

REDFLEX

*Creating safer communities
through intelligent traffic enforcement*



REDFLEX HOLDINGS LIMITED

INVESTOR BRIEFING FEBRUARY 2009



MAKING A **SAFER** WORLD

Introduction

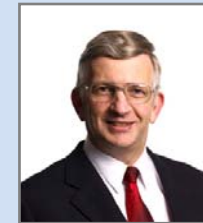
Chris Cooper

Chairman, Redflex Holdings Limited



Graham Davie

Chief Executive Officer, Redflex Holdings Limited



Karen Finley

Chief Executive Officer, Redflex Traffic Systems Inc.



Ron Johnson

Chief Financial Officer, Redflex Holdings Limited



Redflex Holdings Limited

- ASX listed in 1997
- Headquarters – South Melbourne
- Over 620 employees
- Market Cap - ~ \$280 million
- Business – Traffic Photo Enforcement and related products and services



- Record revenues
- Profitable First Half
- First state wide speed program in Arizona
- Reduction in number of cameras not generating revenue
 - Now less than 4%
- Expressions of interest received to acquire the company
- Settlement of ITP transaction
- Full year forecast unchanged at approximately 40% increase
 - Subject to AZ statewide program meeting expectation, exchange rate and any writedown which may occur

Indicative Offers Received

- Multiple Offers received to acquire 100% of the company
- Through the process some have withdrawn, others have emerged
- Current indicative proposals are at prices above \$3.50 per share
- Board advised that proposals are not compelling
- Board has advised that the current proposals remain indicative, non-binding, conditional, and not capable of acceptance by shareholders
- Currently parties are undertaking due diligence

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Financial Performance

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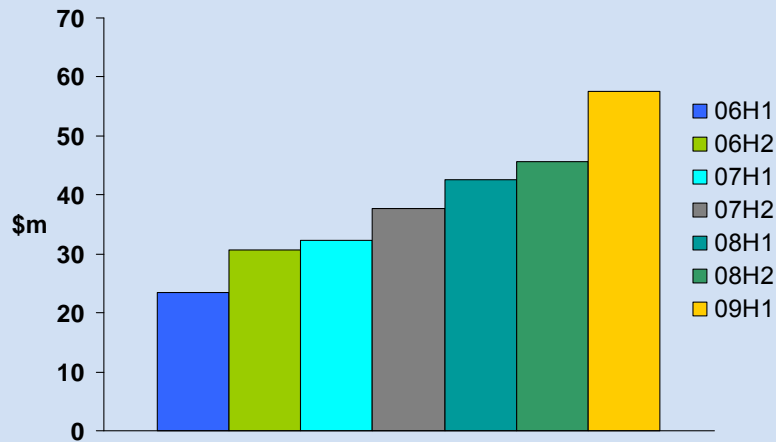


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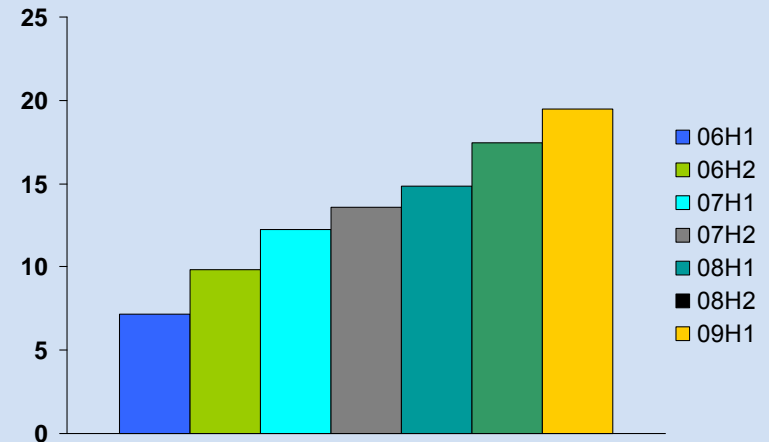
Financial Summary - FY08

