



Software Radio Technology plc

Interim Results for the six months ended

30 September 2008

Chairman's statement

Software Radio Technology plc ("SRT" or the "Group"), the AIM-quoted developer of digital wireless communications technology, announces its unaudited interim results for the six months ended 30 September 2008.

The first half of this financial year has been challenging for SRT plc and is reflected in the 35% reduction in year on year revenue.

SRT PMR Technology Limited

Despite the completion and successful launch of its TETRA handset during 2008 SRT PMR Technology Limited ("SRT PMR"), as announced on 19th December 2008, faces a funding gap primarily due to the late payment of license monies owed to SRT PMR by Asian based customers. In the absence of additional external funding or payments of outstanding customer license fees, the Board of SRT PMR placed the business into administration on Wednesday 31st December 2008.



Chairman's statement continued

SRT plc and SRT Marine Technology Limited are ring-fenced from SRT PMR Technology Limited and will therefore remain unaffected from any potential liabilities which may arise from SRT PMR Technology Limited. However as a result of the administration Group revenues for the year ending 31 March 2009 will be significantly below expectations and there will be significant write offs in the year end accounts reflecting the Group's investment in SRT PMR.

SRT Marine Technology Limited

SRT Marine Technology Limited ("SRT Marine") is now the world's leading provider of AIS technology and product solutions. It has established an international network of

customers each of which are providing SRT Marine based AIS products into multiple market segments: leisure, commercial and national security. The global AIS market continues to grow strongly as the technology is recognised as an important element within marine navigation and increasingly maritime homeland security programs.

SRT Marine Technology has no debt, a strong cash position and good stock levels to support its customers and the rapid growth of this market in the years to come. SRT Marine will continue to aggressively pursue its dual strategy of technology and product development coupled with the building of long term customer partnerships. The Board believes that SRT Marine

Technology Limited is well positioned to consolidate and build upon its position within this growing global market.

Richard Moon
Chairman

Consolidated Income Statement

for the six months ended 30 September 2008

	Six months ended 30 Sep 2008 Unaudited £	Six months ended 30 Sep 2007 Unaudited £	Year ended 31 Mar 2008 Audited £
Revenue	1,244,658	1,910,852	4,739,113
Cost of sales	(840,729)	(1,082,571)	(2,502,121)
Gross profit	403,929	828,281	2,236,992
Administrative expenses	(2,607,594)	(1,883,453)	(3,132,448)
Operating loss	(2,203,665)	(1,055,172)	(895,456)
Finance income	36,270	62,988	125,662
Loss before income tax	(2,167,395)	(992,184)	(769,794)
Taxation	547,993	–	570,451
Loss for the period	(1,619,402)	(992,184)	(199,343)
Loss per share (basic and diluted)	(1.66)p	(1.15)p	(0.22)p

Consolidated Balance Sheet

as at 30 September 2008

	As at 30 Sep 2008 Unaudited £	As at 30 Sep 2007 Unaudited £	As at 31 Mar 2008 Audited £
Assets			
Non-current assets			
Intangible assets	7,563,373	5,608,422	6,961,529
Investments	351,586	–	351,586
Property, plant and equipment	430,925	431,320	435,898
Total non-current assets	8,345,884	6,039,742	7,749,013
Current assets			
Inventories	848,314	114,008	413,019
Trade and other receivables	3,867,366	3,330,388	5,683,915
Cash and cash equivalents	1,581,533	2,024,884	3,505,484
Total current assets	6,297,213	5,469,280	9,602,418
Total assets	14,643,097	11,509,022	17,351,431
Liabilities			
Current liabilities			
Trade and other payables	(1,350,272)	(1,255,754)	(2,538,954)
Total current liabilities	(1,350,272)	(1,255,754)	(2,538,954)
Total liabilities	(1,350,272)	(1,255,754)	(2,538,954)
Net assets	13,292,825	10,253,268	14,812,477
Shareholders' funds			
Ordinary shares	97,818	89,102	97,818
Share premium	15,387,084	11,645,291	15,387,084
Other reserves	5,490,596	5,719,384	5,490,596
Retained earnings	(7,682,673)	(7,200,509)	(6,163,021)
Total funds	13,292,825	10,253,268	14,812,477

