



Released 25 February 2016

SAFEROADS HOLDINGS LIMITED

**RESULTS FOR ANNOUNCEMENT TO THE MARKET
HALF-YEAR ENDED 31 DECEMBER 2015**

Saferoads continues successful business transformation

HIGHLIGHTS

- Ongoing revenue stream up 14%, or \$917k
- Underlying EBIT, excluding relocation costs, up 30.5%
- Improved gross profit margins (up 2.2 percentage points)
- Financing costs down 66%, or \$211k
- Operating cashflows up 218%, or \$499k

FINANCIAL HEADLINES

\$'000	Six months ending		
	Dec 2015	Dec 2014	Variance %
Revenue – Products	7,398	6,481	+14.1%
Revenue – Civil services	-	1,366	
Total revenue	7,398	7,847	
Gross profit margin	37.2%	35.0%	+2.2 ppt
EBIT (excluding relocation costs)	137	105	+30.5%
Finance costs	108	319	-66.1%
Profit/(loss) before tax (excluding relocation costs)	29	(214)	
Relocation costs	196	-	
Profit/(loss) before tax	(167)	(214)	-21.9%
Operating cashflows	728	229	+217.5%
Gearing (net debt / net debt + equity)	24.8%	25.1%	



SAFEROADS HOLDINGS LIMITED

RESULTS FOR ANNOUNCEMENT TO THE MARKET HALF-YEAR ENDED 31 DECEMBER 2015

TRANSFORMATION

- Successfully relocated and consolidated our head office and warehouse to a new purpose-built facility in Pakenham, to better service our growing customer base through improved operational efficiencies.
- Relocation costs of \$196k incurred and \$289k of leasehold additions financed.

OUTLOOK

- Our current order book is strong at over \$3 million (compared with \$1.2 million at the same time last year).
- The domestic market is still challenging with all levels of government constrained by funding
- The CEO's secondment to USA has yielded an initial agreement. There is encouraging interest internationally in our products, and we anticipate further distribution agreements with overseas parties on the back of our first agreement to distribute our key products in the United States

Enquiries/Additional Information:

David Ashmore, Chairman
0418 155 500

ABOUT SAFEROADS

Saferoads is a company (ASX: SRH) specialising in providing innovative road safety solutions. Headquartered in Pakenham, Victoria, with representation across Australia and New Zealand. The company provides state government departments, local councils and road construction and equipment hire companies with a broad range of products and services designed to direct, protect, inform and illuminate road users.

Appendix 4D
Half year report

Name of entity	ABN Reference
SAFEROADS HOLDINGS LIMITED	81 116 668 538

1. Reporting periods

Half year ended (‘current period’)	Half year ended (‘previous corresponding period’)
31 December 2015	31 December 2014

2. Results for announcement to the market

	Current period	Previous corresponding period	% Change increase / (decrease)	Amount (\$) increase / (decrease)
	\$	\$		\$
Key information				
Revenues from continuing activities	7,397,552	7,847,086	-6%	(449,534)
Profit/(loss) from continuing activities after tax attributable to members	(120,031)	(154,255)	-22%	34,224
Net profit/(loss) for the period attributable to members	(120,031)	(154,255)	-22%	34,224
Dividends (distributions)			Amount per share	Franked amount per share at 30% tax
Final dividend	Record Date Paid	N/A N/A	N/A	N/A
Interim dividend	Record Date Payable	N/A N/A	N/A	N/A
Supplementary comments				
Commentary in respect of the results is provided in the Directors' Report, which forms part of the half-year report ended 31 December 2015.				

3. NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share (\$)	\$0.12	\$0.12

4. Dividends

	Date paid/payable	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign source dividend	Amount \$
Final dividend:	N/A	N/A	N/A	N/A	N/A
Interim dividend:	N/A	N/A	N/A	N/A	N/A

5. Dividend reinvestment plans

N/A

6. Associates and Joint Ventures

N/A

7. Foreign entities

N/A



SAFEROADS HOLDINGS LIMITED

Directors' Report

The directors of Saferoads Holdings Limited present their report for the half-year ended 31 December 2015.

