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CORPORATE FINANCE



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Washington, DC

29 March 2005

Office of International Corporate Finance  
Division of Corporate Finance  
Securities and Exchange Commission  
Judiciary Plaza  
450 Fifth Street, N.W.  
Washington, D.C. 20549

VIA DHL

SUPPL

Re: Redflex Holdings Limited: Rule 12g3-2(b) Exemption File No. 82-34862

Ladies and Gentlemen:

Pursuant to Rule 12g3-2(b)(1)(iii) and on behalf of Redflex Holdings Limited (the "Company"), enclosed are the documents described on Schedule I hereto for your attention.

These documents supplement the information previously provided with respect to the Company's request for exemption under Rule 12g3-2(b), which was established on February 24, 2005.

This information is being furnished with the understanding that such information and documents will not be deemed "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Company is subject to the Exchange Act.

Please do not hesitate to contact the undersigned by telephone at 011-65-6434-2555 or by facsimile at 011-65-6337-5100 in Singapore if you have any questions.

Please acknowledge receipt of this letter and the enclosed materials by date stamping the enclosed receipt copy of this letter and returning it in the pre-addressed envelope also enclosed herewith.

Very truly yours,

*Karen M. Mower*

Karen M. Mower

(Enclosures)

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*lle*  
3/31

c.c. Graham Davie, Redflex Holdings Limited

KEN CHIA\*  
PAUL S. ELLIOTT  
JAMES HUANG\*  
KOH KOK WAH\*  
ASHOK K. LALWANI  
ANDY LECK\*  
EDMUND LEOW\*  
ANGELA LIM\*  
ANDREW MARTIN  
MICHAEL M. McNEILL

TAN CHUAN THYE\*  
WONG AI AI\*  
WONG KIEN KEONG\*  
BOO BEE CHUN\*  
DANIEL CHIA\*  
CHEW CHIN\*  
RACHEL CHONG\*  
JOHN CHOONG\*  
CHOW LI SHI\*

FELICIA CHUA\*  
CLAIRE COLLINS  
DINESH DHILLON\*  
JANICE GAN\*  
DAWN HO\*  
KHOO LI HUI\*  
KOH KEW YONG\*  
GENE KWEEK\*  
DAVID LEE  
KAREN LIM\*

ADRIAN LOKE\*  
NICOLE MA  
KAREN MOWER  
GERALD NG\*  
KELVIN POA\*  
QUAK FI LING\*  
YVONNE QUEK\*  
TAN SHU FERN\*  
LORRAINE TAY\*  
TERENCE TAY\*

DHARSHI WIJETUNGA  
RHEINNY WIRAATMADJA  
WONG KEE FONG\*  
YEO JIH-SHAN\*

\*practising with Wong & Leow LLC,  
Singapore advocates & solicitors

**Schedule I**

Documents made public since the last submission on February 14, 2005:

<b><u>Tab</u></b>	<b><u>Date</u></b>	<b><u>Item</u></b>	<b><u>Description</u></b>
1.	March 22, 2005	Company Announcement	New Contract - Minneapolis
2.	March 18, 2005	Appendix 3B - New Issue Announcement, Application for Quotation of Additional Securities and Agreement	Shares issued pursuant to the Redflex Executive Share Plan approved by shareholders in general meeting November 30, 2001
		Appendix 3Y - Change of Director's Interest Notice	Graham W Davie
3.	March 10, 2005	Company Announcement	New Contract - Union City California
4.	March 9, 2005	Form 604 - Notice of Change of Interests of Substantial Holder	Renaissance Smaller Companies Pty Ltd
5.	March 4, 2005	Form 603 - Notice of Initial Substantial Holder	National Australia Bank Limited Group
6.	March 4, 2005	Company Presentation	Presentation on Redflex Business Developments
7.	March 4, 2005	Form 604 - Notice of Change of Interests of Substantial Holder	JPMorgan Chase & Co. and its affiliates
8.	March 2, 2005	Company Presentation	Melbourne Presentation
		Appendix 3B - New Issue Announcement, Application for Quotation of Additional Securities and Agreement	Shares issued on the exercise of unlisted employee options
9.	February 21, 2005	Half Yearly Report	For Half-Year Ended December 31, 2004



**REDFLEX**  
HOLDINGS

**Redflex Holdings Limited**

ACN 069 306 216

31 Market Street, South Melbourne, Victoria, Australia 3205  
Tel: +61 3 9674 1888 Fax: +61 3 9699 3566 www.redflex.com.au

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## **Release to Australian Stock Exchange**

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### **New Contract - Minneapolis**

**22 March 2005:** The directors are pleased to announce that Redflex Traffic Systems Inc, a company of the Redflex Group, has been awarded a new USA build-own-operate-maintain contract to improve public safety with a photo enforcement program in the City of Minneapolis in the State of Minnesota. Minneapolis has a population of 375,000 and is a twin city with St Paul with a combined population of over 660,000.

Under the contract executed Redflex will deliver a red light photo enforcement program for up to 16 intersections over five years with two options for one year extensions. The City has the right to include an additional 30 intersections based upon program effectiveness in meeting city specified program goals over the term of the contract.

Bruce Higgins President and CEO of Redflex Traffic Systems in commenting on the programs said "The award of the red light enforcement pilot program with the City of Minneapolis is an important step in bringing our public safety program to the State of Minnesota and marks our 12<sup>th</sup> State under contract within the USA and our 75<sup>th</sup> city relationship world wide. The State of Minnesota has a population of 4,387,000. The City of Minneapolis has approximately 14,000 traffic accidents a year, 3,100 accident-related injuries and 17-18 deaths per year. Accidents that result from cars running red lights are particularly dangerous because they are side collisions, wherein drivers and passengers have less protection. The Redflex system is proven to improve driver behaviour. Redflex will work closely with the city to deliver a photo enforcement solution in 16 intersections initially, with installations beginning in April, May and June. Redflex competed in a selection process against five other potential vendors, four USA based and one Australian company."

Redflex Traffic Systems Inc has contracts with 75 cities world-wide in ten countries and is the largest provider of digital red light photo enforcement services in North America. With contracts in 60 cities and towns across twelve states, Redflex has led the market in installed systems, installation rate, and market share over the past 12 months.

For further information:

Graham Davie  
Chief Executive Officer  
graham.davie@redflex.com.au  
(03) 9674 1888

Bruce Higgins  
President and CEO  
bruceh@redflex.com  
0011-1-480-9987478

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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# Appendix 3B

ASX SECURITIES  
CORPORATION

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

REDFLEX HOLDINGS LIMITED

ABN

96 069 306 216

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                            |
|---|--|----------------------------|
| 1 | *Class of *securities issued or to be issued   | Fully paid ordinary shares |
| 2 | Number of *securities issued or to be issued (if known) or maximum number which may be issued  | 77,615                     |
| 3 | Principal terms of the *securities (eg, if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.



<p>4 Do the *securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>o the date from which they do</li> <li>o the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>e the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>														
<p>5 Issue price or consideration</p>	<p>Nil</p>														
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares issued pursuant to the Redflex Executive Share Plan approved by shareholders in general meeting 30 November 2001.</p>														
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>17 March 2005</p>														
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="678 842 829 884">Number</th> <th data-bbox="829 842 1289 884">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 884 829 1024">85,390,045</td> <td data-bbox="829 884 1289 1024">Ordinary Shares (RDF)</td> </tr> </tbody> </table>	Number	+Class	85,390,045	Ordinary Shares (RDF)										
Number	+Class														
85,390,045	Ordinary Shares (RDF)														
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="678 1045 829 1087">Number</th> <th data-bbox="829 1045 1289 1087">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 1087 829 1129">5</td> <td data-bbox="829 1087 1289 1129">Employee Shares fully paid (RDFAI)</td> </tr> <tr> <td data-bbox="678 1129 829 1192">60,000</td> <td data-bbox="829 1129 1289 1192">Options expiring 20/5/06 exercisable at \$1.52 (RDFAO)</td> </tr> <tr> <td data-bbox="678 1192 829 1255">500,000</td> <td data-bbox="829 1192 1289 1255">Options expiring 30/6/05 exercisable at \$4.98 (RDFAQ)</td> </tr> <tr> <td data-bbox="678 1255 829 1318">1,500,000</td> <td data-bbox="829 1255 1289 1318">Options expiring 01/02/08, exercisable at \$0.50 (RDFAR)</td> </tr> <tr> <td data-bbox="678 1318 829 1423">2,200,000</td> <td data-bbox="829 1318 1289 1423">Options expiring 30/09/08, exercise price at date of issue is \$0.58 and this increases at the compounding rate of 3% per annum until exercise (RDFAS)</td> </tr> <tr> <td data-bbox="678 1423 829 1717">1,348,000</td> <td data-bbox="829 1423 1289 1717">Options expiring 2/6/2009, exercise price is the VWA price of RDF for the last five business days prior to 2 June 2004 (\$2.06), adjusted by the movement in the ASX All Ordinaries Index calculated as a percentage from 2 June 2004 being the grant date, to the last business day of the month prior to the date of exercise. (RDFAT)</td> </tr> </tbody> </table>	Number	+Class	5	Employee Shares fully paid (RDFAI)	60,000	Options expiring 20/5/06 exercisable at \$1.52 (RDFAO)	500,000	Options expiring 30/6/05 exercisable at \$4.98 (RDFAQ)	1,500,000	Options expiring 01/02/08, exercisable at \$0.50 (RDFAR)	2,200,000	Options expiring 30/09/08, exercise price at date of issue is \$0.58 and this increases at the compounding rate of 3% per annum until exercise (RDFAS)	1,348,000	Options expiring 2/6/2009, exercise price is the VWA price of RDF for the last five business days prior to 2 June 2004 (\$2.06), adjusted by the movement in the ASX All Ordinaries Index calculated as a percentage from 2 June 2004 being the grant date, to the last business day of the month prior to the date of exercise. (RDFAT)
Number	+Class														
5	Employee Shares fully paid (RDFAI)														
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1,348,000	Options expiring 2/6/2009, exercise price is the VWA price of RDF for the last five business days prior to 2 June 2004 (\$2.06), adjusted by the movement in the ASX All Ordinaries Index calculated as a percentage from 2 June 2004 being the grant date, to the last business day of the month prior to the date of exercise. (RDFAT)														
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>															

## Part 2 - Bonus issue or pro rata issue – Not applicable

11	Is security holder approval required?	not applicable
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the <sup>+</sup> securities will be offered	
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	
15	<sup>+</sup> Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders	
25	If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	

<sup>+</sup> See chapter 19 for defined terms.

29	Date rights trading will end (if applicable)	
30	How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	
31	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	
33	<sup>+</sup> Despatch date	

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  77,615 Ordinary Shares

(b)  All other securities

Example: restricted securities at the end of the eserowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities - Not applicable

*Tick to indicate you are providing the information or documents*

35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over

37  A copy of any trust deed for the additional <sup>+</sup>securities

#### Entities that have ticked box 34(b)

38 Number of securities for which <sup>+</sup>quotation is sought

39 Class of <sup>+</sup>securities for which quotation is sought

--

40 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?

If the additional securities do not rank equally, please state:

- o the date from which they do
- o the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- o the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

--

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

--

	Number	<sup>+</sup> Class
42	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the securities in clause 38)	

---

<sup>+</sup> See chapter 19 for defined terms.

## Quotation agreement

- 1      <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
  
- 2      We warrant the following to ASX.
  - The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
  - An offer of the <sup>+</sup>securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the <sup>+</sup>securities to be quoted, it has been provided at the time that we request that the <sup>+</sup>securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  
- 3      We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4      We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before <sup>+</sup>quotation of the <sup>+</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Marilyn Stephens  
18 March 2005

=====

# Appendix 3Y

## Change of Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b>	<b>REFLEX HOLDINGS LIMITED</b>
<b>ABN</b>	<b>96 069 306 216</b>

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	GRAHAM W DAVIE
<b>Date of last notice</b>	8 December 2004
<b>Date of this notice</b>	18 March 2005

**Part 1 - Change of director's relevant interests in securities**

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

<b>Direct or indirect interest</b>	Direct and Indirect
<b>Nature of indirect interest (including registered holder)</b> Note: Provide details of the circumstances giving rise to the relevant interest.	related party
<b>Date of change</b>	17 March 2005
<b>No. of securities held prior to change</b>	<u>As the registered holder</u> 971,922 Ordinary Shares (RDF)  <u>As not the registered holder</u> 117,764 Ordinary Shares (RDF)
<b>Class</b>	RDF
<b>Number acquired</b>	77,615
<b>Number disposed</b>	
<b>Value/Consideration</b> Note: If consideration is non-cash, provide details and estimated valuation	Nil
<b>No. of securities held after change</b>	<u>As the registered holder</u> 1,049,537 Ordinary Shares (RDF)  <u>As not the registered holder</u> 117,764 Ordinary Shares (RDF)

+ See chapter 19 for defined terms.

**Appendix 3Y**  
**Change of Director's Interest Notice**

<p><b>Nature of change</b>          Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p>	<p>Shares issued pursuant to the Redflex Executive Share Plan approved by shareholders in general meeting on 30 November 2001.</p>
--	--

**Part 2 – Change of director's interests in contracts**

<p><b>Detail of contract</b></p>	<p>No change</p>
<p><b>Nature of interest</b></p>	
<p><b>Name of registered holder (if issued securities)</b></p>	
<p><b>Date of change</b></p>	
<p><b>No. and class of securities to which interest related prior to change</b>          Note: Details are only required for a contract in relation to which the interest has changed</p>	
<p><b>Interest acquired</b></p>	
<p><b>Interest disposed</b></p>	
<p><b>Value/Consideration</b>          Note: If consideration is non-cash, provide details and an estimated valuation</p>	
<p><b>Interest after change</b></p>	

+ See chapter 19 for defined terms.



**REDFLEX**  
HOLDINGS

**Redflex Holdings Limited**

ACN 069 306 216

31 Market Street, South Melbourne, Victoria, Australia 3205  
Tel: +61 3 9674 1888 Fax: +61 3 9699 3566 www.redflex.com.au

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## **Release to Australian Stock Exchange**

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### **New Contract - Union City California**

**10 March 2005:** The directors are pleased to announce that Redflex Traffic Systems Inc, a company of the Redflex Group, has been awarded a new USA build-own-operate-maintain contract to improve public safety with a photo enforcement program in Union City in the State of California. Union City has a population of 69,000 and is located in the south east bay area of San Francisco.

Redflex will deliver a red light enforcement program for Union City close by Redflex's existing program in the City of Fremont. The contract is for up to 20 approaches for five years with two options for two year extensions. Redflex will be paid a fee of US\$6,070 per month per approach installed.

Redflex Traffic Systems Inc has contracts with 74 cities world-wide in ten countries and is the largest provider of digital red light photo enforcement services in North America. With contracts in 59 cities and towns across eleven states, Redflex has led the market in installed systems, installation rate, and market share over the past 12 months.

