

SHAREHOLDERS' NEWSLETTER MAY 2007

Dear Shareholder,

Welcome to the first newsletter of Saferoads Holdings Limited.

In the six months since our Annual General Meeting, the Directors and Senior Management have focused on maximizing organic growth in order to achieve the target of increasing sales by more than 15% whilst maintaining relative profit margins. Taking into account the nine months of trading to March, together with forward orders, the Directors are confident that the target sales and profit margins will be met

We also continue to search out suitable strategic acquisitions that will add sustainable long term value.

We do hope that you will find this newsletter informative. You are most welcome to contact us at any time if you wish to have additional information.

Kind Regards,
Darren Hotchkin
Managing Director



FIRST DEPLOYMENT OF T-LOK TEMPORARY BARRIERS

Our T-Lok concrete barrier has been approved by the QLD Department of Main Roads for use as a temporary barrier in that state. The first deployment took place in January, with 700 lineal meters being installed in one night.

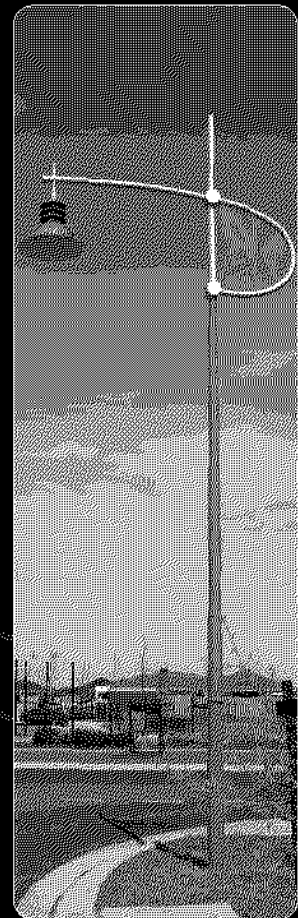


PUBLIC LIGHTING

Amalgamation of the Swift Tech Lighting company, acquired on October 2006, is progressing satisfactorily.

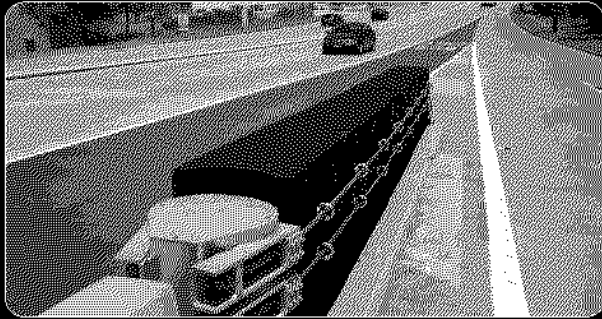
In recent months, record orders have been received. Traditionally, Swift Tech sold its products primarily into Victoria, but since acquisition, our strong focus has been on obtaining product approvals in other states.

In March we achieved our first interstate sale with the supply of Banner Poles into the district Council of Cleave in South Australia.



RUBBER CRASH CUSHIONS

Demand for the Saferoads patented rubber crash cushion is steadily increasing. This safety device is made almost totally from recycled tyres and along with other Saferoads' products, has been awarded the Environmental Choice Mark by the Australian Environmental Labeling Association.



IRON MAN BARRIER

The demand for this unique product continues to be strong nationally. Several kilometers of this barrier were used at the recent Ferrari run in Carlton (Melbourne). The first international shipment of the Ironman Barrier was to South Africa in January this year.



SALES OF TRAFFIC CALMING PRODUCTS INTO N.S.W

NSW is a largely untapped market for our Traffic Calming products.

In recent months however, a number of our roundabouts and speed cushions (as shown) have been installed in that state.



TRUCK MOUNTED ATTENUATORS (TMAs)



The Road Traffic Authority (NSW) recently purchased a number of TMAs to be attached to their vehicles for use in road works along the Pacific Highway.

INCREASED INTERSTATE MARKET PRESENCE

Office/warehouse facilities are now in place in QLD, NSW, SA & WA. This has streamlined our interstate operations.



EAST LINK (VIC) PROJECT

In November 2006 we announced the signing of a contract with Thiess John Holland for \$4.8m, to supply and install wire rope and W-Beam steel safety barriers on the East Link freeway project. Installation commenced in January this year.

**Check out our website
www.saferoads.com.au**