Update on Proposal from The Carlyle Group and Macquarie

7 March 2011

Further to the announcement released on 21 February 2011, Redflex is pleased to provide the following update on the status of the conditions to the Consortium's proposal. The full terms of those conditions are set out in the attachment to the 21 February 2011 announcement.

1. The Consortium has advised Redflex that condition (l), being the 'financial statements confirmation' condition, is satisfied.

2. In relation to condition (n), Redflex confirms that the Audit Working Papers have been provided to the Consortium.

Redflex is currently preparing the Explanatory Booklet to be sent to shareholders in April. This will provide further details of the Consortium's proposal, including the reasons for the directors' unanimous recommendation that shareholders vote in favour of that proposal in the absence of a superior proposal and subject to the opinion of the independent expert.

Redflex will continue to update shareholders as appropriate on the status and timing of the Consortium's proposal.

For further information:

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