- Revenue up 35% to \$57.5 million
- EBITDA up 31% to \$19.5 million

Revenue



EBITDA



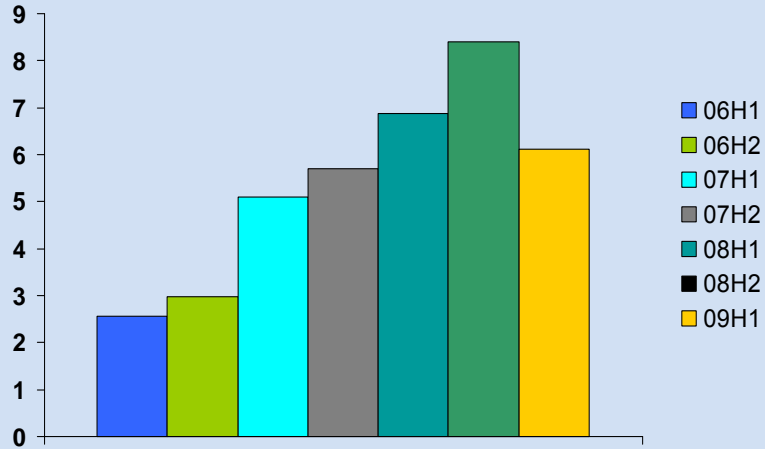
Profit Impacts

▪ Reported NPBT - \$6.1 million,	
▪ Major items affecting H1 profitability:	\$ '000
– Write-down of Knoxville and El Monte programs	1,140
– Process costs for indicative acquisition proposals	155
– Legal action to address DPS challenges and FCC compliance issues	616
– Final costs of ITP settlement and restructure costs	290
– Reduction in revenue from reduced collection rates	1,100
– Initial costs of new Business Development unit	398
– Asset retirement obligations	318
– Removal/New premises costs	365
– TOTAL IMPACT	4,382

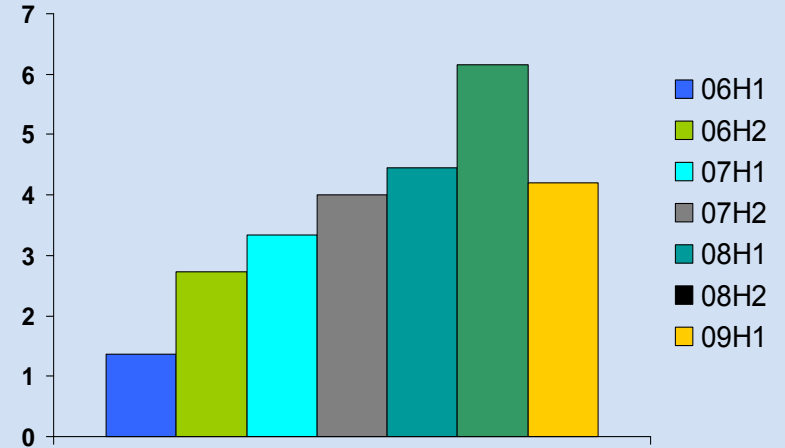
■ NPBT - \$6.1 million

■ NPAT - \$4.2 million

Net Profit Before Tax (NPBT)



Net Profit After Tax (NPAT)



Currency Effect

- Balance Sheet conversion rate at 31 December 2008 was USD/AUD 0.6907
- Balance Sheet conversion rate at 30 June 2008 was USD/AUD 0.9618
- Restatement of 30 June 2008 US\$ net assets creates a \$27.6 million upward revaluation. This is reflected within the increase in the Foreign Currency Translation Reserve
- Average exchange rate for conversion of USD denominated profits increased 10% compared to H1 FY08
- Net Tangible asset backing per share increased 44.4% to \$0.962 per share

- ITP settlement
 - A\$3.8 million
- High short term receivables at 31 Dec 08
 - Including Chicago of US\$5.4 million (A\$7.8 million equivalent)
 - Start-up of AZ statewide speed program
- High inventory levels in support of AZ state wide program
- Exchange Rate effect

Bank facilities

- Financing facility recently increased to US\$65 million
- Facility is for the period to 30 June 2009
- A larger, longer term facility is in the process of being put in place
- Current interest rates are approximately 6%
- Expect to continue CAPX funding from these facilities and operating cashflows
- Banking covenants easily met