DIRECTORS

The Company's directors in office during the half-year and until the date of this report are:

David Ashmore (Non-Executive Chairman)
Darren Hotchkin (Chief Executive Officer)
David Cleland (Non-Executive)

REVIEW OF OPERATIONS

The directors of Saferoads Holdings Limited are pleased to report a half-year consolidated EBIT (Earnings Before Interest and Tax) before relocation costs of \$137,169 compared with an EBIT of \$104,646 for the previous corresponding period ("pcp"), an increase of 31%. This result is consistent with the guidance provided at the Company's last Annual General Meeting.

The Company generated a \$28,947 net profit before tax and relocation costs compared to a loss of \$214,300 for the pcp. During the half, the Company incurred \$195,716 of once-off costs associated with the successful relocation of its head office and warehouse facility to Pakenham. This relocation closer to Melbourne allows the Company to take advantage of various synergies and savings including the consolidation from two sites to a single site, reduced freight and travel costs and access to a broader supply chain base and talent pool for future recruitment needs.

Revenue for the half-year from ongoing operations was up 14.1% on the pcp. Overall gross margin improved two percentage points, as we continue to focus on increasing profitable sales.

Highlights for the half year include:

- Securing our first overseas distributor agreement in the United States, Canada and Mexico with minimum sales levels over a five year term to retain exclusivity;
- Sales of our energy-absorbing Omni-stop™ safety bollards grew 80% , with our investment in pre-specification activities with engineering and design houses now realising results in producing greater awareness of the product and improved sales volumes;
- Our Public Lighting portfolio continues to go from strength to strength with sales up 49%. This has been achieved through solid growth from our existing core customer base as well as new customer opportunities from interstate;
- Successfully transitioned our head office and warehouse to a green field purpose-built facility in Pakenham.



- Financing costs down 66% or \$210,724 on pcp, reflecting the benefit of the core debt reduction through the proceeds of the 2 for 5 Share Entitlement issued in December 2014. We have maintained our obligations under our current banking facility agreement and retain support from the CBA;
- Generated a positive operating cash flow in the half (after financing costs), reflecting the rigorous focus on maintaining adequate working capital and ensuring customers pay in a timely manner;

As outlined at the previous Annual General Meeting, our CEO, Mr. Darren Hotchkin, has spent some time in the United States looking at prospects for our products in that market sector. It is pleasing to report that we have already secured our first distributor agreement for the Ironman™ barrier and will be working on opportunities for the new Ironman™ Hybrid barrier for the US market.

There has also been interest in our proprietary (Australian developed) Zone VMS (Variable Message Sign) website application in the US and we are presently working on an agreement to develop a US compatible version for a prospective customer. Additionally, there is also interest in the Omni-stop™ bollard and flexible signage products and we will be looking to develop these relationships over the coming year.

We are also seeing increasing enquiries from other countries such as Malaysia and Vietnam.

Domestically, we continue to operate in a challenging economic environment with constrained government spending at all three levels and significant competition for sales. Order deferrals are common, highlighting demand for our products and services, but there are funding constraints. We continue to find ways to maintain and build sales, as the abovementioned highlights for the half-year have identified.

The rental barrier market remains competitive and we continue to promote our unique differentiation with our Ironman™ Hybrid temporary barrier solution in areas where road authorities require flexible work zone solutions.

We have a number of councils around Australia currently trialing our *Tubthumpa* flexible signage with very positive feedback and four State Road Authorities have shown interest in the *Roadquake* portable work zone rumble strips.

Subsequent to 31 December, we have received a \$220,624 Research and Development ("R&D") tax cash rebate with respect to our innovative R&D activities carried out in the financial year ended 30 June 2015. These funds continue to be invaluable in assisting the business in facilitating its research and development of new and improved road safety solutions.