For further information:

Graham Davie  
Chief Executive Officer  
graham.davie@redflex.com.au  
(03) 9674 1888

Bruce Higgins  
President and CEO  
bruceh@redflex.com  
0011-1-480-9987478



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### Form 604

Corporations Law

Section 671B

## Notice of change of interests of substantial holder

To Company Name/Scheme Redflex Holdings Limited

ACN/ARSN \_\_\_\_\_

### 1. Details of substantial holder (1)

Name Renaissance Smaller Companies Pty Ltd

ACN/ARSN (if applicable) 103 874 102

There was a change in the interests of the substantial holder on 03/03/05

The previous notice was given to the company on 20/12/04

The previous notice was dated 16/12/04

### 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
FPO	4,270,988	5.02%*	5,216,922	6.12%*

\*BASED ON ISSUED CAPITAL OF 85,312,436 SHARES

### 3. Changes in relevant interests

Particulars of each change in, or change in the nature of a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
03/03/05	Renaissance Smaller Companies Pty Ltd	Acquisition of 81,038 shares	(\$299,710)	81,038 FPO	81,038

### 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
See Schedule 1					

5. Changes in association

The persons who have become associates (2) or ceased to be associates of or have changed the nature of their association (9) with the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not Applicable	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Renaissance Smaller Companies Pty Ltd	Level 18, 33 Bligh Street, Sydney NSW 2000

Signature

print name David Fleming

capacity Director

sign here

date 9 / 3 / 05

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of 'associate' in section 9 of the *Corporations Law*.
- (3) See the definition of 'relevant interest' in sections 608 and 671B(7) of the *Corporations Law*.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of 'relevant agreement' in section 9 of the *Corporations Law*.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write 'unknown'.
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.



**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
MLC Investments Limited ACN 002 641 661	Is a related body corporate of National Australia Bank Limited

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
MLC Investments Limited	Level 4 105-153 Miller Street NORTH SYDNEY NSW 2060
National Australia Bank Limited	Level 24 500 Bourke Street MELBOURNE VIC 3000
Westpac Custodian Nominees Limited	Level 9 50 Pitt Street SYDNEY NSW 2000

**Signature**

print name

Susan Elizabeth Crook

Capacity

**Associate Company Secretary  
for and on behalf of National Australia  
Bank Limited**

signature

date / /

## ANNEXURE A

This is Annexure A of three pages referred to  
in the Form 603 Notice of initial substantial holder signed by me and dated

**SE Crook**  
Associate Company Secretary

### National Australia Bank Limited Group

#### (a) National Equities Limited

National Australia Group (NZ) Limited

BNZ International Australia Limited  
BNZ Securities Australia Limited  
Partown Pty Limited

Bank of New Zealand Limited  
BNZ Corporation Limited  
Interchange and Settlement Limited (12.6%)  
Quill Financing Limited (76%)  
Peterel Financing Limited  
BNZ Capital Guaranteed Growth Fund Limited  
Loyalty New Zealand Limited (25%)  
Mondex New Zealand Limited (20%)  
Visa New Zealand Limited (23%)  
BNZ Funding Limited  
BNZ International (Hong Kong) Limited

BNZ Investments Limited  
BNZ Equipment Limited  
BNZ International Limited  
Amber Liquid Investments Limited  
BNZI Securities (No 1) Limited  
BNZI Securities (No 2) Limited  
BNZ Property Investments Limited  
BNZ Branch Properties Limited  
BNZ Properties (Auckland) Limited  
BNZ Properties Limited  
Flamingo Holdings Incorporated  
Maroro Leasing Limited  
New Zealand Card Services Limited  
Screen Holdings No. 2 Limited  
Screen Holdings No. 3 Limited  
Screen Holdings No. 4 Limited  
Screen Holdings No. 5 Limited  
Screen Holdings No. 6 Limited

Custom Fleet (NZ) Limited  
BNZ Fleet Limited  
Custom Service Leasing (New Zealand) Limited  
Custom Fleet Leasing (NZ) Ltd  
Fleetlease (New Zealand) Limited  
National Australia Limited (In Liquidation)  
Electronic Transaction Services Ltd. (25%)

National Americas Investment, Inc.  
MSRA Holdings, Inc.  
National Americas Capital Investment LLC

National Australia Capital Markets, LLC

National Australia Bank Capital LLC

National Australia Funding (Delaware) Inc

National Mortgage Securities Inc

NAB Gold LLC

NAB Iron LLC

National Capital Holdings I LLC

#### (b) National Wealth Management Holdings Limited

ACN 094 484 625 Ltd  
National Australia Management Services Ltd. (In Liquidation)  
National Wealth Management Services Ltd  
MLC Asia Ltd

National Australia Financial Management Limited  
MLC Corporate Services Asia Pte Limited  
PT MLC Investment Indonesia Ltd  
National Corporate Investment Services Limited  
MLC Funds Management Limited (In Liquidation)  
GWM Adviser Services Limited  
Godfrey Pembroke Limited  
National Asset Management Limited  
NAM NT Rail Pty Limited  
National Australia Financial Planning Pty Limited (In Liquidation)  
National Australia Superannuation Pty. Ltd.  
NAFM Investments Pty. Ltd.  
JANA Investment Advisers Pty Limited  
Superannuation for Australian Corporate Employees Pty Ltd (In Liquidation)  
Wealth Management & Community Fund Pty Ltd (Not yet established)

MLC Holdings Limited  
Your Prosperity Limited  
MLC Investments Limited  
MLC Computer Pty Limited (in Liquidation)  
Apogee Financial Planning Limited  
Australian Eagle Life Ltd (In Liquidation)

MLC Limited  
ThreeSixty Limited  
Godfrey Pembroke Financial Services Limited (in Liquidation)  
Heritage Management Limited (In Liquidation)  
Plum Financial Services Limited  
PLUMFS Limited (In Liquidation)  
PFS Nominees Pty Ltd  
FlexiPlan Australia Limited (In Liquidation)  
Medfin Australia Pty Limited  
MLC Properties Pty Limited  
MLC Nominees Pty Ltd  
Messenia Pty Limited (In Liquidation)  
Fortuitous Assets Ltd  
Sophisticated Assets Ltd  
Eight Star Group Ltd  
Stable Markets Holdings Ltd  
HKMLC Insurance Holdings Ltd (55%)  
MLC (Hong Kong) Ltd  
MLC Trustees (Hong Kong) Ltd  
Hong Kong Wealth Management Ltd  
SMMR (Thailand) Co. Ltd (49%)  
Tun Charoen Ltd (51%)  
PT MLC Life Indonesia (50%)

MLC Lifetime Company Limited  
CFG Nominees Pty Ltd (In liquidation)  
Capita Properties Pty Ltd  
Tropical Breeze, Inc (In liquidation)  
Cameron Close Pty Ltd (In Liquidation)

National Wealth Management International Holdings Limited  
National Wealth Management Europe Holdings Limited

National Europe Holdings (Wealth Management) Limited  
 National Wealth Management Europe Services Limited  
 National Australia Insurance Services Limited  
 MLC Savings Limited  
 MLC Management Ltd  
 Clydesdale Bank Insurance Brokers Limited  
 Northern Bank Insurance Services Ltd.  
 Yorkshire Bank Financial Services Limited  
 Wealth Management Mauritius Holdings Limited  
 PT Telur Emas Perkasa  
 PT Indonesia Emas Perkasa  
 PT Telur Emas Indonesia  
 National Wealth Management New Zealand Holdings Limited  
 BNZ Investment Management Limited  
 BNZ Life Insurance Limited  
 BNZ Nominees Limited

**(c) National Australia Group Europe Limited**

PMJI Inc  
 National Americas Holdings Ltd  
 National Australia Group Europe Investments Ltd  
 National Australia Group Europe PHC Limited  
 National Australia Group Europe Finance B.V.  
 National Australia UK Pension Trustee Ltd  
 Amber Liquid (UK) Investments Limited  
 National Australia Group SSP Trustee Ltd  
 National Australia Finance (Commercial Leasing) Limited  
 National Australia Finance (Equipment Leasing) Limited  
 National Australia Finance (Industrial Leasing) Limited  
 National Australia Finance (Leasing) Limited  
 The Deep in Hull Limited  
 NAGEO B.V.  
 Angara Company Limited  
 Ariodante Limited  
 PFA Limited

National Europe Holdings Limited  
 National Australia Group Europe Services Ltd

National Europe Holdings (Ireland) Limited  
 Northern Bank Limited  
 Northern Asset Finance Ltd.  
 Northern Bank Industrial Leasing Ltd.  
 Northern Bank Nominees Ltd.  
 Northern Bank Pension Trust Ltd.  
 Causeway Credit Ltd.  
 Northern Bank Commercial Leasing Ltd.  
 Northern Bank Equipment Leasing Ltd  
 Northern Bank Development Corporation Ltd.  
 Nordev Properties Ltd.  
 Project Development (Balmoral) Ltd.  
 Northern Bank (I.O.M.) Ltd  
 Northern Bank Trust Company (I.O.M.) Ltd.  
 NAM Nominees Limited  
 Northern Bank Executor & Trustee Co. Ltd.  
 Northern Bank Factors Ltd.  
 Northern Bank Financial Services Ltd.  
 Mora Property Development Co Limited (20% NBL)  
 Kensington Hotel (Belfast) Limited (20% NBL)

National Irish Bank Limited  
 Forward Trust (Ireland) Ltd.  
 National Australia Group SSP (ROI) Trustee Ltd  
 National Irish Bank Financial Services Ltd.  
 National Irish Bank Nominees Ltd.  
 National Irish Bank Pensions Ltd.  
 National Irish Investment Bank Ltd.  
 Norfin Investments Ltd.  
 National Europe Holdings (GB) Limited  
 National Australia Bank (GB) Limited

National Europe Holdings (GB) Ltd

Clydesdale Bank PLC  
 CB House Purchase Limited  
 National Australia Group CIF Trustee Ltd  
 CB Nominees Limited  
 CB Shelfco No. 1 Limited (In liquidation)  
 CB Trustee Nominees Limited  
 Clydesdale Bank Custodian Nominees Limited  
 Clydesdale Bank Asset Finance Limited

Clydesdale Bank Pension Trustee Limited  
 Clydesdale European Finance Limited  
 CGF No. 3 Limited  
 CGF No. 6 Limited  
 CGF No. 9 Limited  
 CGF No. 12 Limited  
 Clydesdale Bank (Head Office) Nominees Ltd  
 Clydesdale Bank (London) Nominees Limited  
 Clydesdale Bank (Piccadilly) Nominees Limited  
 North of Scotland Bank (London) Limited  
 Warren Collections Limited  
 Clydesdale Trustee & Custodial Services (Ireland) Ltd (In liquidation)  
 Clydesdale Corporate Investment Services (Ireland) Ltd (In liquidation)  
 Clydesdale Ireland Securities Nominees Limited (In liquidation)  
 Yorkshire Bank PLC  
 Yorkshire Bank Retail Services Ltd.  
 Fairhalsen Collections Ltd.  
 Storecard Ltd.  
 Eden Vehicle Rentals Ltd.  
 Yorkshire Bank Finance Ltd.  
 Yorkshire International Finance B.V.  
 Northern and General Finance Ltd.  
 Yorkshire Bank Equipment Leasing Ltd.  
 Yorkshire Bank Commercial Leasing Ltd  
 Allerton House Properties Limited  
 YB Lease Ltd.  
 Yorlease Ltd  
 Yorkshire Bank Home Loans Ltd.  
 Yorkshire Bank Investments Ltd.  
 Yorkshire BIHK Limited  
 Yorkshire Bank Financial Services Ltd  
 Yorbank Nominees Ltd.  
 Yorkshire Bank Nominees Ltd.  
 Brunswick Collection Services Ltd 1  
 YB Trust Company Ltd.  
 North British Finance Group Ltd.  
 MSRA UK Limited  
 North British Motor Finance Ltd  
 North British Finance Ltd  
 EVR Limited  
 Custom Fleet Limited

National Australia Group Services Limited

Custom Lease Pty. Limited (In liquidation)  
 Custom Service Leasing Limited  
 Hegira Limited  
 Laura Pty. Limited (In liquidation)  
 Lavallette Pty. Limited (In liquidation)  
 NSW Housing No. 1 Pty. Limited  
 Omnibus Leasing (1978) Limited (In liquidation)  
 Rail Leasing Limited (In Liquidation)  
 River Boyne Pty. Limited  
 River Embley Pty. Limited  
 Zermatt Limited (In liquidation)  
 Fleet Systems Pty. Limited  
 Custom Fleet (Australia) Limited

**(d) NBA Properties Limited**

CBC Holdings Limited  
 CBC Properties Limited  
 NBA Properties (Qld.) Limited  
 NBA Properties (Vic.) Limited

**(e) IMD Management Ltd (In Liquidation)**

**2 Other companies**

**(a) ARDB Limited**

Australian Banks' Export Re-finance Corporation Limited  
 BOACT Pty Ltd  
 Commercial Nominees Pty. Limited  
 Erstfeld Pty Limited (In Liquidation)  
 HICAPS Pty Limited  
 NAF Trustee Limited

National Australia Corporate Advisory Limited  
NAB Investments Limited

**(b) National Australia Corporate  
Services Limited**

Nautilus Insurance Pte. Ltd.  
Nautilus Insurance (Europe) Ltd  
NAB Finance (Ireland) Ltd  
National Capital Guaranteed Fund Limited (In liquidation) (49%)

**(c) Matrix Film Investment One Pty  
Limited**

Matrix Film Investment Two Pty Limited  
National Australia Finance (Asia) Limited  
National Australia Investment Capital Limited  
National Australia Investment Brokers Limited  
National Australia Managers Limited  
National Australia Merchant Bank (Singapore) Limited  
National Australia Securities Limited  
National Australia Trustees Limited  
Bourke Street Nominees Pty. Limited  
National Australia Underwriters Limited  
National Infrastructure Investment No.1 Pty Ltd  
National Infrastructure Investment No.2 Pty Ltd  
National Infrastructure Investment No.3 Pty Ltd  
Asibond Pty Limited  
Valewin Pty Limited  
Elly Investments Pty Ltd  
Rosie Investments Pty Ltd (85%)  
National Nominees Limited  
National Nominees (London) Limited  
National Margin Services Pty Ltd  
NMS Nominees Pty Ltd  
National Markets Group Limited  
Australian Market Automated Quotation (Ausmaq) System Limited  
Ausmaq (NZ) Limited  
National OnLine Trading Limited  
National OnLine Trading Nominees Pty Ltd  
O2-e Limited  
National eProcurement Ltd  
National eProcurement Australia Pty Ltd  
National eProcurement UK Ltd  
NBA Leasing Pty. Limited

VPL Securities Pty Limited  
Alice Corporation Pty Ltd (61.53%NAB)  
Harkay Limited

**(d) Guidestar Financial Limited**

Guidestar Financial Group Limited  
Pinnacle Holdings NZ Ltd  
Vilexton Pty Limited (In Liquidation)  
Rycee 1 Pty Ltd (85%)  
Rycee 2 Pty Ltd (85%)  
Rycee 3 Pty Ltd (85%)  
Rycee 4 Pty Ltd (85%)  
Rycee 5 Pty Ltd (85%)  
Rycee 6 Pty Ltd (85%)  
National Australia Capital Securities (UK) PLC  
National Australia Capital Securities (Jersey) Limited  
Loyalty Pacific Pty Ltd (50% NAB; 50% Coles Myer)  
FBP Awards Fund Pty Ltd (50% NAB; 50% Coles Myer)

**(e) Relationship Services Pty Limited**

Loyalty Pacific (Hong Kong) Ltd (50% RSPL)  
C.B.C. Investments Limited (In liquidation)  
C.B.C. Investments Services Limited (In liquidation)  
Custom Credit Holdings Limited (In liquidation)  
Custom Credit Corporation Limited (In liquidation)  
Carrington Confirmer Pty. Limited (In liquidation)  
Australian Equity Corporation Limited (In liquidation)  
First National Limited (In liquidation)  
First National Finance Limited (In liquidation)  
National Funding Holdings Pty Ltd  
Mockey 1 Pty Ltd  
Mockey 2 Pty Ltd  
Mockey 3 Pty Ltd  
Mockey 4 Pty Ltd  
Mockey 5 Pty Ltd  
Mockey 6 Pty Ltd  
Messinia Pty Ltd (In Liquidation)  
National Australia Travel Limited (In Liquidation)  
Tasovac Pty Ltd  
National Global MBS Manager Pty Ltd  
Custom Lease Pty Ltd (In Liquidation)  
Groundsel Limited (In Liquidation)  
National Australia Leasing (Qld) Pty Ltd (In Liquidation)  
Vipro Pty Ltd (NAB 33.3%)



**REDFLEX**  
HOLDINGS

**Redflex Holdings Limited**

ACN 069 306 216

31 Market Street, South Melbourne, Victoria, Australia 3205  
Tel: +61 3 9674 1888 Fax: +61 3 9699 3566 www.redflex.com

RECEIVED  
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OFFICE OF INTEGRATED FINANCIAL  
CORPORATE INFORMATION

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**Release to Australian Stock Exchange**

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**Redflex Presentation**

**4 March 2005.** A powerpoint presentation on Redflex's business developments is attached. This presentation will be given at 12 noon today at the ASX Theatre in Melbourne. Shareholders, brokers and other interested people are welcome to attend.