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Redflex USA

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Meeting Participants - US

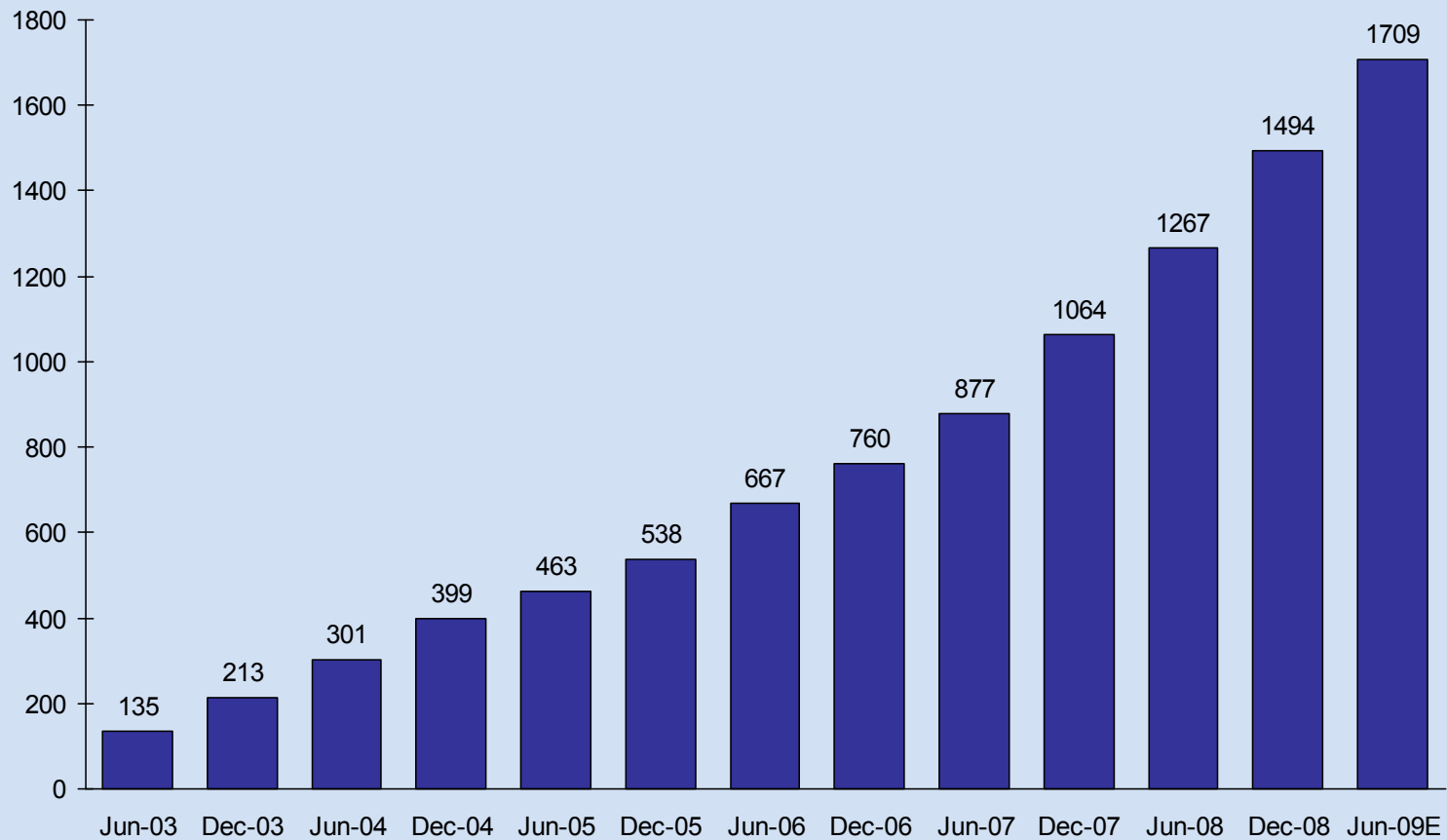
- Karen Finley, CEO
- Michael Browne, CFO
- Aaron Rosenberg, EVP
- Cris Weekes, EVP
- Rob Feiler, VP Field Services
- Jennifer Dwiggins, VP Operations
- Charlie Carpinteri, Director of Technology

