

Release to Australian Securities Exchange

10 November 2014

Market Update and Board Composition

The Directors wish to update the market in respect of a number of matters ahead of the AGM scheduled for 13 November 2014.

Redflex Traffic Systems Inc, our USA subsidiary, has signed an agreement with the Gwinnet County School District, Georgia (the seventh largest school district in the USA), for the installation of up to 500 stop-arm enforcement cameras on school buses within the district. The contract was signed after a number of hurdles were overcome with regard to the County obtaining inter-agency agreements to allow policing authorities to enforce violations detected by the cameras. Redflex began loading buses in Gwinnet on 20 October and within the first two weeks approximately 60 buses were loaded. We expect to continue loading 6 buses a day for the next several weeks and anticipate that 200 buses will be fully operational by the end of November.

For the last few years, Redflex has been working with the UK highway authority, Highways Agency Digital Enforcement Camera System (HADECS), to introduce variable speed enforcement cameras on major UK roads. Redflex received Home Office approval for the cameras during FY14 and has since received three orders for approximately \$4.2 million, with anticipated recurring maintenance fees to follow. These are important orders for building the business in the UK, a priority geography for future growth. To ensure these and other opportunities in that market are appropriately addressed, Simon Pickup has been appointed to the role of General Manager of UK and Europe, with responsibility for Sales and Operations in those markets. Simon has previously been responsible for our operations in Saudi Arabia, and more recently the roll-out of the mobile speed program in NSW.

Robert DeVincenzi has announced his intention to resign as a Non-executive Director effective from 16 January 2015. As previously advised, Mr DeVincenzi transitioned from the Group CEO role to a Non-executive Director role in January 2014. Under the terms of the transition agreement, Mr DeVincenzi will provide ongoing service as a consultant for a 12 month period through to 16 January 2015 receiving a fee of US\$25,000 per month. Mr DeVincenzi does not receive NED fees. The Directors would like to acknowledge and thank Mr DeVincenzi for the significant contribution he has made and will continue to make during the remainder of his time with Redflex.

For further information

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