For further information:

Graham Davie

Chief Executive Officer

[graham.davie@redflex.com.au](mailto:graham.davie@redflex.com.au)

(03) 9674 1888

Marilyn Stephens

Company Secretary

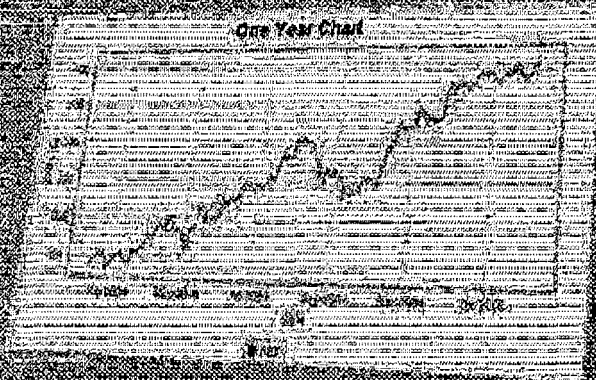
[marilyn.stephens@redflex.com.au](mailto:marilyn.stephens@redflex.com.au)

(03) 9674 1712





REDFLEX



# Redflex Holdings Limited

Investor Briefing

March 2005



# Redflex Holdings Limited

- **ASX Listed since 1997 - RDF**

- **85 Million shares on issue**

- **Market cap > \$300 million**

- **Headquarters**

- **31 Market Street, South Melbourne, Australia**

- **Staff**

- **Approximately 240**

- **Two divisions**

- **Traffic & Communications**





# Redflex Businesses

## Traffic Photo Enforcement

- Red light camera systems
- Speed camera systems
- Combination Red light/speed
- Toll enforcement
- Time over distance speed
- Weigh in motion

## Communications

- Complex Communications for Defence & Government
- Subject to divestment process





# Redflex Group Highlights

- **413% profit growth**

- **57% revenue growth**

- **Traffic Business in USA driving growth**

- **Growth expected to continue**

  - 401 cameras in USA at 31 Dec 04

  - 500+ cameras planned by 30 June 05

- **Expansion of global traffic business**

  - Inroads into Europe, South Africa & Asia

- **Harris Bank Facility of US\$13 million**

- **Share Purchase Plan Raised \$5.06 million**

- **Communications Business profitable**

- **American Depository Receipts (ADR) program in progress**

  - Launch and USA roadshow anticipated in April



## Financial Performance

### Net Profit After Tax (NPAT)

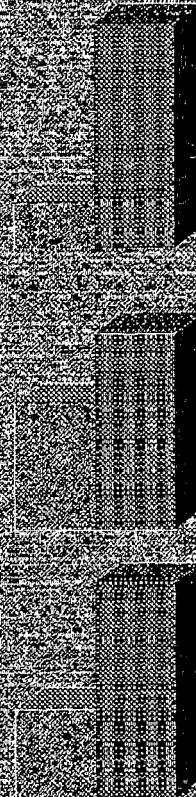
Up 413% to \$3.963 million

### Revenue

Up 56.7% to \$21.79 million

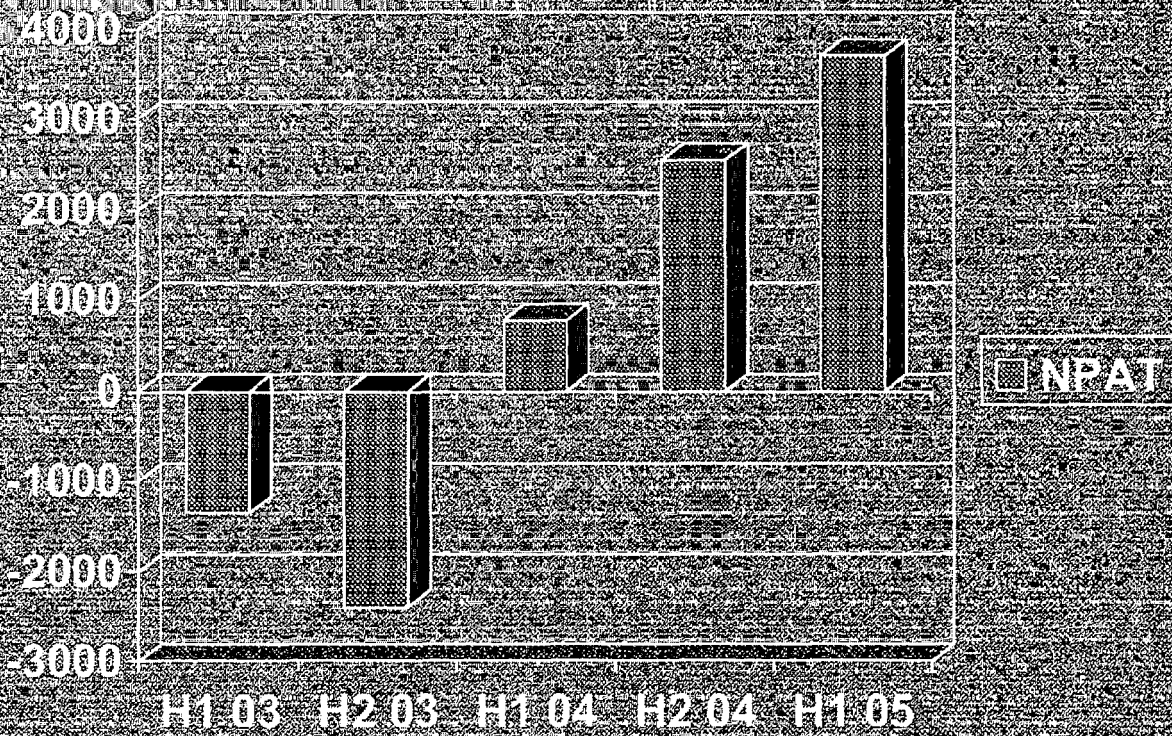
### EBITDA

Up 142% to \$7.69 million





# Profit History







## Profit By Division H1 FY05

Traffic	\$4.760 million
Communications	\$0.673 million
Corporate	<u>\$(1.428) million</u>
Group	\$4.005 million
Tax expense	<u>\$(0.042) million</u>
NPAT	<u>\$3.963 million</u>



# Financial Position

## Total Assets

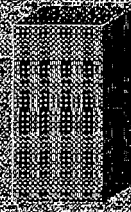
\$72.4 million

Up 22% from \$59.2 million in H2 04

## Net Assets/Equity

\$56.8 million

Up 15% from \$49.2 million in H2 04







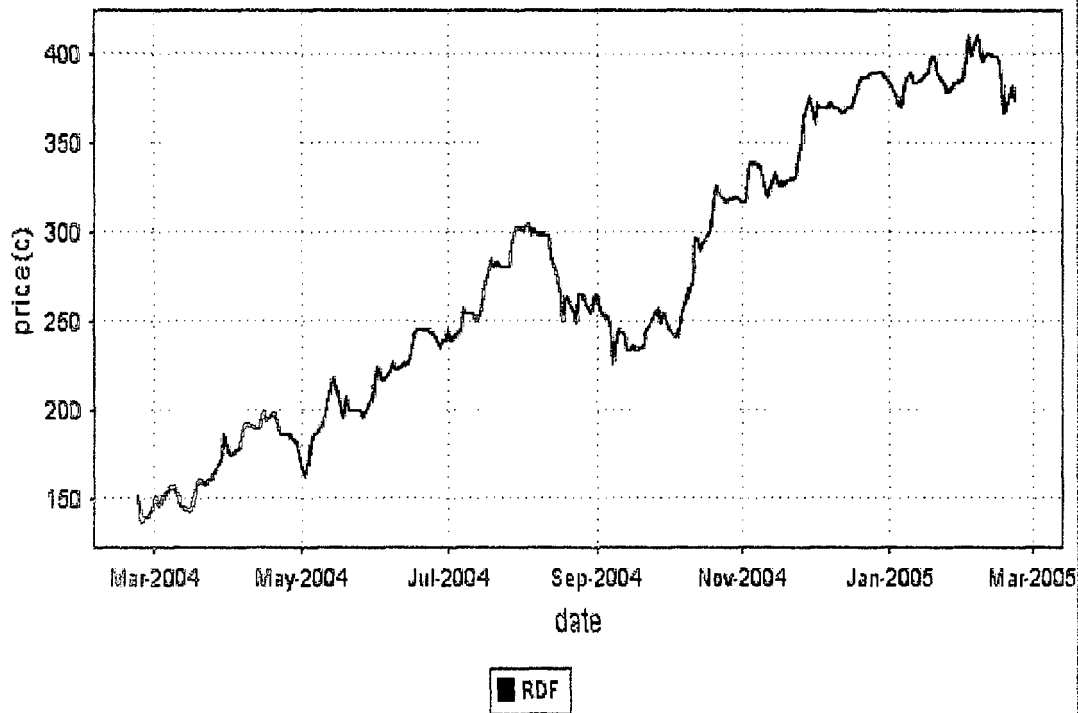
## Cash Position Highlights

- \$5.04 million received from Share Purchase Plan
- CAPX of \$7,431 million compared to EBITDA of \$7,690 million
- Harris Bank facility of USD 13 million drawn to USD 8,465 million
- Cash on hand at 31 December of \$9,488 million
- Planned growth expected to be fundable from existing facilities and cash generated.



# Shareholder Value

## One Year Chart





## Communications - Highlights

- **Moved to significant profitability**
  - H1 Operating profit: \$673,000
  - Up %1.54 million on previous corresponding period
- **New US Defence wins**
  - Battlefield Communications System – development phase well advanced
  - Secure Conference System
- **Major contract extensions with Lockheed & Tenax**
- **Selection on Lockheed Martin team for FAA project**
  - No further information available at this stage
- **R&D Grant of \$2.8 million over 2.5 years**
  - Development program on track
  - New Switchplus Gen 3 technology being developed (ability to provide much larger systems solutions)
- **Divestment opportunity being pursued**





## Communications - Business Model

### Defence and Government Project Based Business

- Long duration projects, long sales lead time
- Milestone payments

### Clients - Governments & Large Prime Contractors

- Lockheed Martin
- Northrop Grumman
- Boeing
- Thales
- BAE
- Raytheon

### Project delivery times have been shortened

- Less Development - More standard product
- Technology updated and enhanced





# Communications - H1 2005 Performance

**H1 Revenue \$3.4 million**

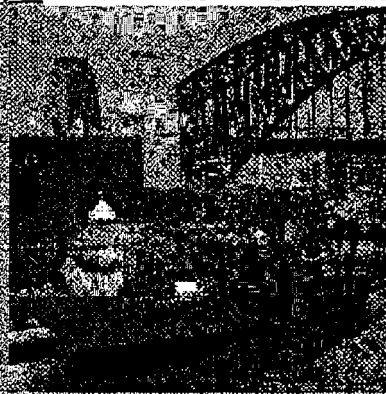
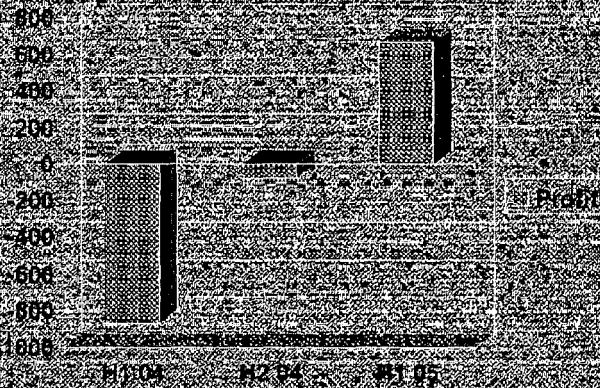
**Operating profit for H1 \$673,000**

Up \$1.54 million on previous corresponding period

**EBITDA - \$1.17 million**

**Second half expected to be profitable**

**Recovery from difficult market conditions globally appears to be continuing.**

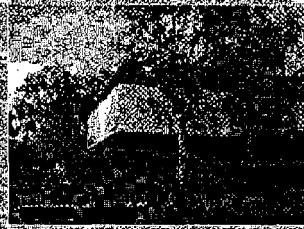




# Traffic - Company Overview



Valdosta Office



Evangel Office



Scottsdale Arizona Office

## Redflex Traffic Systems Inc

- 100% owned by Redflex Holdings Limited (ASX RDF)
- Registered in Delaware
- Largest digital photo enforcement outsourcing operation globally with 58 contracts in the USA
- Business history in the USA since 1985
- Acquired American Traffic Systems business in 1999





## Traffic - Company Overview (continued)

### Redflex Traffic Systems Inc:

Business arena: Photo Enforcement

Subsidiaries (100%):

Redflex Traffic Systems (California) Inc

Redflex Traffic Systems Pty Ltd (Australia)

Employees: 187 + 17 part time and contractors

Sales: A\$ 31M CY04

Tangible Assets: A\$ 54M

Website: [www.redflex.com](http://www.redflex.com)





## Market leadership

- **Outsourcing programs with local government for public safety**

- Redflex is the largest provider of red light photo enforcement in the USA.

- **Advanced digital camera technology**

- Redflex camera systems deliver a more efficient and higher quality evidence package than the competition.

- **Vehicle detection technology for both position and speed**

- Redflex detection technology delivers better results based on public data than competing products.