Highlights - North America Business

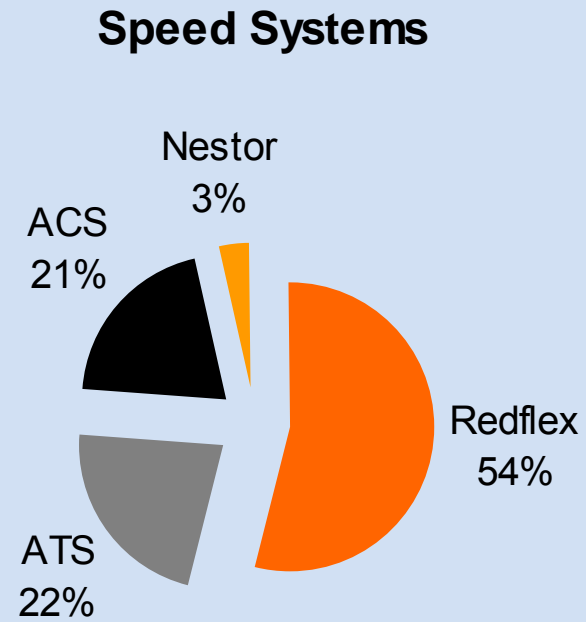
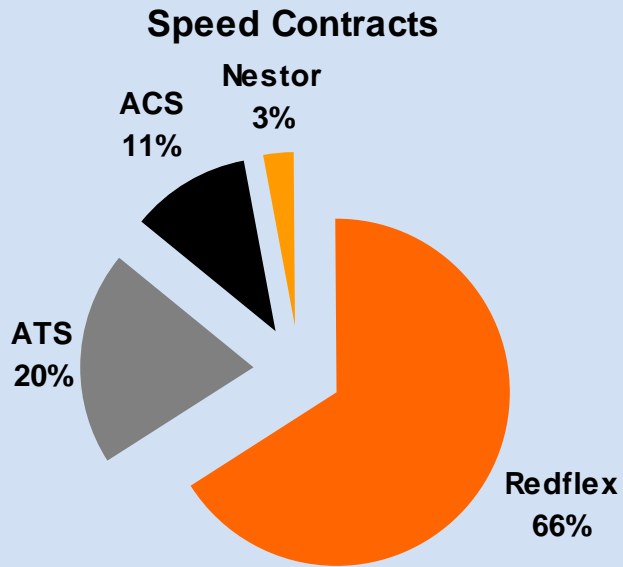
- #1 position in USA continued solidification.
 - 32 contracts versus 8 for next nearest competitor in first half FY09
 - Growth in key markets: AZ, CA, IL, OH, TN
 - New States: Virginia and Montana
- 31.4% increase in US traffic revenue
 - From US\$29.0 million to US\$38.1 million
- Strong Renewal cycle:
 - 16 renewed contracts in FY09
 - 5% price compression
- 18% increase in systems base
 - 1267 to 1494 as of 31 Dec 2008

Highlights – North American Installed Base

- On target for year end expectation of 1,709
- 5-year compound annual growth rate over 47%

