

Redflex – Further process update

24 December 2008

Redflex Holdings Limited provides the following update regarding the Company's evaluation of various non-binding indicative proposals received to acquire 100% of the Company.

Non-public information on the Company has been provided to parties subject to appropriate confidentiality agreements. This has included having the opportunity to meet with Redflex's Australian and US management team.

Following this initial process, revised indicative proposals have been received. These were improved in some respects but remain subject to various conditions that were originally put forward, including completion of due diligence and financing approvals.

Additional unsolicited and non-binding interest has also been received from other parties who have not participated in the process thus far. These new approaches are of a similar nature and level of conditionality to the indicative proposals that were received previously.

From all indicative proposals received, the Company has selected certain parties with whom to continue discussions over the New Year. The objective is to provide relevant information to facilitate each party being able to put forward a firm proposal within a reasonable timeframe.

As the Company remains in confidential and incomplete discussions with several parties, the Board has determined that it is not in the Company's commercial interest to provide any further details of the nature or quantum of the new or revised indicative proposals at this time. Redflex will update the market once the next phase of the process has been concluded, which is likely in February 2009.

The Board reiterates that all proposals received remain indicative and highly conditional. No formal offer has been received that is capable of consideration by the Board or acceptance by shareholders. There is also no guarantee that any formal offer for the shares in Redflex will ultimately be received or that any such offer would be considered appropriate for the Board to recommend to shareholders.

For further information:

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