SOFTWARE RADIO TECHNOLOGY PLC
(AIM: SRT)

Half Year Trading Update

Software Radio Technology plc ("SRT" or the "Company"), the AIM-quoted marine electronics developer, will announce its interim results on Tuesday 20 November 2012.

For the six months ended 30 September 2012, the Company expects to report revenue and profit after tax of approximately £3.5 million and £0.1 million respectively, both of which are ahead of internal budget expectations. As at 30 September 2012, the Company had cash balances of approximately £1.5 million, stock and work in progress of approximately £3.5 million and a current forward order book of £3.2 million. The Company has no debt.

During the first six months SRT has continued its planned new product development investment programme. Both the 'Search And Rescue Transponder' (SART) and 'Aids To Navigation' (AtoN) products are nearing completion, with SART expected to commence first deliveries in December and AtoN during the first quarter of 2013. In addition to our core product developments we have undertaken various customer-specific modifications to products, such as the integration of GLONASS into our Class A and Class B for the Russian market and the completion of a number of custom OEM products based on our modules.

SRT now has a customer base of over 70 customers, purchasing a variety of AIS modules and OEM products. Of these we estimate that 40 are addressing the growing non-mandated AIS market where owners of commercial and leisure vessels choose to purchase AIS devices without any regulatory requirement. Sales in the non-mandated market are showing steady growth and we are continuing to work with these customers to ensure that they are promoting a full AIS product line through their sales networks.

During the first half the Identifier entered volume production and since then we have shipped orders of approximately $2 million, with a further $1.8 million scheduled to ship before 31 December 2012 to fulfil a single order from a Canadian-based customer. These Identifiers are destined for Mexico as part of a national project to track all boats operating in Mexican waters. The roll out of these devices on to vessels is expected to commence from November as the mandate takes effect and Identifiers are available on the ground. SRT has been informed that the initial order addresses approximately 20% of the boats affected by this mandate and the balance is expected to be required during 2013 and 2014. Thereafter a significant on-going replacement and renewal market is expected.

The Russian mandate opportunity which was announced in November 2011 has now started to yield sales for SRT. We have worked closely with our local partner to integrate GLONASS into our Class A and Class B products, secure formal Russian approvals and commence manufacturing of the modified products. In March 2012 we announced receipt of an advanced $1.2 million order and have today announced the shipping of $250,000 of product for that order and a further new order worth $350,000 for Class B products. This marks the commencement of a significant market opportunity for SRT which is expected to be implemented over the next few years.

In the EU Inland Waterway market, our customers have, as expected, yet to see demand for Class A devices from vessel owners who have not yet fitted. We continue to expect that the remaining market will wait until immediately before the regulatory deadline of 31 December 2012 before installing. The second phase of the EU fishing mandate, currently underway, has a deadline of 31 May 2013 and affects up to 6,000 vessels. We expect to see orders from this market during the first half of 2013.

In Asia, India and the Middle East our partners are conducting extensive trials with various authorities who are testing and evaluating the rollout of significant vessel monitoring programmes. These are significant projects which SRT is confident will result in very large orders, however as is usual with large national programmes, the exact timing is not clear and delays and changes can be expected.

A number of active coastal security projects in South America have AIS as a central element. Our products have enabled customers addressing those markets to calibrate field performance and we

expect these evaluations to open new and significant market opportunities progressively through 2013. In the USA, we believe that the pending mandate for certain classifications of US commercial vessels will now not be implemented until 2013 due to this year's Presidential election. While this may lead to delays in orders for US-bound products, we believe this to be temporary.

For the first time we have also started to see real interest from Africa and now have customers trialling our products with various authorities. These markets are at a very early stage and whilst the addressable market is considerable, we would not expect to see material orders from this market until 2014 at the earliest.

Simon Tucker, CEO, commented: "I am delighted with our performance during the first half. Our core business is growing steadily as we bring more products on line and integrate them into our customers' products. Many of the project and mandate opportunities are now either entering their implementation phase and therefore yielding significant and more regular orders or are nearing the end of their evaluation phases and about to enter their implementation stage. Our continuing investment in technologies, products and our customer base over the recent years places us in an ideal position to benefit."

Contacts:

Software Radio Technology plc
Simon Tucker, Chief Executive Officer   +44 (0) 1761 409 500
                                                        simon.tucker@softwarerad.com

WH Ireland Limited   *www.wh-ireland.co.uk*
Tim Feather   +44 (0) 20 7220 1666

Allerton Communications Limited
Peter Curtain   +44 (0) 203 137 2500
                                                        peter.curtain@allertoncomms.co.uk

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.