



21 December 2012

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

ASX ANNOUNCEMENT

Trading Update

As reported to shareholders at the Company's recent Annual General Meeting, the transformation of the business is well underway. Based on unaudited management accounts to 30 November 2012, and forecast performance for the remainder of the half year reporting period, the Directors of Saferoads Holdings Limited (ASX:SRH) report that there will be a decrease in operating revenue of approximately 28% compared to the Previous Corresponding Period ("PCP"). This has been impacted by the previously announced loss of the Energy Absorption Systems Inc ("EASI") Distribution Agreement which was effective 30 June 2012, and the sale of the Traffic Signals product portfolio at the start of November. However, as a result of the transformation program, the operating result before tax for the half year ended 31 December 2012 will be substantially improved compared to the PCP.

In addition, the Company's first half result will benefit from the contribution of the asset sales previously disclosed to the market – being the sale and leaseback of the Company's Drouin, Victoria headquarters and the abovementioned sale of the Traffic Signals product portfolio. The net proceeds of these two transactions have allowed the Company to reduce core debt from \$8.2 million at 30 June 2012 to a projected \$5.8 million at 31 December.

The Directors remain confident that the steps taken to date in the transformation process will reposition the Company to be more effective and efficient in providing its services to its customers and return the Company to profitability.

Gary Bertuch
Chairman of Directors

SAFEROADS HOLDINGS LIMITED
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Saferoads specializes in providing road safety solutions.

Headquartered in Drouin, Victoria, and with offices across Australia and New Zealand, 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.