- **End to end processing of photo enforcement citations**

- Redflex is the leader in providing end to end process of photo enforcement in both software design and operation.

- **Construction and program implementation**

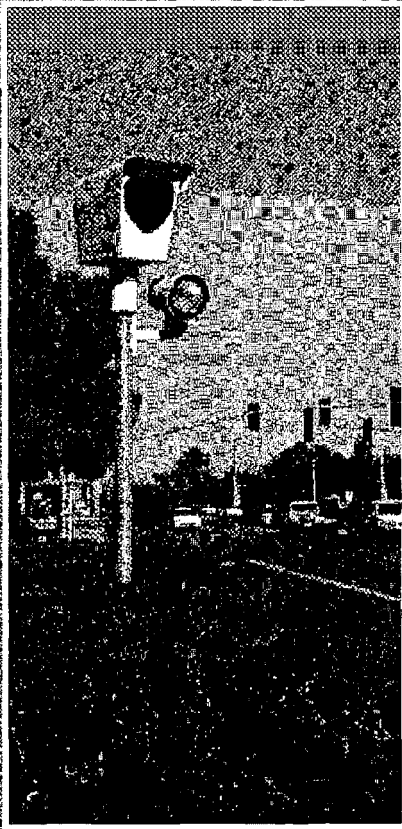
- Redflex capability to design, install and commission leads the industry.



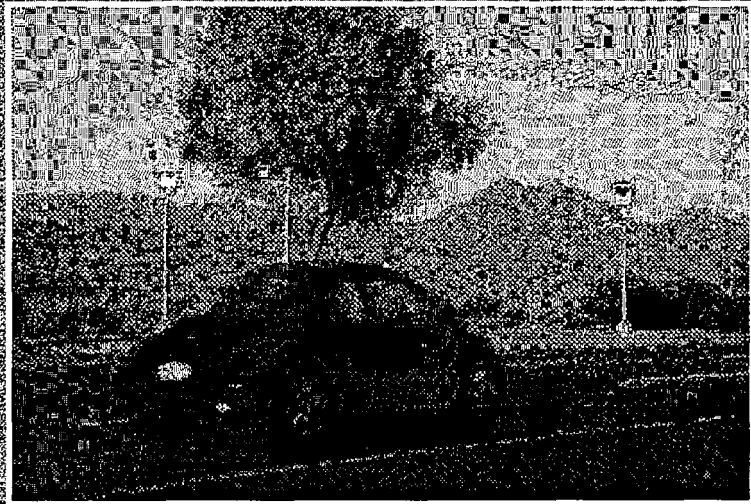




# Products and services



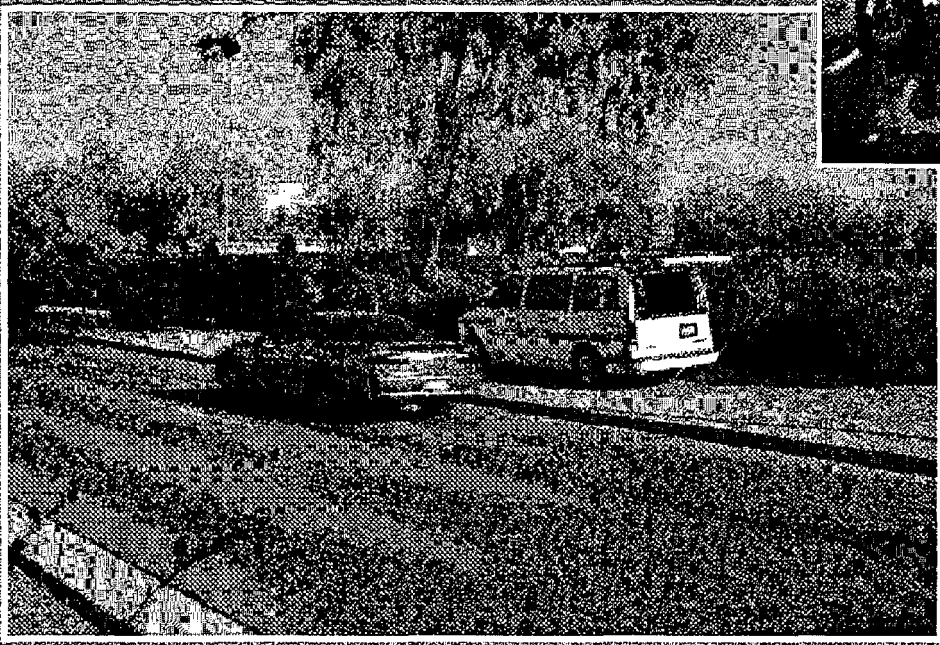
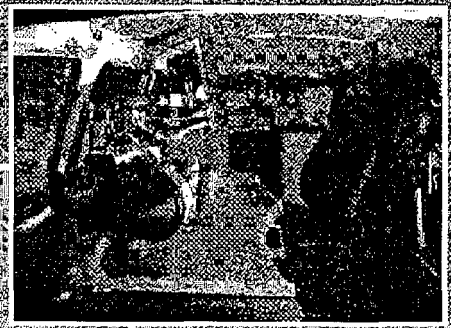
- Red-Light Enforcement
- Red-Light/Fixed Speed
- Roadside Fixed Speed





# Products and services

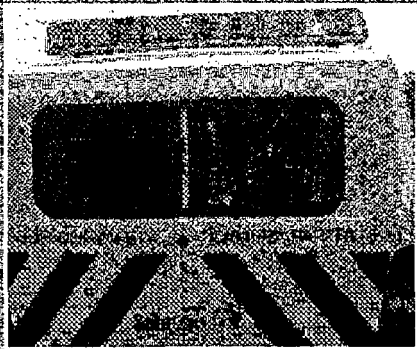
- SMARTCAM®-DEPLOYMENT
- Mobile Photo Radar Speed Van





# Products and services

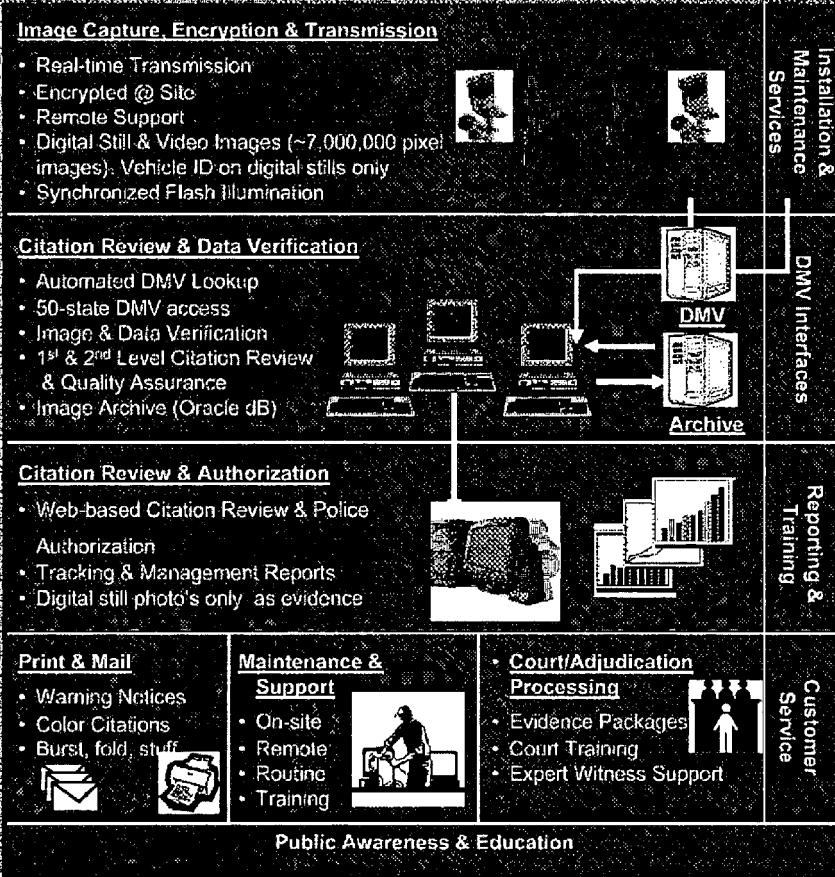
Mobile Speed Enforcement  
Redflex Lasercam™







# The Redflex End-to-End Turnkey Program



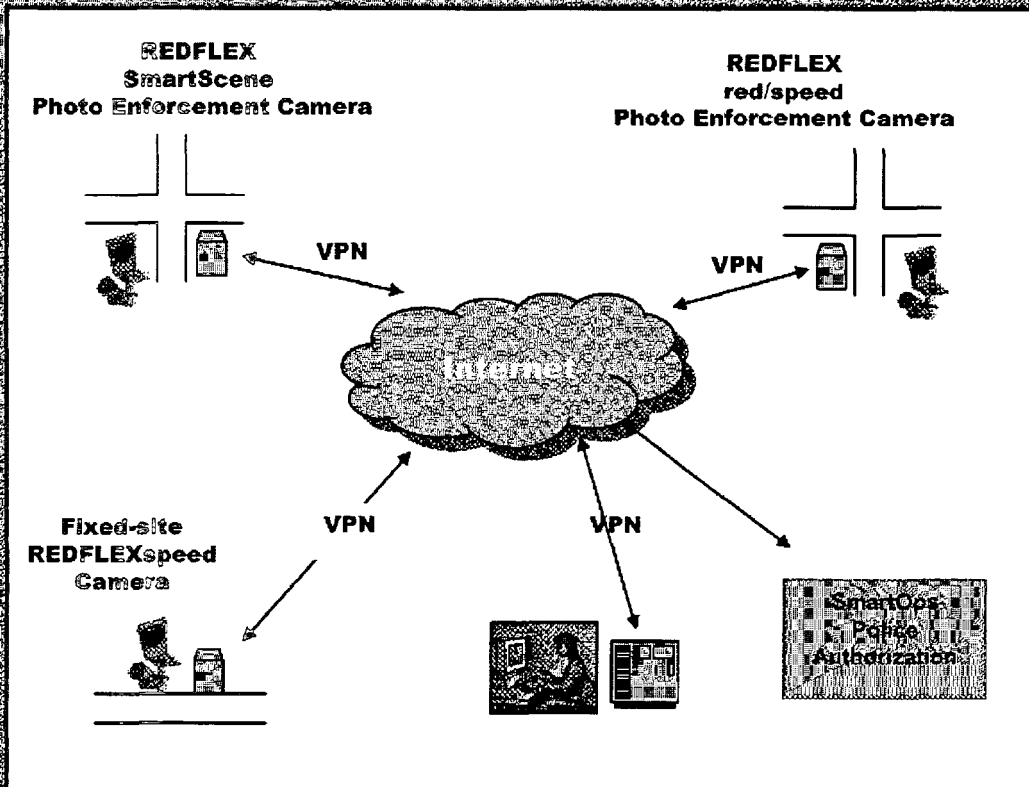
Redflex offers the only fully integrated program.

Redflex manufactures its own all-digital camera units.

Redflex operates its own processing centers and personally provides hands-on customer support for the life of the program.

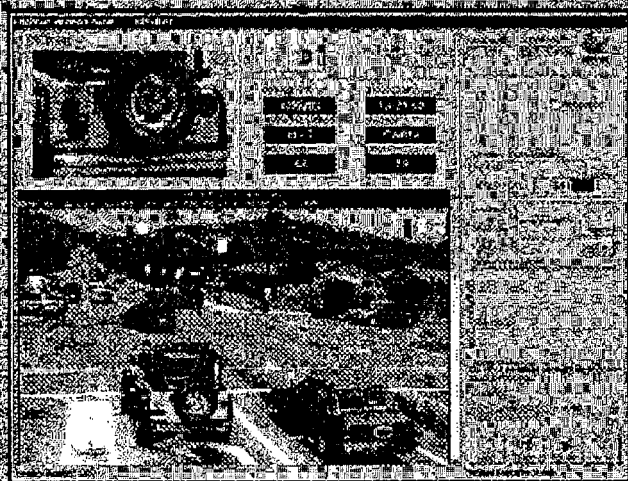


# Redflex Secure Digital Integrated System Architecture





# Back Office- Redflex Proprietary SmartOps™ Processing Application



Scene 'A'

(Double Left Turn Lane)

Vehicle clearly behind the limit line at

4/10ths of second into the red phase

Red phase clearly visible

Zoomed license plate image

Scene 'B'

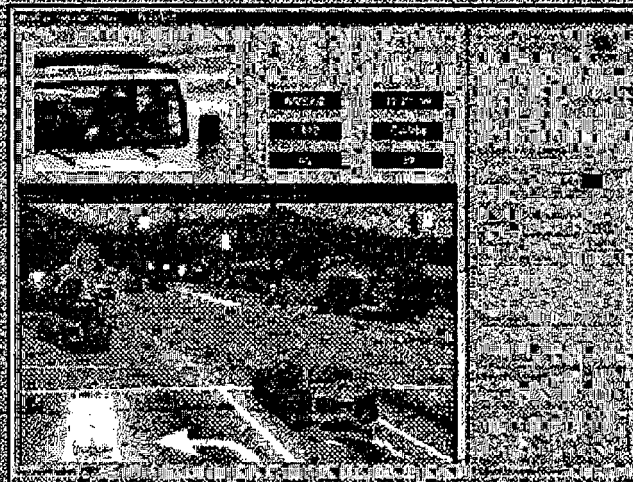
(Double Left Turn Lane)

Vehicle clearly committing the violation

at 1.8 seconds into the red phase

Red phase clearly visible

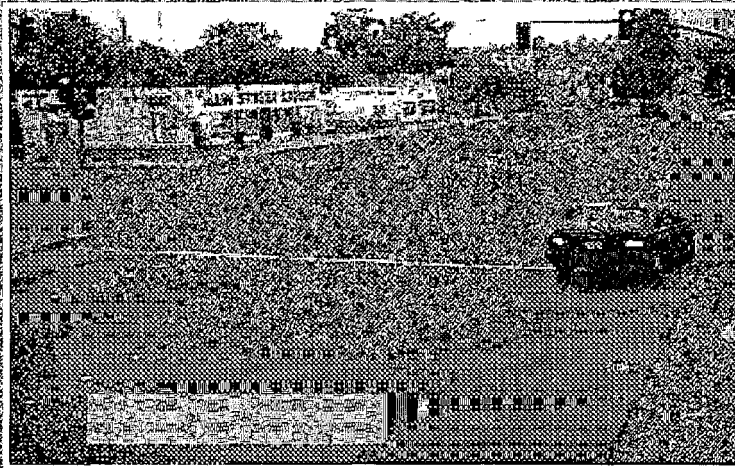
Zoomed facial image





## Redflex Photo Enforcement Evidence with Combination SmartScene™ Video Animation

Smart Scene offers the first combined high resolution still photo evidence set combined with a video animation of the vehicle.