Looking ahead, we have started the new calendar year with over \$3 million in secured work in hand at the date of this report and are confident that the second half of FY2016 will show a further improvement on the first half. We are confident that our overseas opportunities will continue to evolve over time as our strategic partners commence to sell our products and gain a better understanding of how they can be commercialized in their respective markets.



Finally, I would like to acknowledge our dedicated staff, who have not only had to work on continuing to grow this business, but have also had to plan and coordinate their activities around an office and warehouse relocation which now enables the Company to better service its growing customer base through improved operational efficiencies. In addition, we are very grateful to the CEO for his secondment in the United States creating opportunities for that market.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained the attached independence declaration from our auditors, Grant Thornton, in accordance with S307c of the Corporations Act 2001 for the half year ended 31 December 2015.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read "David Ashmore", written over a horizontal line.

David Ashmore

Director
25 February 2016

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration To The Directors of Saferoads Holdings Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Saferoads Holdings Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M. A. Cunningham
Partner - Audit & Assurance

Melbourne, 25 February 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.



SAFEROADS HOLDINGS LIMITED

ABN 81 116 668 538

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2015

SAFEROADS HOLDINGS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	CONSOLIDATED	
		December 2015 \$	December 2014 \$
Revenue	2		
Revenue from product sales and rentals		7,397,552	6,481,011
Revenue from civil services		-	1,366,075
		7,397,552	7,847,086
Costs of direct materials and labour		(4,300,906)	(5,074,443)
Movement in inventories		(345,810)	(27,312)
Gross profit		2,750,836	2,745,331
Other income	2	299,824	45,795
Employee benefits		(1,624,691)	(1,449,955)
Depreciation and amortisation		(192,708)	(171,979)
Occupancy costs		(156,006)	(154,003)
Travel costs		(89,241)	(60,821)
IT & communications costs		(80,150)	(91,058)
Motor vehicle costs		(71,484)	(119,257)
Relocation costs		(195,716)	-
Other expenses		(699,211)	(639,407)
Earnings before interest and tax (EBIT)		(58,547)	104,646
Finance costs		(108,222)	(318,946)
Profit/(loss) before tax		(166,769)	(214,300)
Income tax benefit/(expense)		46,738	60,045
Profit/(loss) after income tax from continuing operations		(120,031)	(154,255)
Net profit/(loss) for the period		(120,031)	(154,255)
Net profit/(loss) attributable to members of parent		(120,031)	(154,255)
Other Comprehensive Income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign controlled entity		-	(177)
Total other comprehensive income for the period		-	(177)
Total comprehensive income attributable to members of the parent		(120,031)	(154,432)
Earnings per share (cents per share)			
- basic for profit/(loss) for the half-year (cents)		(0.3)	(0.6)
- diluted for profit/(loss) for the half-year (cents)		(0.3)	(0.6)
- dividends paid per share (cents)		0.0	0.0

The accompanying notes form part of these financial statements

SAFEROADS HOLDINGS LIMITED

Statement of Financial Position

AS AT 31 DECEMBER 2015

	Notes	CONSOLIDATED	
		December 2015 \$	June 2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents		921,978	720,184
Trade and other receivables		2,185,321	3,559,759
Inventories		2,407,376	2,753,186
Prepayments		559,008	197,152
Total Current Assets		6,073,683	7,230,281
Non-current Assets			
Property, plant and equipment		3,269,247	3,131,925
Intangible assets		805,021	681,374
Deferred tax assets		1,298,300	1,251,562
Total Non-current Assets		5,372,568	5,064,861
TOTAL ASSETS		11,446,251	12,295,142
LIABILITIES			
Current Liabilities			
Trade and other payables		1,271,272	2,120,965
Unearned income		59,025	19,162
Interest-bearing loans and borrowings		616,800	550,347
Provisions		339,821	264,406
Total Current Liabilities		2,286,918	2,954,880
Non-current Liabilities			
Interest-bearing loans and borrowings		2,490,121	2,556,275
Provisions		37,486	32,230
Total Non-current Liabilities		2,527,607	2,588,505
TOTAL LIABILITIES		4,814,525	5,543,385
NET ASSETS		6,631,726	6,751,757
EQUITY			
Contributed equity		5,353,905	5,353,905
Retained earnings		1,277,821	1,397,852
TOTAL EQUITY		6,631,726	6,751,757

