

Software Radio Technology plc

Trading Update

Software Radio Technology plc (“SRT” or the “Company”), the provider of professional digital radio and marine identification and tracking technology, announces the following trading update.

Revenue for the year ending 31 March 2008 is expected to be not less than £4.7 million, an increase of over 150 per cent. over the prior year, but below market expectations. The results are expected to show positive EBITDA compared to a significant loss in the prior year.

The primary reason for the shortfall in revenue has been delays to the receipt of orders in the Marine business, a number of which were anticipated to impact the current year’s results, but which will now fall into next year. Further details are set out below.

Professional Mobile Radio (“PMR”)

Results from the PMR business will be broadly in line with management’s expectations and for the first time the business has moved into profit.

During the year the first licence customers entered production and an order for 60,000 ASICs was received. SRT is now working with its customers on a number of large sales opportunities which are expected to yield further royalty units. In addition, in November SRT launched its own TETRA handset to be sold as an OEM solution primarily in Europe. Detailed discussions are ongoing with multiple customers. The handset has received a number of formal approvals and production is expected to commence in Q3 2008. SRT’s development team is now focused on the development of a new TETRA platform which will enable a next generation of TETRA handsets during calendar year 2009.

Marine

During the year SRT successfully launched its low cost AIS Class B platform and supported a global customer base of over 20 customers to commence sales and distribution of AIS products. Orders and sales have increased each quarter. However, a number of orders and deliveries, which were expected to occur during the current financial year, will now fall into next year. As a result, the Directors expect a strong start to the new financial year in the marine business.

The year has also seen the world’s first national mandate of AIS Class B in Turkey and other countries are expected to follow. The anticipated FCC approval of SRT’s AIS Class B platform which will enable its sale in the US has not yet been received. SRT is not aware of any impediment to the granting of the approval and is unlikely to have any advance notice of its issue.

Summary

The Directors believe that SRT is in a considerably improved position over the same time last year. Both businesses have technologies and products earning revenues as well as greater clarity on future revenue opportunities. In addition, the Company is debt-free and has over £3 million of cash.

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About SRT:

Founded in 1987 and quoted on AIM in 2005, SRT develops and provides core wireless technology and product solutions for homeland security communication and maritime identification and tracking applications. SRT's solutions enable its customers to enter these markets quickly and without risk. The Company has a worldwide customer base from which it earns a combination of support and per product revenues.