

Release to Australian Securities Exchange

Redflex – Process update

14 November 2008

The Board of Redflex Holdings Limited provides the following update to shareholders on recent developments since the ASX announcement on 10 October 2008.

Since that announcement, Redflex has received further indicative proposals to acquire 100% of the Company which, in general terms, are similar to the previous non-binding proposals.

All approaches were unsolicited and the Board engaged Gresham and Baker & McKenzie to advise it on these developments. Gresham has contacted all parties and has undertaken a comprehensive review of each indicative proposal. Gresham has also conducted an initial review of Redflex's current business, its prospects in the near future and the attractiveness of its business model in the US and elsewhere, as reflected in recent contract wins and internal business plans.

The Board, on the initial advice of Gresham, considers that all current indicative proposals received are significantly below the fair value of the Company. The Board also considers that the current Redflex share price does not properly reflect the true value of the company. This advice has been conveyed to all parties who have approached the Board.

However, Redflex recognizes that all indicative proposals were based on public information only. Accordingly, it has been determined that it is in the best interests of all shareholders to offer bona fide parties who have approached the Board access to limited due diligence, subject to executing appropriate confidentiality agreements. The purpose of providing limited information is to determine if the interested parties are genuinely able to put forward a substantially improved proposal. The Board will then consider each improved proposal to determine whether to entertain further discussions with, and to permit further due diligence by, any of the interested parties.

Redflex has now entered into confidentiality agreements with multiple parties and is in the process of providing access to initial due diligence information. The Board has reserved the right to terminate discussions at any time with any or all interested parties if it considers it is in Redflex's interests to do so.

The Board re-iterates that the proposals received are indicative and highly conditional and it has not received formal offers capable of acceptance by shareholders. Additionally, there is no guarantee that any improved proposal or any formal offer for the shares in Redflex, capable of being achieved, will ultimately be made, at the indicative values or at any other higher values.

Redflex will continue to keep shareholders informed appropriately. However, it is unlikely that there will be any material developments until mid-December 2008.

For further information:

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