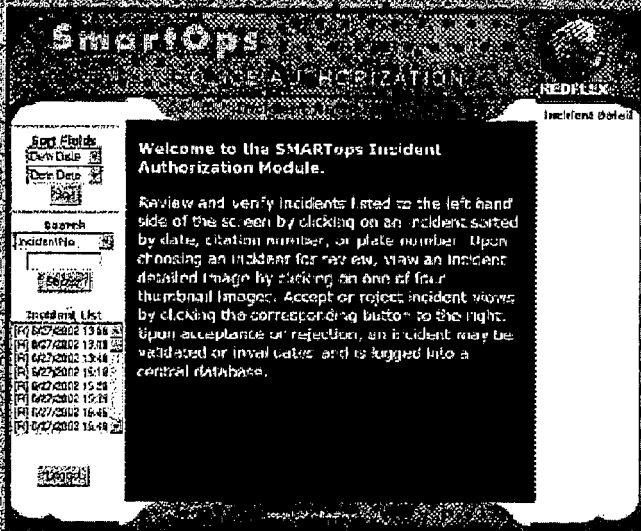
# Web Based Client Interfaces & Reports







# Web-Based Citation Authorization



Citation Review Page >  
(Double Left Turn Lane)

All images are clearly viewable from a single page

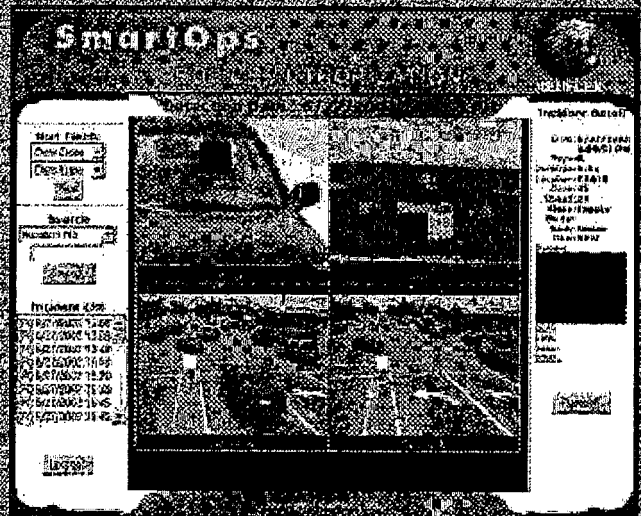
Each image can be enlarged to full-page with a single click

All DMV & incident information plainly stated

## Citation Review Page

All citations are accessed by an "inbox" format

Citations are easily sorted and accessed





# Global Environment

## World Health Organization focus on traffic injury prevention in 2004

- Road accidents are the ninth leading contributor to global disease and injury.

- 20 to 50 million people are injured in road accidents each year

- 3,240 deaths per day globally.

## USA red light running

- Fatalities estimated to exceed 900 annually

- Injuries estimated at ~175,000 annually.

- Photo enforcement is a proven method of improving driver behavior and reducing accidents with 20 to 60% reduction in accidents at enforcement locations.

- Photo enforcement programs are generally self funding

- Many developed countries are either expanding existing programs or creating new programs for enforcement.

Source: WHO Traffic Report 2004  
USA Federal Highway Administration



## REDFLEX TRAFFIC SYSTEM

- **United Kingdom**  
Mobile speed
- **Spain**  
Mobile speed camera
- **Ireland**  
Mobile speed camera
- **Cape Town, South Africa**  
Red light speed  
Mobile camera
- **Middle East**  
Red light camera  
Red light camera  
Fixed speed  
Tethered mobility system
- **Bahrain, Middle East**  
Red light camera  
Tethered mobility system
- **Greece**  
Fixed speed camera
- **New Zealand**  
Web cam project and  
VIRI-DRII
- **Western Australia**  
Film speed camera and  
tethered mobility system
- **Queensland, Australia**  
Film speed camera and  
tethered mobility system
- **Victoria, Australia**  
Film speed camera and  
tethered mobility system  
Red light camera  
Fixed speed camera  
Weight in motion enforcement
- **New South Wales, Australia**  
Fixed speed cameras  
School zone speed  
Tunnel zone speed  
Sydney Harbour Bridge  
Red light camera  
Liverpool, Penrith, Parramatta, WY
- **Tasmania, Australia**  
Mobile speed  
Fixed speed cameras
- **Canberra, Australia**  
Web camera
- **California, USA**  
Red light camera  
Mobile speed camera
- **Arizona, USA**  
Red light camera  
Mobile speed camera  
Fixed and mobile speed  
camera
- **Ohio, USA**  
Red light camera  
Mobile speed camera  
Fixed and mobile speed  
camera
- **Oregon, USA**  
Red light camera  
Mobile speed camera
- **North Carolina, USA**  
Red light camera
- **New Mexico, USA**  
Red light camera
- **Illinois, USA**  
Red light camera
- **Colorado, USA**  
Red light camera  
Mobile speed camera
- **Georgia, USA**  
Red light camera
- **Virginia, USA**  
Red light camera
- **South Dakota, USA**  
Red light camera





# USA Market

- Photo enforcement is a high growth business within the USA.
- Less than 2% of the market penetrated for red light
- 15 States with enabling legislation
- Potential market is up to 70,000 systems
- Redflex IP portfolio provides a strong platform to exploit the market
- Market demands reference clients, proven capability, experience, and financial strength to succeed.

## Speed photo enforcement market

- Market is small at present with mobile units in school zones and roadside
- Wider community support emerging
- Estimated market is US\$ 4 to 10 Bn

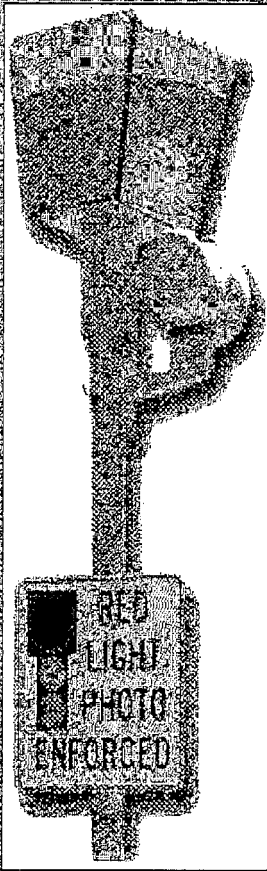
## Potential red light enforcement market

- 350,000 signalized intersections
- Average potential 4 directions within each = 1,400,000 directions of travel
- 1/20 to 1/40 enforced = 35,000 to 70,000 approaches
- US\$ 2.1 to 4.2 Bn potential p.a.





## USA Market Environment & Position

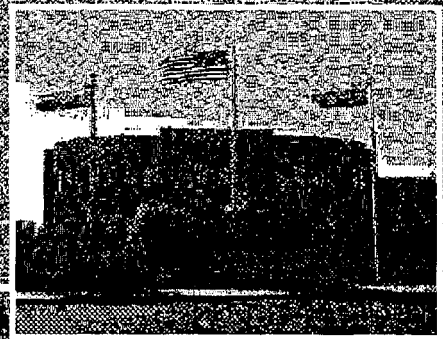


- Potential market ~ 2,500 cities for red-light and speed programs
- 115 existing programs
- 500 intersections (~1030 approaches) with red light cameras installed.
  - Digital - ~630- Wet film - ~400
- Redflex digital market share - ~65% of installed red-light digital cameras
- Redflex contract base increased to 58 Cities.



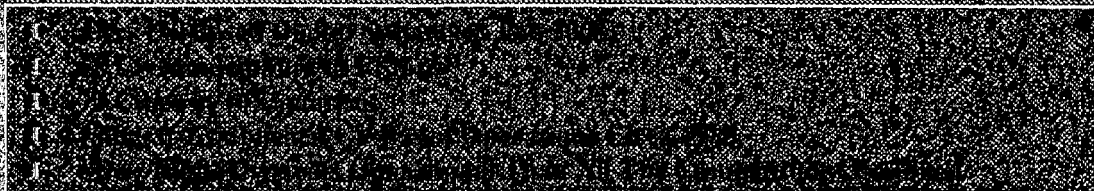
## Redflex USA Experience

- 58 Cities in 11 States under contract.
- Business model is dominated by Build-Own-Operate contracting model
- Redflex USA Headquarters is in Scottsdale Arizona
- 428 Photo Enforcement systems delivered
  - 14 Photo Radar vans in 5 jurisdictions under contract
  - 17 Fixed speed systems AZ, OH, IL (additional 18 contracted)
  - 397 red light photo enforcement systems





# Redflex Traffic Systems, Inc.



## U.S. Customer Base

- |                   |                     |                       |                    |
|-------------------|---------------------|-----------------------|--------------------|
| • Oxnard, CA      | • Modesto, CA       | • Dayton, OH          | • Marshville, NC   |
| • Culver City, CA | • Garden Grove, CA  | • Toledo, OH          | • Cary, NC         |
| • Inglewood, CA   | • Paramount, CA     | • Sylvania, OH        | • Monroe, NC       |
| • Compton, CA     | • Maywood, CA       | • Northwood, OH       | • Union County, NC |
| • Bakersfield, CA | • Lynwood, CA       | • Fort Collins, CO    | • Indian Trail, NC |
| • Santa Ana, CA   | • Gardena, CA       | • Chicago, IL         | • Albuquerque, NM  |
| • El Monte, CA    | • Fairfield, CA     | • Paradise Valley, AZ |                    |
| • Ventura, CA     | • Vista, CA         | • Chandler, AZ        |                    |
| • El Cajon, CA    | • Encinitas, CA     | • Scottsdale, AZ      |                    |
| • South Gate, CA  | • Oceanside, CA     | • Rome, GA            |                    |
| • Hawthorne, CA   | • Escondido, CA     | • Savannah, GA        |                    |
| • San Juan        | • Del Mar, CA       | • Virginia Beach, VA  |                    |
| • Capistrano, CA  | • Emeryville, CA    | • Sioux Falls, SD     |                    |
| • Fremont, CA     | • Santa Clarita, CA | • Greenville, NC      |                    |
| • Upland, CA      | • Ridgecrest, GA    | • Stallings, NC       |                    |
| • San Jose, CA    | • Stockton, CA      | • Knightdale, NC      |                    |
| • San Mateo, CA   | • Beaverton, OR     |                       |                    |
| • Pomona, CA      | • Medford, OR       |                       |                    |
| • Marysville, CA  |                     |                       |                    |

## Global Operations

- Australia
- New Zealand
- Saudi Arabia
- South Africa
- Greece
- UK, Spain

© 2000 Redflex Traffic Systems, Inc.





# Global Experience In Photo Speed Enforcement

## Technologies implemented and accepted for enforcement

- Mobile Photo Radar - Van Mounted Photo Enforcement
- Mobile Photo Radar - Tripod Remote Deployed Photo Enforcement
- Mobile Speed Laser - Photo Enforcement
- Fixed Photo Radar - Photo Enforcement
- Fixed Photo Speed - Piezo/Loop/Piezo Photo Enforcement
- Fixed Speed Photo - Laser Detection Photo Enforcement





# Global Experience In Photo Speed Enforcement

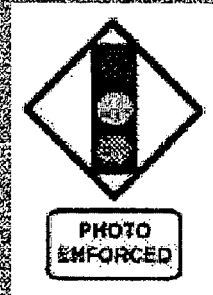
## Experience In 10 Countries

- USA
  - 4 States with Photo Radar (AZ, OH, CO, OR)
  - 20 fixed speed systems in 3 States, AZ, OH, IL
- United Kingdom
  - 4 Counties
- Greece
- Australia (5 States)
  - State of Victoria and New South Wales
  - State of Tasmania, Queensland and ACT
- New Zealand, Ireland
- Bahrain, Qatar, Abu Dhabi
- Taiwan



# RTS USA Business Model

## RED LIGHT CAMERA



### Build Own Operate-USA & Canada Example

- 3 to 7 year contracts with cities for red-light programs
- Revenue stream based on system performance and driver behaviour
- Revenue models
  - Fixed monthly fee or fee + per citation mix
  - Fixed fee per citation issued or collected
- High quality vendors, payment on 30 days generally
- Typically 6 - 20 red-light camera systems per city
- City shares revenues with Redflex
- Accident/fatality reduction of 15 - 50% over time
- Model proven over contracts with 50 cities to date
- Redflex has 100% contract retention to date



## Non-USA Business Model

### Sales Model - Example Europe & Pacific region

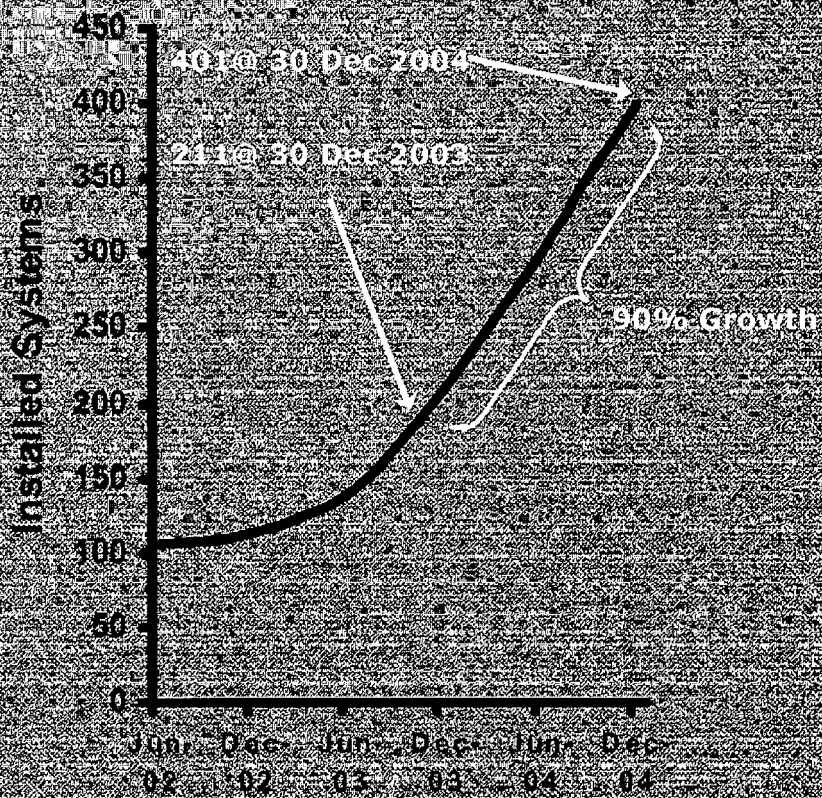
- Sale of equipment to government departments or Police.
- Sale or licence of back office system to support the citation issuance.
- 1-5 year maintenance contracts and re-certification of installed systems.
- Typically repeat business as programs grow and requirements change.
- Profits and cash flow available to reinvest.





