



Australian Government

Takeovers Panel

MEDIA RELEASE

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Redflex Holdings Limited – Panel Receives Application

The Panel has received an application from Silverlene Pty Ltd on its own behalf and “separately at the request of” Thorney Holdings Pty Ltd, Thorney Pty Ltd, Renaissance Smaller Companies Pty Ltd and Hunter Hall Investment Management Ltd. The application relates to the affairs of Redflex Holdings Limited.

Silverlene and its controlling shareholder, Mr Debernadi, a former non-executive director of Redflex, hold 0.32% and 3.1% of the shares in Redflex respectively.

On 10 September 2009 Redflex announced a capital raising comprising a placement to two existing Redflex shareholders and a 1 for 12 non-renounceable rights issue. The settlement date for the placement will be 18 September 2009. The record date for the rights issue will be 23 September 2009 and offers will be dispatched on 28 September 2009. Any shortfall under the rights issue is intended to be placed at the directors’ discretion.

Under the placement the two shareholders, Cheng Man Oy and Investaco Pty Ltd, will increase their holdings in Redflex from 3.9% to 5.7% and from 1.5% to 6.7% respectively.

According to the application:

- (a) the capital raising is unacceptable having regard to the effect it would have on control or potential control of Redflex, and any capital raising required could have been “structured differently to avert or minimise any potential control impact” and
- (b) the placement should have been offered to the shareholders referred to in the application, who have approximately equal or larger holdings, ahead of the two named above.

Silverlene submits that, prior to the announcement of the capital raising, its representative had discussed with a Redflex director possible changes to the Redflex board and the capital raising has been structured to frustrate an orderly reconstitution of the Redflex board.

Silverlene seeks interim orders including that Redflex be restrained from completing the placement or proceeding with the rights issue.

Silverlene seeks final orders including that the capital raising be subject to Redflex shareholder approval, and if not given that the placement and rights issue not be completed or proceeded with, or if the placement has been completed, that it be reversed.

A sitting Panel has not been appointed at this stage and no decision has been made as to whether to conduct proceedings. The Panel makes no comment on the merits of the application.

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