



8 May 2013

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

Market Update

The Directors of Saferoads Holdings Limited (the Company) (**ASX: SRH**) wish to provide an update to shareholders in light of the pending full year reporting period.

The Company expects a decrease in full year operating revenue of approximately 30% compared to the previous corresponding period, based on unaudited management accounts to 30 April 2013 and forecast performance for the remainder of the financial year reporting period. As outlined in previous announcements, this decrease is largely attributed to the cessation of the Energy Absorption Systems Inc. Distribution Agreement which took effect from 30 June 2012, the sale of the Traffic Signals product portfolio in early November 2012, and the streamlining of the Civil services offering nationally.

Management has made significant progress in stabilising the business, including:

- The introduction of a dedicated "Workzone Solutions" offering, which has delivered improved sales in the second half with customers responsive to the flexibility of buying and/or renting various Workzone products provided by the Company.
- Recent senior sales and marketing appointments to enable the Company to apply a better sales focus to key markets with greater overall margin contribution and future demand. The benefits of these appointments are anticipated to generate improved results in the first half of the new financial year.
- Streamlining the Company's national Civil services offering, now focused more on its Victorian base. This has led to improved utilization of resources and stronger customer alliances, with the Company currently building a core roadside maintenance capability.

The Directors believe the business, with the above initiatives underway, is well positioned operationally to look for new growth opportunities.

In so doing, the Company continues to work with an external advisor to undertake a strategic review of business options aimed at increasing shareholder value. As part of this process, the Company will consider alternative business structures and business combinations in order to create a platform of renewed growth for the Company and its shareholders.

Enquiries/Additional Information:

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Saferoads specializes in providing road safety solutions.

Headquartered in Drouin, Victoria, and with offices across Australia, the company services State Government Departments, local councils and road construction companies with a broad range of products and services designed to direct, protect, inform and illuminate all road users.