



9 August 2013

## ASX ANNOUNCEMENT

### Market update

The Directors of Saferoads Holdings Limited (**ASX: SRH**) announce that, subject to completion of the statutory audit which is currently in progress, the Company will report a pre-tax loss of around \$1.6 million for the financial year ended 30 June 2013, a significant improvement on the \$9 million loss of the previous year. Revenue is down 31% on the previous year, consistent with guidance given to the market on 8 May 2013.

The slowdown in government road infrastructure funding (with the pending Federal election) and seasonal factors have negatively impacted the second half (compared to the first half) however, the ongoing initiatives to stabilize and rebuild the Company, as previously reported, are progressing well and are expected to realize benefits in the current financial year.

In addition, the Company has secured revised terms to its existing financing facilities with its banker and can report that a suitable debt repayment plan has been agreed to, taking into account the Company's ongoing business transition program and its budgeted working capital requirements. This will allow us to disclose a large proportion of our bank debt at 30 June 2013 as non-current. This has been secured on the back of our demonstrated ability to maintain a focus on working capital management and the repayment of an aggregate \$2.6 million (or 31%) of core debt from the proceeds of sale of non-core assets over the past financial year.

The business continues to work hard on rebuilding its core capabilities and market share with innovative and value-added products and services, with a renewed focus on improving margins and identifying cost efficiencies, but not compromising on quality or customer service.

The company will release its full year audited financial statements later this month.

### Enquiries/Additional Information:

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### ***About Saferoads***

*Saferoads is a company listed on the Australian Stock Exchange, specializing 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.*

## **SAFEROADS HOLDINGS LIMITED**

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