The accompanying notes form part of these financial statements

SAFEROADS HOLDINGS LIMITED

Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

CONSOLIDATED	Contributed Equity \$	Reserves \$	Retained Earnings \$	Total Equity \$
At 1 July 2014	4,130,708	(55,878)	1,526,135	5,600,965
Issue of share capital	1,228,654	-	-	1,228,654
Net profit/(loss) for the period	-	-	(154,255)	(154,255)
Cessation of foreign operation	-	56,055	(56,055)	-
Other comprehensive income for the period	-	(177)	-	(177)
At 31 December 2014	5,359,362	-	1,315,825	6,675,187
At 1 July 2015	5,353,905	-	1,397,852	6,751,757
Net profit/(loss) for the period	-	-	(120,031)	(120,031)
At 31 December 2015	5,353,905	-	1,277,821	6,631,726

The accompanying notes form part of these financial statements

SAFEROADS HOLDINGS LIMITED

Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	CONSOLIDATED	
		December 2015 \$	December 2014 \$
Cash flows from operating activities			
Receipts from customers		9,957,340	9,270,843
Payments to suppliers and employees		(9,124,628)	(8,710,806)
		832,712	560,037
Interest received		3,966	8,102
Interest paid		(108,851)	(338,926)
Net cash flows from operating activities	5	727,827	229,213
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		25,288	398,900
Purchase of property, plant and equipment		(102,537)	(226,529)
Product development costs		(164,828)	(162,384)
Net cash flows from investing activities		(242,077)	9,987
Cash flows from financing activities			
Proceeds from issue of shares		-	1,248,000
Repayment of borrowings		(283,956)	(1,768,406)
Net cash flows from financing activities		(283,956)	(520,406)
		201,794	(281,206)
Net increase/(decrease) in cash and cash equivalents		720,184	1,354,945
Cash and cash equivalents at beginning of period			
Cash and cash equivalents at end of period	5	921,978	1,073,739

The accompanying notes form part of these financial statements

SAFEROADS HOLDINGS LIMITED

Notes to the Financial Statements

FOR THE HALF YEAR-ENDED 31 DECEMBER 2015

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of the half-year financial report

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore does not provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. It is therefore recommended that the half-year financial report should be read in conjunction with the annual Financial Report of Saferoads Holdings Limited as at 30 June 2015, together with any public announcements made by Saferoads Holdings Limited and its controlled entities during the half-year ended 31 December 2015 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the ASX listing rules.

The consolidated financial statements comprise the financial statements of the parent entity, Saferoads Holdings Limited and its subsidiaries ('the Group').

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Accounting Standards including *AASB 134 - Interim Financial Reporting*. Compliance with *AASB 134* ensures that the financial statements and notes comply with International Financial Reporting Standard *IAS 34 - Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The half-year financial report has been prepared on a historical cost basis.

For the purposes of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) New Accounting Standards

The Group has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the Group.

(c) Going concern

The consolidated entity has incurred a \$166,769 operating loss before tax and after relocation costs for the half-year ended 31 December 2015.

The Company continues to meet its commitments under the agreed debt repayment plan with its financier, having reduced core debt by a further 8% or \$252,000 during the half-year.

The Company further progressed its financial turnaround during the half-year generating a \$28,947 profit before tax and relocation costs. It has also secured its first overseas distribution agreement during the period.

The Company should continue to secure further profitable sales contracts for its emerging products in existing and new markets and continue to meet the minimum debt repayment plan set by the financier.

