

# Release to Australian Securities Exchange

## Company Update

### 17 August 2010

Further to the ASX release on 6 July 2010, the Board of Redflex Holding Limited ("Redflex"), in conjunction with its financial adviser Greenhill Caliburn, has assessed a range of potential strategic options for the business.

Based on an assessment of relevant factors, including the standalone prospects of the business, the Board has determined that Macquarie Group Limited's indicative, non-binding and confidential proposal at \$2.50 per share ("Macquarie Proposal") significantly undervalues Redflex. Furthermore, since the announcement of the Macquarie Proposal on 9 June 2010, Redflex has been contacted by a number of other third parties.

Accordingly, the Board has decided that the interests of shareholders will be best served by commencing discussions with a number of parties to determine their interest in making an acquisition proposal for Redflex on acceptable terms. A formal process, including the entry into appropriate confidentiality arrangements with interested parties, will be undertaken to determine whether a change of control offer can be secured at a price and on terms that the Board would recommend. Macquarie will be invited to participate in that process.

There is no assurance that this process will result in any formal proposal being submitted to Redflex shareholders for their consideration. However, the Board believes that Redflex has an attractive independent future and is well positioned to deliver strong growth.

The Board will update shareholders on this matter as and when appropriate.

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