point of Sale display and video system. We are starting to see a positive effect from this investment.

As of writing this report FCC approval for AIS Class B had yet to be granted, preventing the sale and use of AIS Class B in the USA. With over 60% of the global boat park located in the US, approval for sale in this market could be significant for SRT Marine Technology: as of writing the timing of approval remains unclear.

Our development team has developed and patented an innovative VHF antenna splitter which reduces the installation cost of AIS by enabling the use of existing antennas. This will commence production during the coming year. In parallel we have commenced the development of a range of next generation AIS modules and products which will dramatically reduce size and cost and secure our long term position as a leader in the AIS market.

Outlook

Our focus for the year ahead is to support our customers to maximise all available opportunities, whilst also focusing our talented and experienced development teams to evolve our current platforms into the next generation of core technologies.

The technologies which SRT has developed are complex and our target markets and opportunities significant. The Board believe that SRT is in a good position to leverage these opportunities, but recognises that the coming year will also present a number of challenges to convert opportunity into continued sustainable growth. We expect revenues once again to be weighted to the second half year.

Each business is now well established within their relative markets and as such the board would consider a selective acquisition to accelerate organic growth if the right business opportunity presented itself and it enhanced future shareholder value.

We therefore view 2008/9 as being critical to the delivery of sustained growth for both business groups through the provision of world class technology and innovative product solutions

Richard Moon
Chairman

Notes for Editors

About Software Radio Technology

SRT has two divisions which are commercialising selected elements of its portfolio of IPR: SRT PMR Technology Limited ("SRT PMR") and SRT Marine Technology Limited ("SRT Marine").

SRT PMR focuses on professional digital communications and SRT Marine on maritime identification and tracking. Our products are designed to meet established international standards where the core technology must conform to the same identical set of operating rules, thereby creating a common demand for the core technology amongst different products.

SRT PMR has initially focused on the ETSI-defined digital PMR standard known as TETRA. TETRA offers secure and reliable voice and data communications and is the preferred system in over 80 countries where networks are being rolled out. Typically TETRA systems are used by homeland security agencies and commercial users such as police, fire and transport services.

SRT Marine has focused on Automatic Identification Systems (AIS) which was first mandated by the International Maritime Organisation on all vessels worldwide over 300GT. AIS's ability to identify and track vessels precisely has resulted in many countries rolling out coastal networks in preparation for the wider use of AIS on smaller vessels.

SRT generates income from the licensing of its technologies. Customers pay initial support fees followed by ongoing per unit royalties which are secured through the supply of a proprietary component around which the technology has been designed

Today, SRT has a substantial customer base located around the world, each of whom has well established sales and distribution channels. Each customer supplies its own branded final form product containing the SRT core technology solution, paying SRT a royalty on each unit.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

		2008	2007
Continuing operations	Note	£	£
Revenue		4,739,113	1,817,588
Cost of sales		(2,502,121)	(1,645,610)
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Gross profit		2,236,992	171,978
Administrative expenses		(2,788,206)	(2,794,168)
		<hr/>	<hr/>
Operating loss before share based payments		(551,214)	(2,622,190)
Share based payments		(344,242)	(376,030)
		<hr/>	<hr/>
Operating loss after share based payments		(895,456)	(2,998,220)
Investment revenues		125,662	85,791
Loss before income tax		(769,794)	(2,912,429)
Income tax credit	5	570,451	-
		<hr/>	<hr/>
Loss for the year		(199,343)	(2,912,429)
		<hr/>	<hr/>
Loss per share (basic and diluted)	4	(0.22)p	(3.76)p
		<hr/>	<hr/>

