

Release to Australian Securities Exchange

BOARD CHANGES

18 November 2009

The directors wrote to shareholders on 10 November 2009 in relation to the Notice of Meeting relating to the Annual General Meeting to be held on Thursday 19 November 2009.

Among the Notice of Meeting documents was a resolution in accordance with usual requirements to re-elect current director Mr Christopher Cooper. The documents also included proposals by Thorney Holdings Pty Ltd, Hunter Hall Investment Management Limited and Renaissance Smaller Companies Pty Ltd (the "Requisitioning Shareholders") to vote against Mr Cooper's re-election, to remove current directors Mr Peter Lewinsky and Mr Roger Sawley and to appoint three new directors Mr Robin Debernardi, Mr Ian Davis and Mr Max Findlay.

In that documentation, the Board rejected each of the proposals put forward by the Requisitioning Shareholders because at the time it considered such changes were not in the company's best interests.

The Board maintains the view that each of the existing directors still has much to offer Redflex. However, a majority of proxy votes which have been received support the proposals put forward by the Requisitioning Shareholders. Whilst it is possible that the result of the shareholders' meeting may differ from the proxy votes received, this is considered to be unlikely.

Accordingly, today the Board has now agreed to change at Board level. The Board has done so because it considers that critical to the long-term future of Redflex is harmony among the investor base. It is in the company's best interests to avoid any possible ongoing destabilisation so that all shareholders, as duly represented by the Board, are unified to continue to grow the Redflex business moving forward.

Each of Mr Cooper, Mr Lewinsky and Mr Sawley has agreed to resign as directors of Redflex and relevant subsidiaries with effect from the close of the Annual General Meeting.

Following the Annual General Meeting the new board is expected to comprise non executive directors Mr Findlay, Mr Davis, Mr Debernardi, Mr Ron Langley (continuing non executive director) together with managing director Mr Graham Davie and executive director Ms Karen Finley. Thus the Board is expected to comprise six directors.

Mr Cooper said: "Our decision has been taken in the interests of the company and its shareholders. The company's financial position and market standing during the last seven years has been massively enhanced and we are keen for that progress to be consolidated. In that regard we believe that maintaining shareholder harmony is vital for the company's future and further believe that such an outcome is made much more likely in all the circumstances by our resignations."

"The issues raised by the Requisitioning Shareholders were focused on the composition of the Board rather than the operations of the business or its staff. Redflex has an excellent market position and is very well placed to continue developing into a world class enterprise. The Board believes that Redflex's loyal customers and wonderful staff will enjoy the support of the reconstituted Board. I intend to maintain a significant financial investment in the company and maintain my support for the company."

Recognising Mr Cooper's contribution, the Board noted he has had a distinguished history with Redflex over an extended period as non-executive director from August 2002 and then from December 2002 as Chairman. Mr Cooper has overseen the substantial growth of the company over the period of his chairmanship both in terms of revenue and of profit.

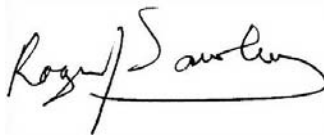
In addition to Mr Cooper, the Board acknowledges the roles performed by Mr Lewinsky and Mr Sawley as directors and thanks them for their commitment and contribution during their time as directors.

Having regard to the above and acknowledging their potential contribution, the Board has agreed that it will now support the appointment of Mr Findlay, Mr Davis and Mr Debernardi as nominated by the Requisitioning Shareholders. Mr Cooper as Chairman will vote any undirected proxies in favour of their elections.

As a result, resolution 1 is withdrawn with immediate effect and will not be put to the Annual General meeting. Resolutions 10 and 11 will not have any operative effect, and whether or not they are formally withdrawn is a matter for the Requisitioning Shareholders. The other resolutions will remain in place to be considered by shareholders with Board support.



Christopher Cooper
Chairman



Roger Sawley
Non Executive Director



Graham Davie
Chief Executive Officer



Peter Lewinsky
Non Executive Director




Ronald Langley
Non Executive Director

Karen Finley
Executive Director