# Redflex Photo Enforcement Installation Trend

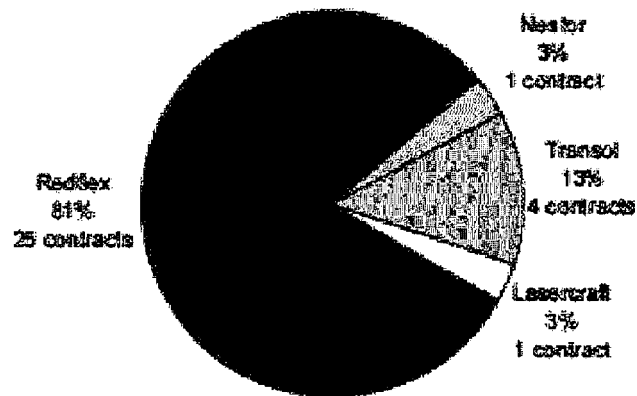
(USA Only)





# Redflex USA Camera Installation Rollout

Figure 7: US RL camera installations YTD vs peer group



Source: Company data

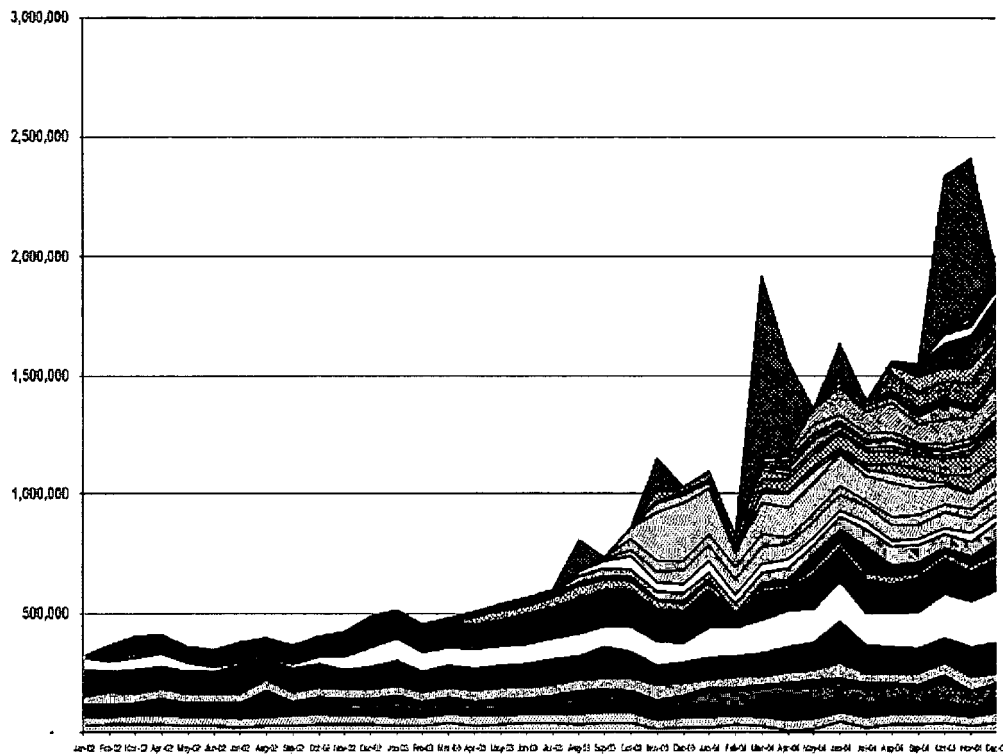
Source: CSFB research report December 2004.



# Redflex Revenue Trends with USA Market

(Jan 2001 to Dec 2005)

### Revenue Trends by City/County







## R&D- ~4% of revenues for FY05

- New Redflex HDX camera system deployed in USA revenue service and offers the ability to enforce up to eight lanes of traffic. Expected performance is 3 to 5 times competitive video based solutions.

- HDX high resolution system deployed to mobile photo radar van.

- Deployment of next generation point-to-point speed detection.

- Improvements to REDFLEXflash to allow prosecution over 7 lanes at night.

- Non-intrusive Red light systems delivered using video and radar detection.

- Next generation Web-enabled back office processing systems deployed.



# Intellectual Property Portfolio

## Field Technologies

### SMARTCAM

Proprietary Digital Speed, Red Light, Red Light/Speed and Toll Enforcement Camera Systems

### SMARTCAM - DUAL

SMARTCAM Speed and Red Light Systems available as dual systems with frontal photo radar for driver identification

### SMARTSCENE

Enhanced SMARTCAM evidence car with Matrix View

### SMARTCAM - MOBILE

Mobile Radar Speed Camera System

### DETECTION SYSTEMS

Photo triggered systems to detect speed and presence

### NON-INTRUSIVE TECHNOLOGIES

- Front radar and photo radar detection

## Back-office technologies

### REDFLEXSMARTOPS

Large scale image processing system including vehicle driver database and court systems

### REDFLEXSMARTVIEW

Equal image viewing system and low volume image processing and printing systems

### REDFLEXSMARTSCAN

High speed high resolution image scanning system for red light and speed enforcement

### REDFLEXSMARTDIP

Central image processing system for processing of digital enforcement images

### SMARTCAM - CENTRAL

Administration central app incident details downloading software





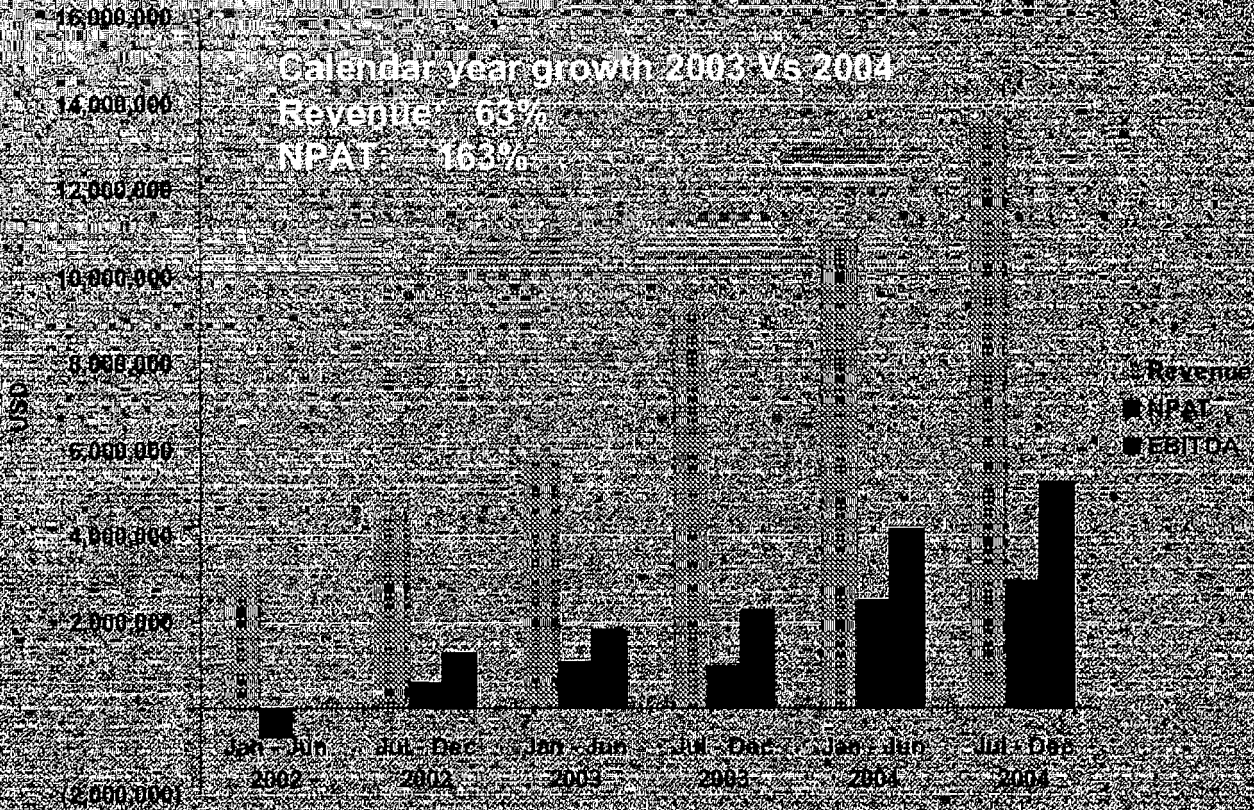
# Redflex Traffic Systems Financial Trends

(Group Results in Half Year Periods)

Calendar year growth 2003 vs 2004

Revenue: 63%

NPAT: 163%



Revenue  
NPAT  
EBITDA





REDFLEX

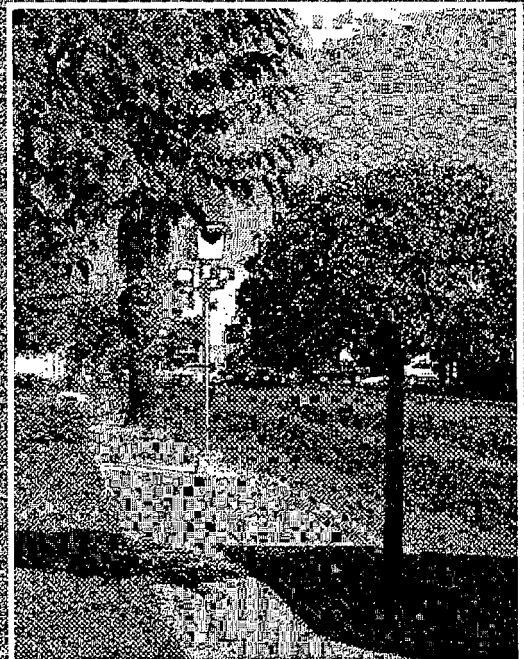
# Sales & Marketing Performance

Highlights FY 05 YTD

## USA

### 7 New Cities won

- City of Poway, CA
- City of Marysville, CA
- City of Albuquerque, NM
- City of Gardena, CA
- City of Modesto, CA
- Town of Sylvania, OH
- City of Northwood, OH



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## Non USA Sales FY05 Update

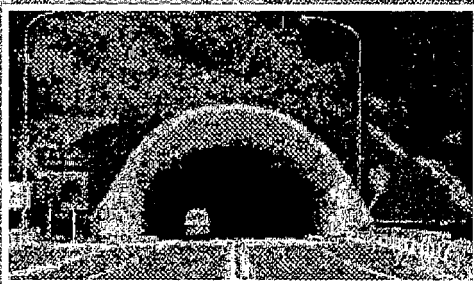
- **Redflex continues to lead the market in Australia**
- **Point to Point Speed Detection System on trial throughout New South Wales**
- **Additional sales of Redflex Lasercam systems to the State of Tasmania**
- **Award of the New Cross City Tunnel camera systems in Sydney**
- **Award of maintenance for the ACT speed and red-light camera program**
- **Upgrades to Speed Camera and Bus Lane Enforcement Systems in NSW**
- **Growth in maintenance services throughout Australia**





# Non USA Sales FY05 Update

- Continued sales of Lasercam to the United Kingdom
- First Redflex sales into Spain
- New Sales of Fixed Speed and Red-Light Camera Systems to the largest BOOM operator in South Africa
- Sales of portable Lasercam systems to South Africa

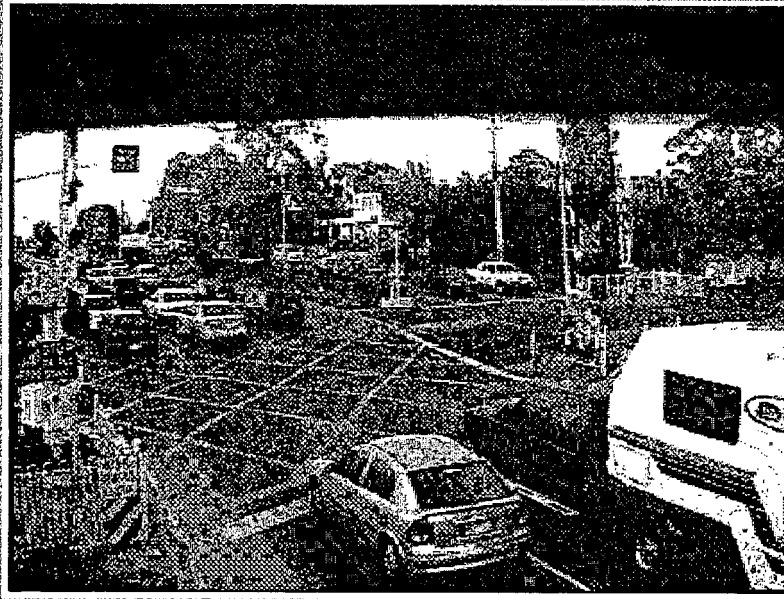


Developing new markets in Asia  
 Achieved Redflex first sale in Asia with the award of speed camera systems for the Taichung tunnel in Taiwan





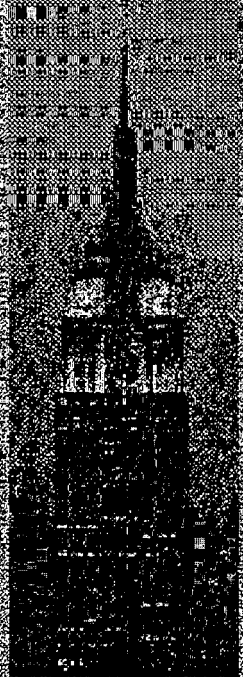
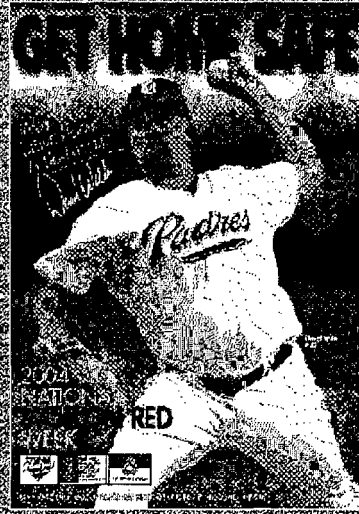
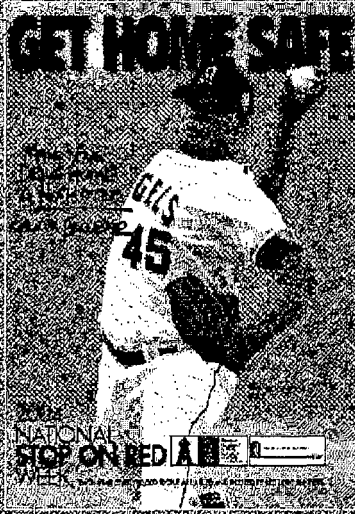
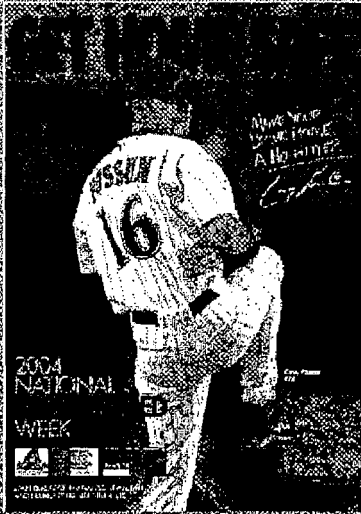
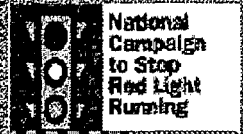
# Example of Redflex Railway Crossing Enforcement Trial





# Public Awareness Support In The USA

Redflex is active in promoting the benefits of photo enforcement by supporting research and funding campaigns on public safety





## Competitive Advantages

- **Technical capability of delivered systems (higher yields)**
- **Camera System Performance**
- **Quality of services**
- **Financial strength**
- **Overall experience and roll out rate**
- **Patent portfolio**
- **Citation processing and back office capability**
- **Satisfied customers**
- **Proven business team**





# Traffic Business Operations Review

USA based revenues averaging ~US\$2,000,000+ since October on a growing installed base and long term annuity contracts.