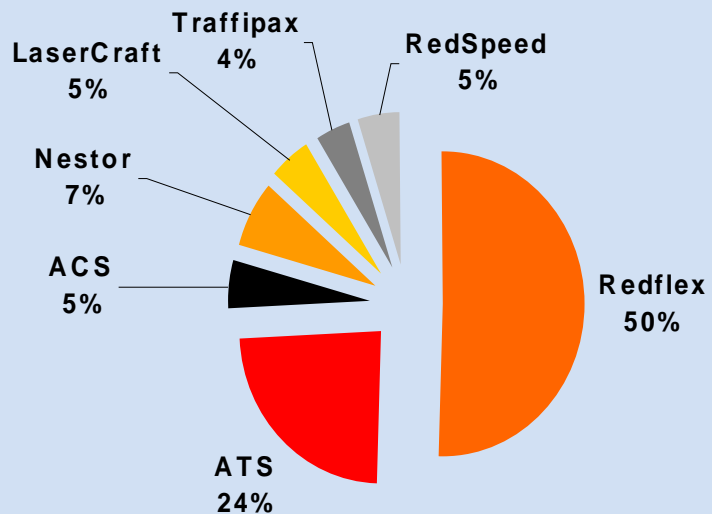


Highlights - North America Speed

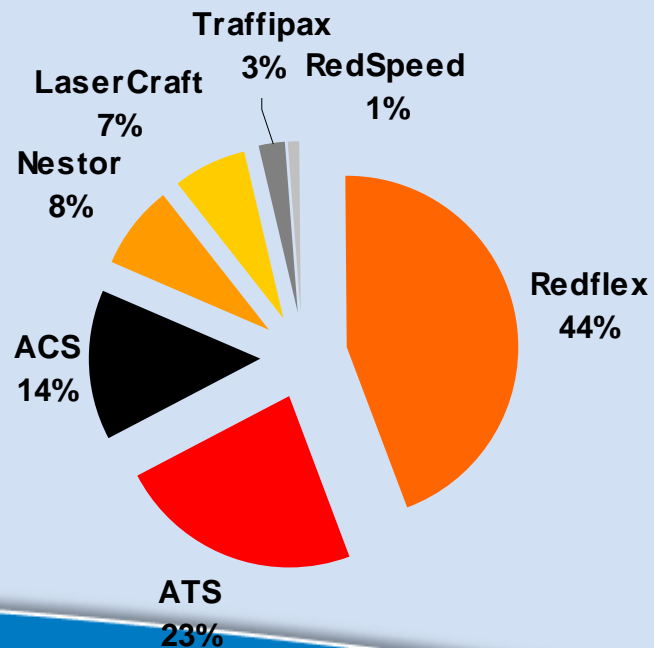


Highlights - North America Market Share

Red Light Contracts



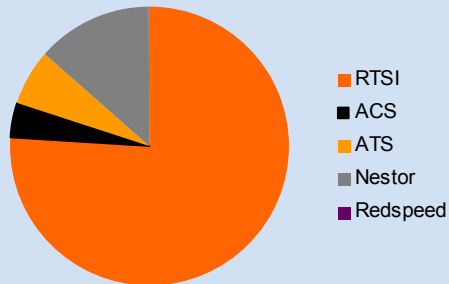
Red Light Systems



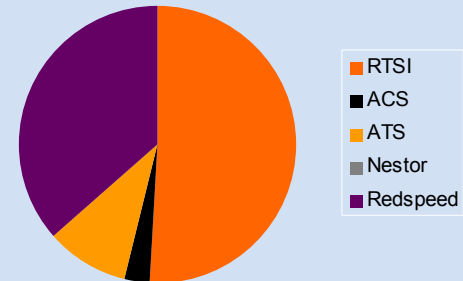
Highlights- North America- Market Share in the four key markets

- Four states account for over 50% of total current US market

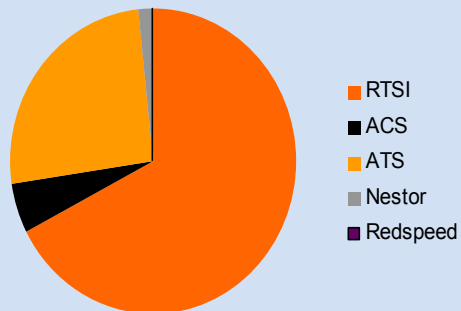
Market Share - California



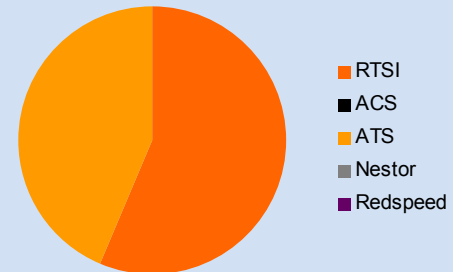
Market Share - Illinois



Market Share - Texas



Market Share - Arizona



Highlights- North America Market Place

- Focus on speed market
 - 76 cameras deployed for AZ State wide program
 - 14 contracts with a speed component signed in first half of FY09
- Launched REDFLEXplatescan
 - Automated License Plate Reader Market emergent in US
 - Research shows strong customer interest
- Iowa Supreme Court Decision positive
 - 18 systems reactivated, all contracts extended by the length of dark period
 - Dark systems have been reduced from 50 cameras to 34 which represents 2.3% of total system installs

Highlights- North America Legislative Environment

- Arizona:
 - Multiple bills pending to address state speed program. The prior legislation enabling the state freeway program will likely be reformed to include more specificity over the operational elements of the program.

- Indiana:
 - REDFLEX has taken an active role in educating law makers on the safety benefits of automated enforcement. If HB 1589 (which passed out of committee 1-29-09) passes IN would be enabled for the first time.

- Minnesota:
 - As a result of the Supreme Court decision and the Justices ruling that a legislative resolution would be required, efforts are underway to enable an owner onus statute.

- Florida:
 - HB 439 has been reintroduced for the second year.

- New Mexico:
 - Both the House and the Senate have bills pending to refine the fine distribution statutes. Last session a bill was passed into law providing the state all excess revenue to be channeled to DUI prevention.

