



REDFLEX
H O L D I N G S

Redflex Holdings Limited

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Release to Australian Stock Exchange

Ohio Legislation Proposal

25 May 2005: The directors wish to advise shareholders that an Ohio House of Representatives Bill 56 has been passed that has the potential to impact Redflex Traffic Systems Inc business with cities in the State of Ohio by requiring a law enforcement officer to be present when automated enforcement is performed. The typical passage of such a Bill to become law is for the Bill to be passed to the Senate and that the Bill be assigned to a subcommittee for consideration and then up to two further committee processes before consideration by the Senate. The Bill and any amendments must pass through both houses to become law. The Bill may be defeated or be amended to have little or no impact on Redflex, or impact on the operation of the 43 systems currently installed.

Redflex has approximately 9% of its red light photo enforcement systems revenue in the USA in the State of Ohio from three cities. Two mobile photo enforcement vans are operated by cities with an officer present.

Our experience operating within the USA indicates that the passage of bills with potential to impact our programs can be difficult to predict, with significant amendments common with the committee process involving significant opportunity for the local community to be heard in the process. Any resulting approved Bill and amendments (if any) would require final approval by the Governor of Ohio to be passed into law. The potential path of a bill through the Ohio Senate is shown on web site ref: <http://www.legislature.state.oh.us/process.cfm>. Any resulting approved Bill could include grandfathering clauses for existing programs. The Company's experience of the legislative process within a USA context is that such process is invariably greatly protracted. Accordingly should the proposed legislation progress in any form at all it will not be known for a considerable time the nature of the final position. That being the case, any financial impact that might occur will almost certainly not become apparent until at least the 2006-2007 financial year.

On 16 May Redflex announced the award in the city of Council Bluffs in Iowa and that that polling conducted by the National Campaign to Stop Red Light Running in 2002 found 83 percent support within the USA for red light cameras in cities with a red light running problem, and a 2002 national driver survey conducted by the National Highway Traffic Safety Administration has found 75 percent supported the use of cameras at red lights. Organisations that endorse the use of photo enforcement include: American Association of State Highway And Transportation Officials (AASHTO), The World Health Organization, The Insurance Institute for Highway Safety, The National Safety Council, The Governors Highway Safety Association, and The International Association of Chiefs of Police. In April the State of Washington enacted legislation enabling the use of Automated Photo Enforcement Systems, and legislation to oppose the use of automated photo enforcement of speed on highways and freeways was defeated in the State of Arizona. Legislation aimed at opposing the use of red light photo enforcement in the State of Texas was defeated earlier this month. Redflex is aware there have been reports that the Texas lower house had passed a ban on red light cameras but notes that the Senate rejection thereof took place subsequent to the lower house vote.

Enabling legislation for red light photo enforcement in the State of Virginia, with a sunset provision to 30 June 2005, has not been extended by the legislature in the State of Virginia and we are negotiating with the City of Virginia Beach, our one city under contract in the state, to continue the operation of the 8 systems installed as a research project for 6 months to gather data to present to the legislature in the next session, expected to resume in November 2005, in the expectation that with the support of the City and the legislature the program can resume.

Redflex Traffic Systems Inc, based in Scottsdale Arizona, has contracts with 76 cities world-wide in ten countries and is the largest provider of digital red light photo enforcement services in the USA. With contracts in 61 cities and towns across thirteen states, Redflex has led the market in installed systems, installation rate, and market share over the past 12 months.

For further information:

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