Public data indicates Redflex systems have the highest efficiency (yield) for digital red light enforcement.

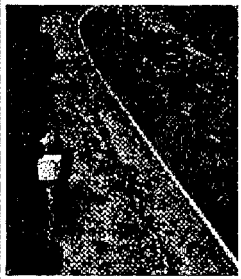


- Production capacity up 150% in CY 2004
- Back office growth of ~125% in CY 2004
- Cost expense control on plan.
- System performance exceeding internal and external client expectations.
- Installed base up 90% on trailing 12 months basis.
- Capacity to grow at current rates through 2004/05 for engineering, production and back office citation processing.



## Non USA Operations

- Manufacturing delivering to increasing growth of the US, Australian and International business
- Successful trial of Railway Crossing Enforcement in Victoria
- Software support for Victorian back office
- Delivered Point to Point systems for trial in NSW.



- NSW office servicing 100+ photo enforcement camera systems
- Increased Research and Development activities
- Continuation of deliveries of the Redflex MDX High Definition camera systems





## Outlook

- Profitable installed base and contracted backlog in hand to grow business in FY05.
- USA Revenue base starting point for FY05 installed systems increased from 141 to 301 systems (113% increase).
- Strong intellectual property and product portfolio in target markets.
- Continue dominant position in the USA.
- Growing European presence and contract base.
- Favourable market conditions and competitive position.
- Growth to 500+ systems by 30 June 2005.

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 OFFICE OF THE  
 REGISTRAR

## Form 604

Corporations Act 2001  
 Section 671B

## Notice of change of interests of substantial holder

To Company Name/Scheme Redflex Holdings Limited

ACN/ARSN \_\_\_\_\_

## 1. Details of substantial holder (1)

Name JPMorgan Chase & Co. and its affiliates

ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on 28/Feb/2005

The previous notice was given to the company on 4/Nov/2004

The previous notice was dated 4/Nov/2004

## 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	4,472,764	5.35	5,408,484	6.35%

## 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
	See Appendix				

## 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
	See Appendix				





82-34862



**REDFLEX**  
HOLDINGS

**Redflex Holdings Limited**

ACN 069 306 216

31 Market Street, South Melbourne, Victoria, Australia 3205  
Tel: +61 3 9674 1888 Fax: +61 3 9699 3566 [www.redflex.com](http://www.redflex.com)

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OFFICE OF COMPANY SECRETARIES  
CORPORATE FINANCE

---

**Release to Australian Stock Exchange**

---

**Redflex Presentation**

**2 March 2005.** Directors are pleased to advise shareholders, brokers and other interested people of a briefing this Friday on Redflex's business developments:

Date: 4 March 2005  
Start Time: 12 noon  
Venue: ASX Theatrette, 530 Collins Street, Melbourne

Light refreshments will be available after the briefing.

The briefing documents will be lodged with the ASX and available on the Redflex web site [www.redflex.com.au](http://www.redflex.com.au).

Also, please find attached Appendix 3B.

For further information:

Marilyn Stephens  
Company Secretary  
Redflex Holdings Limited  
[marilyns.stephens@redflex.com.au](mailto:marilyns.stephens@redflex.com.au)  
(03) 9674 1712

Graham Davie  
Chief Executive Officer  
Redflex Holdings Limited  
[graham.davie@redflex.com.au](mailto:graham.davie@redflex.com.au)  
(03) 9674 1888



# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

REDFLEX HOLDINGS LIMITED

ABN

96 069 306 216

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                            |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 155,000                    |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

4	<p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>o the date from which they do</li> <li>o the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>o the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	Yes
---	---	-----

5	Issue price or consideration	135,000 at \$0.6039 per share 20,000 at \$1.8631 per share
---	------------------------------	---

6	Purpose of the issue <i>(If issued as consideration for the acquisition of assets, clearly identify those assets)</i>	Shares issued on the exercise of unlisted employee options 135,000 RDFAS 20,000 RDFAP
---	--	---

7	Dates of entering <sup>+</sup> securities into uncertificated holdings or despatch of certificates	1 March 2005
---	--	--------------

		Number	<sup>+</sup> Class
8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX <i>(including the securities in clause 2 if applicable)</i>	85,312,430	Ordinary Shares (RDF)

		Number	<sup>+</sup> Class
9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX <i>(including the securities in clause 2 if applicable)</i>	5	Employee Shares fully paid (RDFAI)
		60,000	Options expiring 20/5/06 exercisable at \$1.52 (RDFAO)
		500,000	Options expiring 30/6/05 exercisable at \$4.98 (RDFAQ)
		1,500,000	Options expiring 01/02/08, exercisable at \$0.50 (RDFAR)
		2,200,000	Options expiring 30/09/08, exercise price at date of issue is \$0.58 and this increases at the compounding rate of 3% per annum until exercise (RDFAS)
		1,348,000	Options expiring 2/6/2009. exercise price is the VWA price of RDF for the last five business days prior to 2 June 2004 (\$2.06), adjusted by the movement in the ASX All Ordinaries Index calculated as a percentage from 2 June 2004 being the grant date, to the last business day of the month prior to the date of exercise. (RDFAT)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

**Part 2 - Bonus issue or pro rata issue – Not applicable**

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the <sup>+</sup>securities will be offered
- 14 <sup>+</sup>Class of <sup>+</sup>securities to which the offer relates
- 15 <sup>+</sup>Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has <sup>+</sup>security holders who will not be sent new issue documents  
 Note: Security holders must be told how their entitlements are to be dealt with.  
 Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup>security holders
- 25 If the issue is contingent on <sup>+</sup>security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled

<sup>+</sup> See chapter 19 for defined terms.

- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do <sup>+</sup>security holders sell their entitlements *in full* through a broker?
- 31 How do <sup>+</sup>security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  155,000 Ordinary Shares

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities - Not applicable

*Tick to indicate you are providing the information or documents*

35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional <sup>+</sup>securities



**Entities that have ticked box 34(b)**

38	Number of securities for which <sup>+</sup> quotation is sought					
39	Class of <sup>+</sup> securities for which quotation is sought					
40	<p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>o the date from which they do</li> <li>o the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>o the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="764 1163 1047 1192">Number</th> <th data-bbox="1047 1163 1372 1192"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="764 1192 1047 1354"></td> <td data-bbox="1047 1192 1372 1354"></td> </tr> </tbody> </table>	Number	<sup>+</sup> Class		
Number	<sup>+</sup> Class					

<sup>+</sup> See chapter 19 for defined terms.

**Quotation agreement**

- 1      <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
  
- 2      We warrant the following to ASX.
  - o      The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - o      There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
  - o      An offer of the <sup>+</sup>securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - o      Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  - o      We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the <sup>+</sup>securities to be quoted, it has been provided at the time that we request that the <sup>+</sup>securities be quoted.
  - o      If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  
- 3      We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4      We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before <sup>+</sup>quotation of the <sup>+</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Marilyn Stephens  
2 March 2005

=====  
=====



**REDFLEX**  
HOLDINGS

**Redflex Holdings Limited**

ACN 069 306 216

31 Market Street, South Melbourne, Victoria, Australia 3205  
Tel: +61 3 9674 1888 Fax: +61 3 9699 3566 www.redflex.com

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REDFLEX HOLDINGS LIMITED  
CORPORATE SECRETARY

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## **Release to Australian Stock Exchange**

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### **Redflex reports significant profit increase**

**21 February 2005.** The Directors are delighted to report a profit of \$3.963 million for the half year ending 31 December 2004, which represents a 413% increase over the corresponding period in the previous year.

Revenues increased by 56.7% to \$21.786 million over the same period.

The Appendix 4D attached contains the full report and accompanying commentary.

For further information:

Graham Davie

Chief Executive Officer

graham.davie@redflex.com.au

(03) 9674 1888

Marilyn Stephens

Company Secretary

marilyn.stephens@redflex.com.au

(03) 9674 1712

# Appendix 4 D

## REDFLEX HOLDINGS LIMITED

ABN: 96 069 306 216

### ASX REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

Results for announcement to the market and lodged with the ASX under Listing Rule 4.3A

The Company showed revenue from ordinary activities of \$21.786 million which was up 56.7% on the corresponding first half of the previous financial year.

The net profit for the group was \$3.963 million which was up 413% on the corresponding period in the last financial year.

	\$A'000	
<b>Revenues from ordinary activities</b>	Up 56.7% to <b>21,786</b>	
<b>Profit (loss) from ordinary activities after tax</b>	Up 413% to <b>3,963</b>	
<b>Net profit (loss) for the period attributable to members</b>	Up 413% to <b>3,963</b>	
<b>Dividends (distributions)</b>	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

<b>Ratios</b>	<b>Current period</b>	<b>Previous Corresponding Period</b>
<b>Profit before tax / revenue</b> Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	<b>18.4%</b>	<b>5.6%</b>
<b>Profit after tax / equity interests</b> Consolidated net profit (loss) from ordinary activities after tax attributable to members (as a percentage of equity (similarly attributable) at the end of the period	<b>7.0%</b>	<b>1.6%</b>
<b>Earnings per share Basic EPS</b>	<b>4.76 cents</b>	<b>1.11cents</b>
<b>Net tangible asset backing per ordinary security</b>	<b>56 cents</b>	<b>45 cents</b>



## Director's Report

Your Directors submit their report for the half-year ended 31 December 2004

The names of the Company's Directors in office during the half-year and until the date of this report are:

Christopher Cooper (Chairman)  
Robin Debernardi  
Graham Davie  
Peter Lewinsky  
Bruce Higgins

### Review and result of operations

The sustained growth for Redflex during the first half of the 2004/2005 year is very pleasing with impressive performance compared with the corresponding period for the 2003/2004 year. The key growth driver continues to be the USA based Build-Own-Operate photo enforcement business.

For the first half of the 2004/2005 year the Redflex Consolidated entity reported:

- Revenues: \$21.786 million - up 56.7% on the corresponding period in the previous financial year.
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA): \$7.690 million – up 143% on the corresponding period last year.
- Net Profit after Tax: \$3.963 million – up 413% on the corresponding period last year.

### Outlook

The Company is positioned to further grow its business given its strong operating achievements, signed contracts in the USA relating to the USA Traffic division, and a strong pipeline of prospects and selections with additional cities.

### Redflex Traffic Systems Inc

Redflex Traffic Systems (RTS) in the USA continues to lead the market in North America in installed systems, installation rate and market share, and based on our latest estimates of installed base of all competitors is now the largest supplier of outsourced photo enforcement systems in the USA.

RTS has contracts with 73 cities world wide. In the USA it has contracts with 58 cities across eleven states and has averaged an installation rate of approximately 16 cameras per month for the 2004 calendar year.

There were 401 camera systems installed in the USA at the end of the period- an increase of 89% over the calendar year ending 31 December 2003.

Continued strong performance of the Traffic business in the first half of the financial year, highlighted by these key points:

- Consolidated operating profit before tax of A\$4.760 million (excluding head office costs) on revenue of A\$18.365 million.
- The AUD revenue is up 81.2% on the same period last year.
- Profit up to A\$4.760 million compared to A\$2.579 million for the corresponding period in 2003.

#### **Growth Initiatives during the Period**

The legislative environment has allowed expansion of activities to introduce speed detection into cities. This suits Redflex' strategy for the Build Own Operate Maintain business model.

During the current period the contract base was extended with 7 new cities announced since 1 July 2004, along with the conversion to fixed combination speed and red-light cameras in Toledo and Scottsdale. The Company also introduced its first mid-block fixed speed camera in Scottsdale in addition to an extension of the existing program.

Installation rates have been accelerated with the following milestones reached or anticipated.

- 301 systems installed at 30 June 2004.
- 401 systems installed at 31 December 2004, representing an 87% increase over the last twelve months.
- At least 500 cameras are expected to be installed by the end of June 2005.

#### **Redflex Traffic Systems Australia**

The Traffic Division in Australia continues to target opportunities within Australia and around the world, excluding the USA.

Market share in Australia has been consolidated. Redflex is the leading supplier in the photo enforcement market. Significant developments have been:

- RTA NSW point to point camera trial
- Further Tasmanian order for mobile radar camera systems
- Increase in red-light camera systems for Victoria
- New maintenance contracts with the RTA NSW and ACT.

A number of significant International sales developments have occurred including;

- Further orders for Lasercam in the UK and South Africa.
- Achieved certification and new sales of Redflex red light systems in South Africa
- Opened a European representative sales office.

The business has consolidated the benefits arising from the acquisition of the assets and intellectual property of Poltech International.

### **Redflex Communications Systems**

An operating profit of \$673,000 was recorded (excluding head office costs) compared to a loss of \$869,000 for the corresponding period for the previous year. Recently announced new contracts lead us to expect a profitable second half.

There are indications that an expected upturn is occurring with new contracts totalling \$3.5 million won over the last two months. This work is predominantly short term in nature with the majority likely to occur in this financial year.

The Company believes the forward order book and prospects to be in much better shape this year, compared to the same time last year, with many opportunities emerging from the new Gen 3 product currently being developed. The development is taking place in conjunction with a \$2.6 million Research and Development Grant claimable over FY05 and FY06.

Revenue for the first half was \$3.407 million and is expected to increase in the second half based on orders held by the Division.

### **Financing Activities**

In December 2004 the Company raised \$5.06 million in equity through the Share Purchase Plan.

In addition, during the year the Company acquired a USD 13 million secured Revolving Credit Facility through Chicago based, Harris Trust & Savings Bank to fund the growth within the USA Traffic Division. The initial draw-down was used to repay the National Australia Bank debt facilities. The debenture held by the NAB over all the Redflex traffic companies was removed. The new financier, Harris Trust and Savings Bank was granted a first and only priority senior security interest in Redflex Traffic Systems Inc and its subsidiaries.

The funding places the Company in a strong financial position going forward with the ability to maintain and increase current installation rates. At 31 December 2004 USD 8.465 million of the facility had been drawn. Based on current projections for growth, this facility is considered adequate to take the Company to the point where the capital expenditure required for planned growth is fully fundable from net operating activities.

**Events subsequent to 31 December 2004**

There have been no events of a material nature subsequent to 31 December 2004 that are likely to have an impact on the results and not otherwise dealt with in this report.

The amounts contained in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

The Company has received the Auditor's Independence Declaration dated 18 February 2005.

**Signed in accordance with a resolution of the Directors.**

A handwritten signature in black ink, appearing to read 'G. Davie', written in a cursive style.

