

Release to Australian Securities Exchange

Company Update

22 October 2010

On 17 August 2010, the Board of Redflex Holdings Limited ("Redflex") announced its intention to undertake a formal process to test potential third party interest in the Company following an assessment of Macquarie Group Limited's indicative, non-binding and confidential proposal of \$2.50 per share.

As a result of this formal process, the Board of Redflex has received indicative non-binding offers from a number of credible parties at prices in excess of \$2.50 per share. The Board has decided to progress discussions with a short list of parties, including the provision of further due diligence information, to determine whether a change of control offer can be secured at a price and on terms the Board would recommend.

Redflex notes however that there can be no assurance given by the Company that the discussions will result in any formal proposal being made to shareholders of the Company.

The Board will update shareholders on this matter as and when appropriate.

For further information:

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