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

	2008	2007
	£	£
Assets		
Non-current assets		
Intangible assets	6,961,529	4,953,395
Investments	351,586	-
Property ,plant and equipment	435,898	520,154
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Total non-current assets	7,749,013	5,473,549
Current assets		
Inventories	413,019	161,938
Trade and other receivables	5,683,915	2,971,612
Cash and cash equivalents	3,505,484	317,005
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Total current assets	9,602,418	3,450,555
Liabilities		
Current liabilities		
Trade and other payables	(2,538,954)	(1,646,566)
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Net current assets	7,063,464	1,803,989
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Total assets less current liabilities	14,812,477	7,277,538
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Net assets	14,812,477	7,277,538
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Shareholders' equity		
Ordinary shares	97,818	78,288
Share premium account	14,929,510	7,787,787
Profit and loss account	(6,163,021)	(6,307,920)
Other reserves	5,948,170	5,719,383
	<hr/>	<hr/>
	14,812,477	7,277,538
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	2008	2007
	£	£
Cash used in operating activities	(2,017,507)	(2,503,430)
Operating activities		
Interest received	125,662	85,791
Corporation tax received	570,451	-
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Net cash used in operating activities	(1,321,394)	(2,417,639)
	<hr/>	<hr/>
Investing activities		
Purchase of intangible fixed assets	(2,655,513)	(2,219,784)
Purchase of property, plant and equipment	(191,987)	(411,031)
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Net cash used in investing activities	(2,847,500)	(2,630,815)
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Cash outflow before financing	(4,168,894)	(5,048,454)
Financing activities		
Net proceeds from the issue of ordinary share capital	7,357,373	4,132,028
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Net cash from financing	7,357,373	4,132,028
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Net increase/(decrease) in cash in the year	3,188,479	(916,426)
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Cash and cash equivalents at the start of the year	317,005	1,233,431
Cash and cash equivalents at the end of the year	3,505,484	317,005
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Reconciliation of net cash used in operating activities	2008	2007
	£	£
Operating loss	(895,456)	(2,998,220)
Depreciation of property, plant and equipment	276,244	214,365
Amortisation of intangible fixed assets	295,793	127,975
Share based payment charge	344,242	376,030
(Increase)/decrease in inventories	(251,081)	128,153
Increase in trade and other receivables	(2,679,729)	(1,067,635)
Increase in trade and other payables	892,480	715,902
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Net cash outflow from operating activities	(2,017,507)	(2,503,430)
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	2008	2007
Reconciliation of net cash flow to movement in net debt		
	£	£
Increase/(decrease) in cash in the year	3,188,479	(916,426)
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Change in net funds resulting from cash flows	3,188,479	(916,426)
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	3,188,479	(916,426)
Movement in net funds in the year		
Net funds at 1 April 2007	317,005	1,233,431
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Net funds at 31 March 2008	3,505,484	317,005
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Notes

1. Status of financial information

Software Radio Technology plc ("the company") is a public limited company incorporated in England and Wales and whose Ordinary shares of £0.1p each are traded on the Alternative Investment Market of the London Stock Exchange. The Company's registered office is Wireless House, Westfield Industrial Estate, Midsomer Norton, Bath, BA3 4BS, England.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Group first reported under International Financial Reporting Standards in the six month period ending 30th September 2007 and at this time published an IFRS transition statement setting out the effect of adopting IFRS for the Group, the basis of preparation, the accounting policies and details of significant adjustments in respect of the opening balance sheet at the transition date of 1 April 2006, the results for the year ended 31 March 2007 and the balance sheet at 31 March 2007.

The Board of Directors approved the preliminary announcement on 1 July 2008. Whilst the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union, this announcement does not itself contain sufficient information to comply with all the disclosure requirements of IFRS and does not constitute statutory accounts of the Company within the meaning of section 240 of the Companies Act.

The auditors have reported on the results for the year ended 31 March 2007. In their report on the results for the year ended 31 March 2008 a qualified opinion will be expressed, arising from a limitation in scope. An extract from the auditors' report is given below.

"Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited in respect of forming an opinion on the recoverability of £1.7m of amounts recoverable on contracts and associated trade debtors included on the balance sheet and disclosed in note 14, due primarily from customers in China. The nature of the conduct of business between suppliers and customers in that country has meant that we have been unable to obtain sufficient appropriate audit evidence on this matter.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Qualified Opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence regarding recoverability of amounts recoverable on contracts and associated trade debtors located primarily in China, in our opinion:

- the accounts give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the company's and group's affairs as at 31 March 2008 and of the group's loss for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS regulation; and
- the information given in the Directors' Report is consistent with the accounts.

In respect alone of the limitation on our work relating to amounts recoverable on contracts and associated trade debtors as detailed above:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit."

The audit reports did not contain statements under section 237 (2) or (3) of the Companies Act 1985. Statutory accounts for the year ended 31 March 2008 will be delivered to the Registrar of Companies following the Company's Annual General Meeting on Tuesday 2 September 2008. Details of the resolutions to be proposed at that meeting will be included in the notice of Annual General Meeting to be sent to shareholders. Further copies of the report will be available from the Company Secretary and on the Company's website at www.softwarerad.com.

2. Basis of preparation

This financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and International Financial Reporting Interpretations Committee ("IFRIC") recommendations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. For the purposes of the preparation of the consolidated financial information, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 April 2007. There have been no changes in accounting policies during the year. The financial statements have been prepared under the historical cost convention unless otherwise stated.

3. Dividends

The Board is not recommending the payment of a final dividend.

4. Loss per Ordinary Share

The calculation of basic loss per ordinary share is based on losses of £199,343 (2007 - loss £2,912,429) and on 90,774,729 (2007 - 77,355,397) ordinary shares, being the weighted average number of shares in issue during the year.

5. Income Tax Credit

The income tax credit received was in respect of research and development tax credit which is accounted for on a cash basis