Highlights- North America Technology

- High Resolution Monochrome Digital Still Imagery
 - Reduce the level of strobe required for freeway speed enforcement while improving image quality
- Remote Adjudication processing
 - Increased productivity of operations work force
- SMARTscene live Enhanced Streaming video capability
 - Allows streaming video to be transmitted over cellular networks
 - GPS component for remote management
- REDFLEXspeed tripod
 - Allows greater flexibility with mobile speed application

Highlights- North America Operations

- 59.3% more citations processed in H1 FY09 v H1 FY08
- US continues to develop supply chain improvements
 - Global sourcing
 - Reduction in freight and handling costs



Highlights- North America Field Services

- Installation support for AZ State program
 - 40 incremental speed vans in addition to the 2 pilot vehicles
 - 8 vehicles per week
 - 36 fixed systems requiring freeway closures accomplished with minimal disruption to Arizona traffic through put



Highlights- North America- New Head Quarters



- Greater efficiency in operational layout
- Space allows for future growth within corporate park
- Location identified as strong employee pool closer to location versus prior building
- Enhanced infrastructure for protection of data
- Lower cost per square foot than previous location
- US Staff at 488 at 31 December of which ~300 are in Arizona

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Redflex Australia/International
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Australian/International Highlights

- Winner of the Large Advanced Manufacturer category in the Governor of Victoria Export Awards
- R&D delivering new products and software systems
- First sales of our new mobile radar camera system
- Continued growth in our installed base throughout Australia
- Northern Territory outsourced back office
- Expansion in the Middle East
- Selection in a consortium to provide outsourced services in Ireland.



Australian Successes

- South Australia
 - Next generation of Redflex Mobile Radar Enforcement Cameras
 - Red-light camera program in South Australia also continues to grow
- New South Wales
 - Fixed Speed Cameras
 - Bus Lane Enforcement Cameras throughout the State
 - New Noise Enforcement Camera System to detect whether trucks are adhering to the national engine brake noise standard.
- Northern Territory
 - Enforcement camera program is operating extremely well
 - Remaining red-light cameras under contract are expected to be installed this year
 - Delivered mobile laser camera systems for use by the Northern Territory Police.
- Victoria
 - Continued support for the Victorian Government Speed and Red-light Camera program.
 - Railway Crossing Enforcement Camera Trials are still underway at 3 sites
- Western Australia
 - Providing red-light cameras to the Western Australia Police
 - Back office Processing System is operating effectively in the Traffic Operations Centre

International Successes

- New Zealand Police –
 - Next generation mobile radar speed camera
 - Highly competitive environment
- Qatar
 - Phase 2 of the red-light camera program has commenced
- Saudi Arabia - continuing to develop opportunities with our partner Al-Afandi.
- United Kingdom – Contract with Suffolk Safety Camera Partnership
 - Mobile Lasercams, Speed and Red-Light Camera systems
- China - MOU with ChinaTel for the joint development of the market
 - Leveraging ChinaTel installations of their wireless broadband network.
 - Redflex is also working in China with AEE Wireless Technology Co. LTD, a leading provider of wireless security systems based in Shenzhen.
- Growing distributor network

Research And Development

- Continuing investment in R&D – ~ 3.5% of revenue
- R&D teams are established in both the USA and Australia
- New mobile radar camera system
 - Successfully deployed in the Arizona state-wide project, South Australia and New Zealand.
- Lasercam product
 - Tested by the Netherlands authority (NMI)
 - Nearing approval by the UK Home Office
- New Noise Enforcement Camera System
 - Deployed in New South Wales.
- Over-height and Weigh-in-motion capability provided for the Bordercam system
- New mobile flash developed for mobile radar and laser systems

Group Outlook for FY09

- Retain #1 position globally, driven by US operations
- Forecast remains for approx 40% growth in pre-tax profit
 - Subject to exchange rate, and AZ state wide program meeting expectations
- 5 year expectation - over 25% per year average growth in installed base
- Speed enforcement should increase in focus and proportion of portfolio
- Expect ongoing legal and legislative challenges in US
 - Ongoing management involvement
- Continue to grow Australian/International Business
 - Focus on outsourced Build Own Operate opportunities
 - Opportunities in Europe expected to increase
- Financing arrangements will be established for longer term growth

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