Presentation
Investor Briefing – Redflex Traffic Systems Inc

17 January 2006: The Directors are pleased to lodge the attached presentation on Redflex Traffic Systems Inc and key executives Ms Karen Finley and Mr Aaron Rosenberg.

For further information:

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Karen Finley
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Introduction

• Chris Cooper
  Chairman
  Redflex Holdings Limited

• Graham Davie
  CEO
  Redflex Holdings Limited

• Karen Finley
  President & CEO
  Redflex Traffic Systems Inc.

• Aaron M. Rosenberg
  Vice President of Sales & Marketing
  Redflex Traffic Systems Inc.
Introductions

• Industry Experience since 1998

• Involved in successful negotiation and execution of all existing Redflex contracts both new and renewal

• Board Member of the National Campaign to Stop Red Light Running

• Member of the AZ Governors Intersection Safety Committee in 2000

• Involved with local AZ cities to defeat anti-photo enforcement legislation in the 2005 Legislative session
• Introduction of digital technologies to US market
• Continued industry dominance through successful implementation of ~540 systems
• Contract growth from 3 contracts in 1998 to 79 through 2005
• Continued revenue growth and improved cash flow
• Regional Operational growth from one office to offices in CA, CO, NC, IL and OH
• Organization grown from 30 to over 165 US-based employees
Operational Milestones

• First mid-block fixed speed site in Scottsdale, Arizona which is the system being installed on the 101 freeway in Scottsdale

• Regional Office expansion beyond Arizona with customer offices in Fort Collins, Colorado, North Carolina, Richardson, Texas and Chicago, IL

• Implementation of a secondary site for redundancy and disaster recovery
Event Processing
Installation Growth

- 211@ 30 Dec 2003
- 401@ 30 Dec 2004
- 463@ 30 June 2005
- 524@ 25 Nov 2005
Strategic Priorities CY 2006

• **Sales**
  - Regional Expansion
  - Channel Development
  - New Market Development

• **Customer Support**
  - Implementation of a full on-line violation viewing and payment website for all contracts

• **Processing**
  - Implementation of web-based citation processing application for regionalized processing and disaster recovery
Strategic Priorities CY 2006

• Development
  – Competitive advantage and differentiation through formal market driven plan for new product development

• Legislative
  – Growth in Governmental Affairs for key legislative initiatives in new and existing states

• Increase revenues through
  – Expanded focus on fixed speed units into existing red light
  – Mobile speed product growth
  – New state development

• Implement cost cutting measures such as regionalized processing and processing performance scorecard
Short Term Outlook

• Continue rate of new system installation to approximately 200 per year

• Implementation of on-line applications for better customer service and higher payment rates

• Continue contract renewals due in 2006 (target = 100%)
Long Term Outlook

- New product development
- Increased industry dominance through development of new states
- Identify partnership arrangements for vertical integration to expand market share
- Leverage existing customer base for new services delivery
- Growth through M & A where feasible
AARON ROSENBERG
VICE PRESIDENT OF SALES AND MARKETING
Introduction

• Redflex since March 2002
• Personally Negotiated 68 Municipal Contracts
• Developed 10 New States
• Registered Lobbyist
• 10 Years Sales & Sales Management
• 10 Years Software
• Supported (2) Two Successful IPOs (NASDAQ)
• BA, MA, MS, PhD
Sales Highlights - CY 2005

- 25 Contracts
- 5 Speed Programs
- Largest Cities in Three New States
- Program Expansion in Largest US-Based Program (Digital)
- 70% Success Rate
- 6 New States

Increased Sales Staff
- Two Regional Directors
- Two Account Executives
- 5 Lobbyists/Consultants
Market Drivers

- Municipal Budget Deficits
- Decreased Public Safety Funding
- Increased Traffic Complaints
- Increased Aggressive Driving
- Sustained Population Growth
- Technology Acceptance
- Outsourcing Acceptance
• Photo enforcement is a high growth business within the USA.

• Less than 1-3% of the market penetrated for red light

• 17 of the 20 largest Cities in the US are in some phase of implementation or operation

• Potential market is ~3,000+ cities for red light and speed programs

• Redflex IP portfolio provides a strong platform to exploit the market.

• Annual Revenue Potential (Conservative)
  - Min. $1 Billion
  - Max. $3 Billion

Speed Enforcement up to 5X Revenue Potential
### CY 2005 – The Year of Unprecedented Firsts!

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<th>No.</th>
<th>City and State</th>
<th>Description</th>
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<td>1.</td>
<td>Plano, Texas: The State’s 1st Digital RLC Program</td>
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<td>Knoxville, Tennessee</td>
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<td>20.</td>
<td>Albuquerque, New Mexico: The State’s 1st Speed and RLC Enforcement Program.</td>
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<td>21.</td>
<td>Auburn, Washington: The State’s 1st All-Digital Speed and RLC</td>
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<td>23.</td>
<td>Minneapolis, Minnesota: The State’s 1st RLC Program.</td>
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