



15 October 2010

#### Market update

The Board of Directors of Saferoads Holdings Limited (SRH) advises that the softer trading conditions experienced in the second half of the 2009-10 financial year have continued into the first quarter of this financial year. The unseasonably wet weather experienced in the September quarter of this financial year, particularly in the eastern part of Australia, has led to delays in many civil contracts and has had a negative impact on the Company's financial performance.

The Company has also undertaken further reviews of its inventory and has revalued some slow moving stock, some of which was purchased when the Australian currency was lower against the United States currency.

Compared to the sales and NPAT of the prior corresponding period July to December 2009, (\$26.9m and \$2.5m respectively), Directors believe that for the period of July to December 2010 sales will be more than 10% lower and that NPAT will be significantly more than 10% lower.

With a strong order book, the Directors are optimistic that trading will improve for the remainder of the year.

The Company continues to focus on increasing sales and driving operating efficiencies.

A handwritten signature in black ink that reads "Gary Bertuch".

Gary Bertuch  
Chairman of Directors

### **SAFEROADS HOLDINGS LIMITED**

**ABN 81 116 668 538**

PO Box 340, Drouin, Vic , Australia 3818  
Phone: 1800 060 672 Fax: 1800 060 673  
Web: [www.saferoads.com.au](http://www.saferoads.com.au)