

Release to Australian Securities Exchange

Redflex - Indicative Proposals Update

4 February 2009

Redflex Holdings Limited provides the following update to its 24 December 2008 announcement regarding the company's evaluation of various non-binding indicative proposals received to acquire 100% of the company.

Redflex has provided further due diligence information and management access to several parties and consequently has recently received further updated non-binding indicative proposals from some of them. Redflex has also received a new unsolicited and non-binding expression of interest from another party which has not participated in the process thus far.

The Board considers that the indicative proposals received to date, whilst continuing to be in excess of the \$3.50 per share price as previously indicated, have not substantially improved, are not compelling and do not adequately reflect the underlying value of the business.

It is important to recognise that the indicative proposals contain a number of conditions which are not capable of being met at this time which effectively includes Board support.

The Board intends to continue to engage with the interested parties regarding their further updated proposals or provide them with initial information and management access subject to confidentiality agreements to see whether there can be a substantially improved proposal the Board can put to shareholders.

The Board is confident in the value inherent in the business as the Board and management teams continue to execute the strategy that has been disclosed to the market. By way of market update, the Board expects that Redflex' number one position in the market will be maintained and that the growth in the installed base of traffic cameras will average over 25% per year for the next 5 years.

The Board is committed to continuing to substantially grow the underlying Redflex business. To that end, Redflex has increased its revolving credit facility to US\$65 million from US\$50 million previously. The facility is for the period to 30 June 2009 and is regarded as an interim increase, as a longer term facility for an increased amount is in the process of being put in place to support the continued expected growth in the business moving forward.

For further information:

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