



REDFLEX
HOLDINGS

Redflex Holdings Limited

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Release to Australian Stock Exchange

Patent Infringement Claim Withdrawn

15 October 2004. The Directors of Redflex Holdings Limited wish to advise shareholders that the Patent infringement claim by Nestor Inc of Patent 6,754,663 B1, advised to shareholders on 20 July 2004, has been voluntarily dismissed. Redflex, as advised to shareholders, maintained its position that no patent infringement occurred and the Directors are pleased that the claim has been voluntarily withdrawn validating our position that the infringement claim was without merit.

The Patent infringement claim advised to shareholders on 17 November 2003 regarding Nestor US 6,188,329 B1 Patent has not yet been resolved and remains outstanding. Redflex' position on this remaining legal action remains that the claim is without merit and should the matter proceed eventually to trial a final resolution could be expected in 8 to 12 months time. Redflex will continue to conduct its business in its current manner and has not in any way changed its plans to continue the rollout of Redflex proprietary and patented photo enforcement camera systems in the USA.

Redflex Traffic Systems Inc has contracts with 69 cities world-wide in ten countries and is the largest provider of digital red light photo enforcement services in North America, with contracts in 54 cities and towns across eleven states and has led the market in installed systems, installation rate, and market share over the past 12 months.

For further information:

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