**Graham Davie**  
**Director**  
**Melbourne, 21 February 2005**

**REDFLEX HOLDINGS LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL**  
**PERFORMANCE**  
**FOR HALF YEAR ENDED 31 DECEMBER 2004**

	Consolidated Entity	
	31-Dec-04 \$'000	31-Dec-03 \$'000
<b>Revenue from operating activities:</b>		
Revenue from sale of services or systems	8,105	6,005
Revenue from fee for service contracts	13,643	7,877
<b>Total Revenue from operating activities</b>	<b>21,748</b>	<b>13,882</b>
<b>Revenues from outside the operating activities:</b>		
Interest from other persons	38	14
Sundry Income	0	6
<b>Total revenue from outside the operating activities</b>	<b>38</b>	<b>20</b>
<b>Total revenue from ordinary activities</b>	<b>21,786</b>	<b>13,902</b>
<b>Expenses from ordinary activities</b>		
Materials & consumables used	3,567	2,988
Depreciation expense	2,893	1,718
Amortisation of Intangibles	593	452
Borrowing costs	239	234
Salaries & wages expense	7,965	6,140
Rental/operating leases	262	107
Occupancy costs	512	468
Provision for warranty	136	0
Provision for obsolescence	116	0
Outlays Capitalised in Intangibles	(1,260)	(1,043)
Other expenses from ordinary activities	2,758	2,065
<b>Total expenses from ordinary activities</b>	<b>17,781</b>	<b>13,129</b>
<b>Profit (loss) from ordinary activities before tax</b>	<b>4,005</b>	<b>773</b>
Income tax on ordinary activities	42	0
<b>Profit (loss) from ordinary activities after tax attributable to members</b>	<b>3,963</b>	<b>773</b>
Net exchange difference on translation of foreign statements of foreign controlled entity.	(1,948)	(6,619)
<b>Total changes in equity not resulting from transactions with owners as owners</b>	<b>2,015</b>	<b>(5,846)</b>
Franked Dividends per share	0	0
Basic earnings per share	4.76 cents	1.11 cents
Diluted earnings per share	4.43 cents	1.04 cents



**REFLEX HOLDINGS LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL**  
**POSITION**  
**AS AT 31 DECEMBER 2004**

	Consolidated Entity	
	31-Dec-04 \$000	30-Jun-04 \$000
<b>Current Assets</b>		
Cash Assets	9,488	2,781
Term deposits	1,098	1,240
Receivables	9,928	8,178
Inventories	7,593	6,909
Work in Progress	2,430	3,369
Other assets	151	354
	<u>30,688</u>	<u>22,831</u>
<b>Non-Current Assets</b>		
Property Plant & equipment	32,504	27,966
Intangible Assets	9,242	8,371
	<u>41,746</u>	<u>36,337</u>
<b>Total Assets</b>	<u>72,434</u>	<u>59,168</u>
<b>Current Liabilities</b>		
Payables	3,787	4,699
Interest-bearing liabilities	7	3,974
Provisions	567	816
	<u>4,361</u>	<u>9,489</u>
<b>Non Current Liabilities</b>		
Interest-bearing liabilities	11,164	232
Provisions	112	262
	<u>11,276</u>	<u>494</u>
<b>Total Liabilities</b>	<u>15,637</u>	<u>9,983</u>
<b>Net Assets</b>	<u>56,797</u>	<u>49,185</u>
<b>Equity</b>		
Contributed Equity	79,036	73,633
Foreign Currency Translation Reserve	(9,557)	(7,802)
Accumulated Losses	(12,682)	(16,646)
<b>Total Equity</b>	<u>56,797</u>	<u>49,185</u>

**REDFLEX HOLDINGS LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2004**

	Note	Consolidated Entity	
		31-Dec-04 \$000	31-Dec-03 \$000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		20,035	13,733
Grant received		537	0
Payments to suppliers and employees		(17,294)	(15,839)
Interest received		38	14
Interest and other costs of finance paid		(239)	(234)
Net Cash Flows from (Used in) operating activities		<u>3,077</u>	<u>(2,326)</u>
<b>Cash Flows from Investing Activities</b>			
Payments for property, plant and equipment	2	(7,431)	(6,204)
Loans from other entities		0	587
Capitalised research and development		(1,260)	(1,128)
Net Cash Flows from (Used in) investing activities		<u>(8,691)</u>	<u>(6,745)</u>
<b>Cash Flows from Financing Activities</b>			
Bank borrowings repaid to NAB		(3,761)	1,294
Bank Borrowings from Harris Bank		10,851	0
Shareholder loans received (paid)		0	(258)
Cash proceeds from share issues		5,403	13,863
Net Cash Flows from (Used in) financing activities		<u>12,493</u>	<u>14,899</u>
Net Increase/(Decrease) in Cash held		6,879	5,828
Cash at beginning of financial year		4,021	2,183
Effect of currency translation on opening cash balance		(314)	(448)
Cash at End of Financial Year		<u>10,586</u>	<u>7,563</u>
<b>Reconciliation of Cash</b>			
Cash at the end of the year consists of:			
Cash on Hand and at Bank		9,488	6,816
Deposits at call		1,098	747
		<u>10,586</u>	<u>7,563</u>

**Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2004**

**NOTE 1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

This general purpose half-year financial report has been prepared in accordance with Accounting standard AASB 1029 'Interim Financial Reporting', Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2004 and any public announcements made by Reflex Holdings Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**NOTE 2 MATERIAL FACTORS AFFECTING THE ASSETS, LIABILITIES AND EQUITY OF THE ECONOMIC ENTITY FOR THE CURRENT PERIOD**

**Cash Assets**

The balance of cash holding increased during the half-year ended 31 December 2004 by \$6.565 million

Major sources of cash reserves during the half-year were:

Proceeds from Share Purchase Plan,	\$5.063 million
Net new bank borrowings	\$7.089 million

Major uses of cash reserves during the half-year were:

Investment in infrastructure assets installed in USA	\$7.431 million
--	-----------------

The investment in USA based assets has been made progressively during the year and accumulated assets and liabilities have been translated to AUD at half-year end exchange rate of AUD/USD 0.7801 using the current rate method. The downward revaluation of the net asset values has been taken to the Foreign Exchange Translation Reserve as required under AASB 1012 for entities deemed to be self-sustaining.

**NOTE 3 ISSUED AND QUOTED SECURITIES AT END OF CURRENT PERIOD**

	Total number	Number quoted	Issue price per security	Amount paid up per security
Ordinary securities	85,157,435	85,157,435		
Changes during current period				
(a) Increases through issues				
Share Purchase Plan	1,476,002	1,476,002	\$3.43	\$3.43
Conversion of employee options				
RDFAM	20,000	20,000	\$2.98	\$2.98
RDFAR	300,000	300,000	\$0.50	\$0.50
RDFAS	220,000	220,000	\$0.60	\$0.60
(b) Decreases through returns of capital, buybacks	0	0	0	0
Options	6,323,000	0	0	0
Issued during current period				
Employee Options	0	0	0	0
Exercised during current period				
RDFAM	20,000	20,000	\$2.98	\$2.98
RDFAR	300,000	300,000	\$0.50	\$0.50
RDFAS	220,000	220,000	\$0.60	\$0.60
Expired during current period	20,000	20,000	\$2.98	\$2.98

**NOTE 4 SEGMENT NOTE**

**(a) Business Segments**

	Corporate		Communications		Traffic		Total	
	31-Dec-04	31-Dec-03	31-Dec-04	31-Dec-03	31-Dec-04	31-Dec-03	31-Dec-04	31-Dec-03
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Revenue from sale of goods & services	14	20	3,407	3,749	4,722	2,256	8,143	6,025
Revenue from fee for service contracts	0	0	0	0	13,643	7,877	13,643	7,877
<b>Total revenue</b>	<b>14</b>	<b>20</b>	<b>3,407</b>	<b>3,749</b>	<b>18,365</b>	<b>10,133</b>	<b>21,786</b>	<b>13,902</b>
EBITDA	(1,533)	(827)	1,169	(457)	8,055	4,461	7,691	3,177
Consolidated operating profit before tax	(1,428)	(937)	673	(869)	4,760	2,579	4,005	773
<b>Total assets</b>	<b>7,311</b>	<b>8,937</b>	<b>11,978</b>	<b>11,697</b>	<b>53,145</b>	<b>35,206</b>	<b>72,434</b>	<b>55,840</b>

**(b) Geographical segments**

	Australia		USA		Other		Total	
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Revenue from sale of goods & services	3,141	1,805	2,945	3,230	2,057	990	8,143	6,005
Revenue from fee for service contracts	0	0	13,643	7,877	0	0	13,643	7,877
<b>Total revenue</b>	<b>3,141</b>	<b>1,805</b>	<b>16,588</b>	<b>11,107</b>	<b>2,057</b>	<b>990</b>	<b>21,786</b>	<b>13,902</b>
<b>Total assets</b>	<b>27,102</b>	<b>29,656</b>	<b>45,332</b>	<b>26,184</b>	<b>0</b>	<b>0</b>	<b>72,434</b>	<b>55,840</b>

The consolidated entity's companies are organised and managed separately according to the nature of the products and services they provide, with each segment offering different products and servicing different markets.

The Traffic Division operates within two key markets, the USA and Australia. The USA Traffic business is predominantly a Build Own Operate Maintain business providing fully outsourced traffic enforcement programs to cities and townships.

The Australian and International traffic business involves the sale of traffic enforcement products to those markets.

The Communications Business involves the sale of a variety of communication based solutions to world markets, often via USA based prime contractors.

The Segmental split segregates the primary business units into revenue from recurring fee for service business and revenue related to the sale of goods and services.

The geographical split recognises the countries in which the work is transacted.

The corporate division represents the Group's Head Office which is based in Melbourne, Australia.



#### **NOTE 5 CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There has been no change in contingent assets or liabilities since June 30, 2004.

#### **NOTE 6 TRANSITION TO IFRS**

Redflex Holdings Limited has commenced transitioning its accounting policies and financial reporting from current Australian standards to Australian equivalents of International Financial reporting standards (IFRS). The company has allocated internal resources and engaged expert consultants to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to Australian equivalents of IFRSs. As the Company has a June 30 year end, priority has been given to considering the preparation of an opening statement of financial position in accordance with AASB equivalents as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRSs in the future, and is required when Redflex prepares its first fully IFRS compliant financial report for the year ended 30 June 2006.

Following are key areas where accounting policies will change and may have an impact on the financial report. At this stage the Company has not been able to reliably quantify the impacts on the financial report.

#### **Classification of Financial Instruments**

Under AASB139 *Financial Instruments: Recognition and Measurement*, financial instruments will be required to be classified into one of five categories which will, in turn, determine the accounting treatment of the item. The classifications are

Loans and receivables – measured at cost, held to maturity

Loans and receivables – measured at amortised cost, held for trading

Loans and receivables – measured at fair value, with fair value changes charged to profit or loss

Loans and receivables – measured at fair value, with fair value changes taken to equity

Non-trading liabilities – measured at amortised cost.

This will result in a change in the current accounting policy that does not classify financial instruments. Current measurement is at amortised cost. The future financial effect of this change in accounting policy is not yet known as the classification and measurement process has not yet been fully completed.

#### **Hedge accounting**

Under AASB139 *Financial Instruments: Recognition and Measurement*, hedges that are able to be separately identified and documented in accordance with the requirements of IAS 139 can be treated as hedges. Any hedges not separately identified and documented in accordance with the requirements of IAS 139 will be treated as general hedges and accordingly, all gains and losses on the contracts will be recognized in the income statement.

#### **Goodwill**

Under the Australian equivalent to AASB3 *Business Combinations*, goodwill acquired upon the acquisition of the assets and business operations of Poltech and Locktronics will not be amortised but subject to annual impairment testing. This will result in a change in the Group's current

accounting policy which amortises goodwill over its useful life but not exceeding ten years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the conditions under which impairment will be assessed are not yet known.

#### **Impairment of assets**

Under the Australian equivalent to AASB136 Impairment of assets the recoverable amount of an asset is determined as the higher of net selling price and value in use. It is expected that the value in use measurement will exceed net selling price. This will result in a change in the group's current accounting policy which determines the recoverable amount of an asset on the basis of discounted cash flows. Under the new policy it is possible that impairment of assets will be recognized sooner and that the amount of write-downs will be greater. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the conditions under which impairment will be assessed are not yet known.

#### **Intangible assets**

Under the Australian equivalent to AASB 138 Intangible Assets, costs incurred in the research phase of the development of an internally generated intangible must be expensed. This will result in a change in the group's current accounting policy which allows for the capitalization of costs incurred in the research phase of an internally generated intangible asset where future benefits are expected beyond reasonable doubt. Under the new policy, all research costs will be written off as incurred. Reliable estimation of the future financial effects of this change in accounting policy cannot yet be identified; however an amount may be required to be adjusted against opening retained earnings for the amount that does not meet the recognition requirements under IFRS.

#### **Share based payments**

Under AASB2 Share Based Payments, the Company will be required to determine the fair value of options issued to employees as remuneration and recognize as an expense in the Statement of Financial Performance. This statement is not limited to options and also extends to other forms of equity based remuneration. It applies to all share-based payments issued after 7 November 2002 which have not vested as at 1 January 2005. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the details of future equity based remuneration plans are unknown.

#### **Income Taxes**

Under the Australian equivalent to AASB112 Income Taxes, the Company will be required to use a Balance sheet liability method which focuses on the tax effects of transactions and other events that effect amounts recognized in either the Statement of Financial Position or a tax-based balance sheet. The change in accounting standard is expected to coincide with the utilization of carry forward tax losses and the recognition of the tax effect on both timing differences relating to the differing treatments used for book and tax differences. The capital gains tax effect of asset revaluations arising from asset impairment reviews will be recognized. It is not expected that there will be any further material impact as a result of adoption of this standard.

**Foreign currency translation reserve**

Upon transition to the adoption of Australian equivalents of IFRSs the Company has the option to reset the foreign currency translation reserve to zero. At this stage the Company believes it will elect to exercise this option. The reset will be offset against Retained Earnings in the Statement of Financial Position

**Redflex Holdings Limited**  
**Directors' Declaration for the half-year ended 31 December 2004**

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In accordance with a resolution of the Directors of Redflex Holdings Limited, I state that:

In the opinion of the Directors the financial report, in the form of Appendix 4D of the Australian Stock Exchange Listing Rules, of the Consolidated entity:

- (1) gives a true and fair view of the financial position as at 31 December 2004 and the performance for the half year ended on that date, and
- (2) complies with Accounting Standard AASB 1029: "Interim Financial Reporting" and the Corporations Regulations 2001, and
- (3) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Graham W Davie  
Director  
Redflex Holdings Limited  
ABN 96 069 306 216  
21 February 2005

## Independent review report to members of Redflex Holdings Limited

### Scope

#### *The financial report and directors' responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements and the other information set out in Appendix 4D to the Australian Stock Exchange (ASX) Listing Rules for the consolidated entity comprising both Redflex Holdings Limited (the company) and the entities it controlled during the half-year ended 31 December 2004, and the directors' declaration, for the company, for the half-year ended 31 December 2004.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*, and the ASX Listing Rules as they relate to Appendix 4D. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Review approach*

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the ASX and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, and the ASX Listing Rules as they relate to Appendix 4D, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.



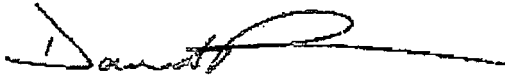
**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report, as defined in the scope section, of the consolidated entity and the entities it controlled during the half-year is not in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of the consolidated entity at 31 December 2004 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia and the ASX Listing Rules as they relate to Appendix 4D.

*Ernst & Young*

Ernst & Young



David Petersen  
Partner  
Melbourne  
Date: 21 February 2005