

SOFTWARE RADIO TECHNOLOGY PLC

("SRT" or the "Company")

Trading Update

SRT announces that results for the year ending 31 March 2012 are expected to be below market expectations. The Directors currently estimate that revenue will be approximately £6 million with a profit before tax of approximately £0.1 million.

As set out in the interim results on 28 November 2011, the accurate forecasting of short and medium term demand is currently difficult due to each mandate and project having specific dynamics in terms of quantum, timescales and demand pattern. SRT has experienced a delay in orders which were expected during Q4 into the next financial year.

The delays primarily relate to orders which were expected to be received during Q4 from customers addressing the EU fishing and inland waterway markets and from the commencement of a large project in South America.

SRT estimates that approximately two thirds of the EU inland waterway market have now completed the fitting of AIS transceivers, of which the Company believes over 80% are SRT-based products. The remaining third were expected to fit their transceivers during the first half of this calendar year, and therefore SRT's customers had forecast significant product requirements during the latter part of Q4. However, SRT's customers addressing these markets have indicated that they now expect demand to be skewed towards the end of the mandate deadline and that their orders to SRT will be delayed until later in the calendar year.

During the current financial year, in response to the growing global market opportunity for AIS, the Company has undertaken an aggressive product development programme which has seen the launch of several new products and substantial completion of a number of further products which will commence shipping in the first half of 2012. These programmes are largely on schedule. Of particular importance is the Identifier, which will commence production during March and will start shipping in April. The product development programme has been important to ensure that the Company has a refreshed product range to enable the growing customer base to address a range of maritime market segments.

AIS is now well established as the technology of choice for authorities to use in maritime domain awareness systems and programmes. AIS programmes are underway on a significant scale and SRT estimates that over a million vessels will be fitted with a transceiver over the next four years. The programmes vary greatly in size and timing and SRT now has a product to service each market segment. There has been a significant expansion in both terrestrial and satellite based AIS networks to accommodate the expected increase in AIS deployment. The market, whilst still in its

early stages, is large, global and offers SRT and its customers significant future opportunities.

SRT's pipeline of pending orders and opportunities reflects the Company's broader product offering, the adoption of AIS as the chosen technology and the potential of the market for AIS equipment. The Board is confident that a significant proportion of these leads will be converted into orders and will lead to a significant increase in revenues in due course. Furthermore the investment made to broaden the Company's product suite should lead to a more diverse customer base, reduce future volatility in earnings and soften the impact of future timing issues.

Simon Tucker, SRT's CEO said:

"Whilst the expected outcome for the financial year is significantly below what we had hoped and is therefore disappointing, we have made substantial progress in the execution of our product, customer and market development strategies. The global addressable market has continued to grow with many more opportunities at varying stages of development which we expect to convert into material and sustainable revenue streams in the foreseeable future. AIS is now the de facto globally established maritime identification and tracking system. SRT and its customer network are addressing markets worth many hundreds of millions of dollars and we believe it is a matter of timing for these to convert into sales for SRT."

Simon Tucker will be holding a live web cast following the issue of this announcement at 7.30 a.m. on Friday 9 March 2012. Questions and comments to be addressed should be emailed as soon as possible to: investor@softwarerad.com or can be posted via the web cast.

To log in to the web cast please following the below instructions:

1. Go to www.softwarerad.com/investorwebcast
2. Once on the page, click on the 'Register Now' button.
3. To view the web cast log-in on the right hand-side of the page as requested. Your details will not be publically distributed, used for marketing purposes or retained by the Company.
4. To post questions please enter them in the box provided on the bottom left hand side of the screen from 7.00 a.m.

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