

ASX ANNOUNCEMENT

3 January 2017

Redflex Holdings Limited | ABN 96 069 306 216

The Redflex logo features the word "Redflex" in a white, sans-serif font, followed by a stylized green circular graphic element that resembles a lowercase 'r' or a similar shape.

Termination of the ATVAM Project Agreement in Saudi Arabia

Redflex Holdings Limited (**Company**) (**ASX:RDF**) today announces that the Company's customer in the Kingdom of Saudi Arabia, Saudi Technology & Security Comprehensive Control Co. Ltd (operating as **Tahakom**) has given the Company a valid written notice of termination of its Automated Traffic Violations Administering & Monitoring (**ATVAM**) Project Agreement for Region 3 (which encompasses the Eastern Province (including the cities of Dammam, Khobar and Dharan), Aseer Province (including the cities of Abha, Khamis Mushait and ahad Rufaidah) and the region of Tabuk.

Under authority of the ATVAM Project Agreement, signed in 2009, the Company's subsidiary Traffic Operating Services (Saudi Arabia), LLC (**TOPSSA**) had been providing traffic violation processing services for Region 3 to the Saudi Arabian Government through government contracted intermediaries. From 1 November 2015, the Saudi Arabian Government directed that TOPSSA provide traffic violation processing services for Region 3 to Tahakom (one of these intermediaries). From 2009 to 31 October 2015 the government contracted intermediary for Region 3 was Etihad Al-Afandi, LLC.

This termination means that, effective from 31 January 2017, TOPSSA will no longer be providing traffic violation processing services for Tahakom for Region 3. Until then TOPSSA will work with Tahakom on the 'transition out' process so that Tahakom can take over the provision of traffic violation processing services for Region 3.

In FY2016 the ATVAM Project Agreement with Tahakom generated revenue of AUD7.2 million for the Company (FY2016 Total Revenue for the Company was AUD135.8 million).

The Company currently anticipates that it will continue to supply photo enforcement equipment and software to Tahakom for its traffic enforcement program throughout the Kingdom.

About Redflex

The Redflex Group has established itself as a world leader in traffic enforcement products and services, developing world leading enforcement camera technology and owning and operating one of the largest networks of digital speed and red-light cameras in the world. Redflex develops and manufactures a wide range of digital photo enforcement solutions including red light camera, speed camera and school bus stop arm camera systems all utilising the most advanced sensor and image capture technologies.

The Redflex Group runs its own systems engineering operations, system integration technologies and innovation centre for research and development. With our continuous development of new safety products, the Redflex Group has been helping to reduce collisions and to save lives for more than 20 years.

Redflex Holdings Limited was listed on the Australian Securities Exchange in January 1997.

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