

Release to Australian Securities Exchange

Redflex Reactivates the First State Highway Speed Program in the United States

1 February 2007

Redflex Traffic Systems Inc, a wholly owned subsidiary of Redflex Holdings Limited, is pleased to announce the reactivation of the 101 State Highway Scottsdale, Arizona speed program.

Scottsdale, Arizona

In the first freeway speed program of its kind in the United States, Redflex worked jointly with the city of Scottsdale, Arizona to implement a pilot program beginning 22 January 2006 and ending 23 October 2006. Dr Simon Washington, PhD, Department of Civil & Environmental Engineering of Arizona State University Tempe, Arizona, worked in cooperation with the U.S. Department of Transportation Federal Highway Administration to evaluate the results of this freeway photo-enforcement trial. A combination of data sources including the Arizona Department of Public Safety, Arizona Department of Transportation (ADOT), the Arizona Highway Safety Administration, the Arizona Crash Outcome Data Evaluation System (tracking crashes and costs), and the City of Scottsdale was used to determine the following positive preliminary results (the final report is due Spring (USA) 2007):

- Average speeds were reduced by 9.4 miles per hour during the test period.
- After 23 October 2006 when the pilot period ended, detection frequency increased by 825%.
- Side swipe crashes were reduced by 57.85%.
- Injuries as a result of side swipe crashes were reduced by 70.26%.
- To illustrate the economic benefit of the program, the results from a Bayesian Analysis indicate an annual dollar savings from medical, lost wage, productivity etc. was approximately US\$10.5 million.

The Governor of Arizona, Janet Napolitano, has requested that the city of Scottsdale resume the freeway speed enforcement program until the state of Arizona completes a state-wide strategic logistics review. Governor Napolitano states in a letter dated 22 January 2007 to the Mayor of Scottsdale, Mary Manross, "After reading the results, I believe we cannot afford to keep the Scottsdale cameras off in light of their benefit to law enforcement and public safety. Let's keep them on and the current system in place, while we [the state] plan our expansion." A state-wide plan is currently under development.

At a meeting on 30 January 2007 the Scottsdale city council voted in favour of reactivating the six cameras included in the program effective, 22 February 2007. The ADOT permit has been extended to 30 June 2007.

"We have been delighted to work closely with the city of Scottsdale on this critically important public safety program pilot. We look forward to continuing that partnership as the reactivation begins. These research findings have bearing on freeway corridors across the State of Arizona and more broadly across the United States of America." said Karen Finley, CEO.

Redflex Traffic Systems Inc has contracts with over 100 USA cities, and is the largest provider of digital red light and speed enforcement services in North America.

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