



SHAREHOLDERS' NEWSLETTER JUNE 2011



Dear Shareholder,

I am pleased to present this fifth newsletter of Saferoads Holdings Limited.

Saferoads continues to offer a wide range of quality products to the road safety market which save lives and reduce the level of road trauma.

As you are aware, the Company has experienced difficult trading conditions over the past 18 months due to a variety of factors including the GFC, supply chain problems and prolonged periods of wet weather in the eastern states.

The Board has introduced a number of changes to combat these issues including a new senior management team and a new non-executive director and it is encouraging to note that the Company's second half performance demonstrates a significant improvement over the first half.

Looking forward, Directors are optimistic about the Company's future performance as the full impact of the changes take effect.

Yours sincerely

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

Gary Bertuch
Chairman

Board Changes

- **Resignation of Darren Hotchkin as Managing Director**

Effective February 2011, Darren Hotchkin stepped aside from the day to day management of the company but remains on the Board as a Non-Executive Director. Darren has made an enormous contribution to the Company as founder and original Managing Director. The Company will continue to benefit from his wealth of experience in the road safety arena, most particularly in product development.

- **Appointment of David Cleland as a Non-Executive Director**

David Cleland was appointed as an independent Non-Executive Director at the end of 2010. David is a mechanical engineer with an extensive background in manufacturing at Chief Executive Officer level.

David's past directorships include Davey Water Products Pty Ltd, Davey USA Inc and ASEA Industries Pty Ltd.

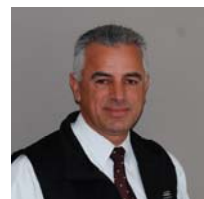
David's appointment adds further breadth to the skills and expertise of the Board.

Senior Management Changes



Chief Executive Officer

In February 2011, the Board appointed Mr Wayne Kibbis to the position of Chief Executive Officer. Prior to joining Saferoads Wayne was the Regional General Manager of Komatsu Australia, a position he held for some five years, reporting to the President of Komatsu Australia. Komatsu is a global leader in the manufacture and distribution of mining, construction and heavy industrial equipment. The position had wide exposure to the road construction industry through key clients that included Fulton Hogan and Abigroup Constructions.



National Sales and Marketing Manager

In April 2011 the Company appointed Mr Anthony Piscopo to the role of National Sales & Marketing Manager. Anthony has held a number of senior management positions within some of the world's largest and most successful building technology companies including Chubb/UTC, Siemens and Kidde.

Anthony already has been able to introduce sales improvement through the development of a strong employee base and clearly defined sales structures and operational procedures.

Some Recent Business Activities

- **Civil Services**

The Civil Services sector of our business continues to be a solid growth performer for the Company. Whilst the unusually wet weather on the eastern seaboard and particularly in Qld has delayed some of the civil works activity, this will be a deferral of revenue from this financial year to next financial year. The devastating floods in the eastern seaboard states have created a number of significant opportunities for this division.

In West Australia, we have recently completed a series of guardrail safety barrier installations, a first for us in that state. There are further very significant opportunities on the horizon across most of our products in that vast state.

In Tasmania, we have commenced a significant installation contract for guardrail and wire rope safety barriers for a project just north of Hobart. This contract will run on into the next financial year. This is also “new business”.

In Victoria, we have just been awarded a contract in excess of \$1m for supply and installation of guardrail and wire rope safety barriers on the South Gippsland Highway, between Bena and Meeniyan.

In Queensland, we have just secured a major contract worth close to \$1m for installation of guardrail safety barriers. This marks a significant re-entry into the Qld market.

- **Product Development**

The Company has invested heavily in developing its own trailers which form the transportation base for the Company’s Zone Variable Message Boards. The trailers will be built “in-house” at our Drouin manufacturing site. This defies the recent industry trend of exporting jobs.

Our new trailers coupled with our “Zone Quad” Variable Message Signal (VMS) boards set a new industrial standard for this type of product.

- **Working with our customers:**

Recently we worked with a customer in Townsville (Qld) who was involved with changing a suburban street into a section of a V8 Supercar race track. As part of this project the customer needed to upgrade the protection of a blunt ended concrete barrier into something more professional than the existing stacks of car tyres.

A wide Quadguard (QG) system was designed in conjunction with Hilti Fasteners who provided an anchoring system which allows for the easy removal and re-installation of the QG for the annual high speed race.

- **Triton barriers**

Saferoads provided the Triton Temporary Safety Barriers and Triton Concrete End Terminals for the BMD Seymour Whyte Joint Venture on the Port of Brisbane Motorway Upgrade Project. The value of this sale exceeded \$1m.

- **T-lok concrete barriers**

We have just secured a substantial concrete barrier project for the Kwinana Highway (WA) upgrade for the supply of over 900 concrete T-lok barriers which will be supplied during 2011-12.

- **Ironman Barriers**



12 Metre Ironman barriers being deployed near Bunbury, WA. These barriers are approved for deployment in 100kph speed zones by the relevant road authorities in all states.

- **Customer Relationship Management (CRM)**

After an in-depth review conducted internally into the Company’s sales performance, the Company committed to a significant investment in “Salesforce”, an on-line web-based CRM system.

Through a combination of business processes, people and technology, an effective CRM will facilitate the achievement of the basic business goal – “obtain and keep customers happy”.