At the date of this report and having considered the above factors, the continuance of its banking relationship and the fact the Company maintains a solid share of the road safety market, the directors are confident that the consolidated entity will be able to continue as a going concern. Accordingly, the accounts have been prepared on this basis.

(d) Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2015 and the corresponding interim reporting period.

SAFEROADS HOLDINGS LIMITED

Notes to the Financial Statements

FOR THE HALF YEAR-ENDED 31 DECEMBER 2015

2 REVENUES

Profit/(loss) before income tax includes the following revenues whose disclosure is relevant in explaining the performance of the entity:

	CONSOLIDATED	
	December 2015 \$	December 2014 \$
(i) Revenue		
Revenue from product sales and rentals	7,397,552	6,481,011
Revenue from civil services	-	1,366,075
	7,397,552	7,847,086
(ii) Other income		
Royalty/licensing income	309,941	13,935
Net gain/(loss) on sale of assets	(20,118)	22,323
Interest	3,966	8,102
Other	6,035	1,435
	299,824	45,795

3 DIVIDENDS PAID AND PROPOSED

	CONSOLIDATED	
	December 2015 \$	December 2014 \$
Equity dividends on ordinary shares:		
Dividends paid during the half year:		
Final franked dividend for the financial year 30 June 2015 (0.0 cents) (2014 : 0.0 cents)	-	-
	-	-
Dividends proposed and not recognised as a liability:		
Interim franked dividend for financial year 30 June 2016 (0.0 cents) (2015: 0.0 cents)	-	-

4 SEGMENT REPORTING

The Group's chief operating decision maker (Chief Executive Officer) reviews financial information on a consolidated basis and makes strategic decisions based on this consolidated information.

SAFEROADS HOLDINGS LIMITED

Notes to the Financial Statements

FOR THE HALF YEAR-ENDED 31 DECEMBER 2015

5 ADDITIONAL CASHFLOW INFORMATION

a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December:

	CONSOLIDATED	
	December 2015 \$	December 2014 \$
Cash at bank and in hand	921,978	1,073,739
b) Reconciliation from net profit/(loss) after tax to the net cash flows from operations		
Profit/(loss) after tax for the period	(120,031)	(154,255)
Adjustments for:		
Depreciation and amortisation	192,708	171,979
Impairment of property, plant and equipment	52,537	-
Net (profit)/loss on disposal of plant and equipment	20,118	(22,323)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	1,374,438	545,262
(Increase)/decrease in inventories	345,810	27,312
(Increase)/decrease in other assets	(361,856)	(53,867)
(Increase)/decrease in deferred tax assets	(46,738)	(60,045)
(Decrease)/increase in payables	(849,693)	(143,986)
(Decrease)/increase in unearned income	39,863	69,035
(Decrease)/increase in provisions	80,671	(149,899)
Net cash from operating activities	727,827	229,213

c) Non-cash financing and investing activities

During the half-year, the Group acquired property, plant and equipment with an aggregate value of \$289,249 (December 2014: Nil) by means of finance leases.

6 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities as at 31 December 2015.

7 EVENTS AFTER THE END OF THE INTERIM PERIOD

There has been no matter or circumstance, which has arisen since 31 December 2015 that has significantly affected or may significantly affect the operations of the consolidated entity or the results of those operations or the state of affairs of the consolidated entity.

Directors' Declaration

In accordance with a resolution of the directors of Saferoads Holdings Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) give a true and fair view of the financial position as at 31 December 2015 and the performance for the half-year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standard *AASB 134 - Interim Financial Reporting*; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



David Ashmore
Director

25 February 2016

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report To the Members of Saferoads Holdings Limited

We have reviewed the accompanying half-year financial report of Saferoads Holdings Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Saferoads Holdings Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Saferoads Holdings Limited consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Saferoads Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Saferoads Holdings Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M. A. Cunningham
Partner - Audit & Assurance

Melbourne, 25 February 2016