

## Release to Australian Stock Exchange

### Status Update Union County, North Carolina

**5 June 2006**

Due to a recent court ruling related to a competitor's photo enforcement program in the City of High Point North Carolina, four cities in Union County, North Carolina have temporarily suspended their traffic photo enforcement programs. The programs, operated by Redflex Traffic Systems Inc represent 18 red light photo enforcement systems, or approximately 2.8% of the Redflex installed camera systems, and approximately 2.3% of Redflex' revenue base in the United States.

The ruling, if applied to Union County, may require payment of 90% of all fine revenue to the School Board. This would place an undue cost burden upon the cities under the current arrangements and has led to the suspension until the issue can be resolved. Further avenues of appeal remain available to the City of High Point, the subject of the ruling. Alternatively, the situation could be resolved by legislative change.

The four cities (Indian Trail, Marshville, Monroe and Stallings), in conjunction with Redflex Traffic Systems and other industry groups including the National Campaign to Stop Red Light Running, are reviewing ways to achieve a reasonable commercial outcome. The cities remain committed to the photo enforcement program due to its proven success in reducing traffic collisions and increasing traffic safety in their communities. An expeditious resumption of enforcement is expected as soon as the issues are resolved.

This ruling does not affect Redflex's other photo enforcement programs operating in North Carolina in the cities of Cary and Knightdale because of different state legislation governing these cities as opposed to High Point and Union County.

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