Consolidated Cash Flow Statement

for six months ended 30 September 2008

	Six months ended 30 Sep 2008 Unaudited	Six months ended 30 Sep 2007 Unaudited	Year ended 31 Mar 2008 Audited
	£	£	£
Cash used in operating activities	(1,078,022)	(1,364,253)	(2,369,092)
Operating activities			
Interest received	36,270	62,988	125,662
Corporation tax received	547,993	–	570,451
Net cash used in operating activities	(493,759)	(1,301,265)	(1,672,979)
Investing activities			
Purchase of intangible fixed assets	(1,305,787)	(818,036)	(2,303,927)
Purchase of property, plant and equipment	(124,405)	(41,139)	(191,988)
Net cash used in investing activities	(1,430,192)	(859,175)	(2,495,915)
Cash outflow before financing	(1,923,951)	(2,160,440)	(4,168,894)
Financing activities			
Net proceeds from the issue of ordinary share capital	–	3,868,319	7,357,373
Net cash from financing activities	–	3,868,319	7,357,373
Net (decrease)/increase in cash and cash equivalents	(1,923,951)	1,707,879	3,188,479
Cash and cash equivalents at beginning of period	3,505,484	317,005	317,005
Cash and cash equivalents at end of period	1,581,533	2,024,884	3,505,484

Notes to the Interim Financial Statements

1. Basis of preparation

These unaudited interim financial statements have been prepared under the historical cost convention and on a basis consistent with the UK Companies Act 1985 and International Financial Reporting Standards and IFRIC interpretations as endorsed by the European Union and interpretations expected to be in issue at 31 March 2009. The interim financial statements were approved by the Board of Directors and the Audit Committee on 23 December 2008. The interim financial statements do not constitute statutory financial statements within the meaning of the Companies Act 1985 and have not been audited.

The figures for the year ended 31 March 2008 are derived from the statutory financial statements for that period. Those financial statements have been delivered to the Registrar of Companies and contained an audit opinion qualified due to limitation of scope relating to the recoverability of certain amounts recoverable on contracts and trade debtors.

The interim financial statements will be available from today to download on the Company's website www.softwarerad.com

2. Share-based payment

In line with the requirements of IFRS 2, the Group has recognised the following profit and loss charges in respect of issued share options:

	Six months ended 30 Sep 2008 Unaudited	Six months ended 30 Sep 2007 Unaudited	Year ended 31 Mar 2008 Audited
Share options – profit and loss charge	£	£	£
Share options – profit and loss charge	99,750	99,595	344,242

3. Earnings per share

The basis earnings per share has been calculated using the loss for the period of £1,619,402 (2007 – loss of £992,184) divided by the weighted average number of ordinary shares in issue of 97,817,107 (2007 – 86,653,590).

Notes to the Interim Financial Statements

continued

4. Statement of Movement in Shareholders' Funds

	Six months ended 30 Sep 2008 Unaudited	Six months ended 30 Sep 2007 Unaudited	Year ended 31 Mar 2008 Audited
	£	£	£
Loss for the period	(1,619,402)	(992,184)	(199,343)
Proceeds from issue of shares	—	4,001,140	4,000,000
Costs of share issue	—	(192,821)	(192,827)
Proceeds from exercise of warrants	—	60,000	3,549,153
Proceeds from exercise of share options	—	—	33,714
Share options to be exercised	99,750	99,595	344,242
Movement in shareholders' funds	(1,519,652)	2,975,730	7,534,939
Opening shareholders' funds	14,812,477	7,277,538	7,277,538
Closing shareholders' funds	13,292,825	10,253,268	14,812,477

5. Cash Used in Operations

	Six months ended 30 Sep 2008 Unaudited	Six months ended 30 Sep 2007 Unaudited	Year ended 31 Mar 2008 Audited
	£	£	£
Operating loss	(2,203,665)	(1,055,172)	(895,456)
Depreciation of property, plant and equipment	131,669	132,304	276,244
Amortisation of intangible fixed assets	701,660	160,678	295,793
Revenue satisfied by issue of shares	—	—	(351,586)
Share-based payment charge	99,750	99,595	344,242
(Increase)/decrease in inventories	(435,295)	47,930	(251,081)
(Increase) in trade and other receivables	1,816,549	(358,781)	(2,679,729)
(Decrease)/increase in trade and other liabilities	(1,188,690)	(390,807)	892,481
Net cash used in operations	(1,078,022)	(1,364,253)	(2,369,092)

6. Significant Accounting Policies

The accounting policies adopted are consistent with those of the financial statements for the year ended 31 March 2008, as described in those financial statements.



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