

**21 May 2012**

## **Acquisition of Smart Bus makes Redflex Traffic Systems the Industry Leader in School Bus Safety Photo Enforcement**

The Directors are pleased to advise that Redflex Traffic Systems, Inc. has acquired SBL Investments, LLC and Americore Enterprises, LLC, leading providers of automated school bus arm photo enforcement in the United States. SBL and Americore offer the Smart Bus system, a dedicated on-bus photo enforcement system intended to "Protect Our Most Precious Cargo, our children". The acquisition positions Redflex as a leading provider of school bus safety photo enforcement technology at a time when more and more school districts are using the technology to deter reckless drivers who ignore school bus safety laws and put children at risk.

The transaction is valued at \$4.5 million initially with further payments over 4 years subject to meeting financial performance measures. This will be funded from our existing facilities.

SBL and Americore will continue to operate as separate entities with Redflex as sole owner. Smart Bus President and CEO Tom O'Connor will be retained as President of Redflex's school bus arm operations and the senior leadership and staffs of the two companies will remain in their current positions. Redflex plans to merge the Smart Bus system with its Redflex Student Guardian™ school bus arm photo enforcement system which was recently introduced.

"The acquisition of Smart Bus further solidifies our position as a leader in photo enforcement globally, and expands the opportunity to provide products and services into this emerging market" said Graham Davie, CEO, Redflex Holdings Limited. "We are pleased that Tom has agreed to lead our North American school bus arm enforcement operations and that his leadership and staff will remain in place. They have strong knowledge of the industry and a track record of success."

The Smart Bus system is currently being deployed by school districts in several states across the US. Opportunities exist in many other communities to expand the use of the school bus arm enforcement technology and introduce the use of other Redflex products, including intersection, speed and rail safety cameras. Ten states currently allow the use of school bus arm enforcement technology and at least ten others are considering legislation which would authorize its use.

### **About Redflex Traffic Systems, Inc.**

Redflex Traffic Systems, Inc., a leader in road safety technology, operates more than 2,000 photo enforcement systems through contracts with more than 250 cities throughout the United States and Canada. Redflex continues to assist in reducing collisions and saving lives through development of new safety products, and currently serves the greatest number of communities of any photo enforcement company in North America.

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