

SHAREHOLDERS' NEWSLETTER MAY 2010



Dear Shareholder,

I am pleased to present this fourth Newsletter of Saferoads Holdings Limited.

Our first half year statutory accounts, released to the market in February 2010 reported improved profit margins that became evident towards the end of the June 2009 quarter. However, the market in which the Company operates continues to soften. This is evidenced by the lower level of major road projects currently in progress across the nation, compared with the activity in recent years. Whilst the growth in civil construction activity may not be so strong in the short to medium term future we are well positioned to benefit from current and new road infrastructure projects. We continue with new product development and with obtaining product approvals and through this activity we continue to broaden our product base and to expand our market share in a competitive market. Our sales team recently held an Open Day in QLD where most of our products were on display. There was also a live crash test of our Ironman Barrier. The open day attracted more than 100 attendees from a wide cross section of existing and potential customers including State Road Authorities, Municipal Councils, Hire Companies and Road Construction Companies. We hope you find this newsletter informative. Please feel free to contact us at any time if you wish to have additional information.

Darren Hotchkin
Managing Director

Saferoads' Quality Assurance Systems

Saferoads is an International Quality, Safety and Environmental accredited company - ISO 9001, 14001 and 18001. We are also accredited with the Civil Contractors Federation (CCF), a national organisation with a particular focus on the Civil Construction industry. This accreditation continues to facilitate our success particularly in supply and installation of guardrail and wire rope safety barriers. Last month we successfully passed the annual audit of the CCF system. Our ISO systems will be audited later this month



New Senior Appointment

Russell Hood was recruited late last year as Sales and Marketing Manager.

Prior to joining Saferoads Russell was Vice President of International, Energy Absorption Systems Inc (EASI, a division of Quixote Corporation, Chicago, USA) where he played an integral role in the establishment and growth of the reciprocal trade agreement between the two companies. As Vice President of EASI, one of Russell's key roles was working with senior management in developing the company's strategic growth plan. His skill in this area coupled with his experience in international sales will make him a valuable addition to Saferoads' senior management team. Russell has an MBA from the University of California Los Angeles (UCLA).



In March of this year, key Company's executives attended an international Road Safety exposition held in Amsterdam, Holland. This event, known by the road safety industry as "Intertraffic", is organised once every two years and was the 20th such expo. The event attracted more than 800 exhibitors from more than 40 countries and was attended by more than 25,000 professional visitors. We have found this exposition to be an excellent method of keeping up to speed with the very latest trends and developments in infrastructure, traffic management and parking – areas at the very core of our business. Ideas gleaned at this and other expositions held in other countries, particularly the United States of America, have contributed strongly to our growth in recent years. Too early to tell yet, but we expect positive outcomes from this expo as well.



New products

We have recently launched several products to the Road Safety market.

ZONE Variable Message Sign Boards

The ZONE product range includes Quad Colour VMS boards incorporating cutting edge communications technology. These will be built at our Drouin factory. There has been strong interest shown from Victorian, South Australian and West Australian fleet owners and our first sales were made in April.

Wheelie Traffic Lights

The solar powered "Wheelie" traffic lights are the result of in-house research and development. They are designed for easy relocation on nearby work zones – just like wheeling a wheelbarrow. They are light enough for a two-man lift on to a utility. This product has generated strong interest.



Video Collection Unit

MIOVISION is a video collection unit (or VCU) for counting traffic including bicycles and pedestrians.

One Miovision VCU can count all traffic movements through an intersection including turning vehicles and cyclists. It is cost effective and more accurate than other traffic counting methods and can be set up in only 10 minutes.



Bike Lane Delineator

We have been involved with the design of a new Bike Lane Delineator and have a trial with Moreland City Council (VIC) scheduled for this month along side a trial of the Miovision VCU.

This low profile rubber strip is designed to delineate the bike lane on the road surface, marking it with a raised rubber line rather than just a painted line. The express purpose is to emphasise the importance of cycle exclusivity in the bike lane. The product has had to achieve several requirements in its application:

- It must be mountable by the thin tyre of a cycle.
- It must be substantial enough so if vehicles mount it, the drivers realise they have transgressed into the cycle path.
- It must be small enough for pedestrians and people with disabilities to traverse when crossing the road.



Product Development

Following on from the success of our "Safepole" impact absorbing street light pole in Victoria, our Lighting design staff are working with the Queensland Department of Main Roads to develop a light pole suitable for the unique QLD environment. The poles must be able to withstand wind force of more than 200kmh and be able to support two lights with an arm span of 4.5 meters each situated 15 meters above the ground. A considerable amount of design and testing still has to take place but our staff are optimistic of final success. This will open another door for Saferoads into the road safety market.