

REDFLEX HOLDINGS LIMITED  
Annual General Meeting 2009

2009



CHRIS COOPER  
Chairman – Redflex Holdings Limited





GRAHAM DAVIE  
Chief Executive Officer – Redflex Holdings Limited



# FY2009 RESULTS

## § Revenue

- Up from \$88.2 million to \$130.9 million
- Increase of 48%

## § EBITDA

- Up from \$32.3 million to \$45.5 million
- Increase of 41%

## § Net Profit Before Tax

- Up 17% from FY08 to \$13.4 million
- Down 12% on an operating basis

## § Net Profit After Tax

- Up 21% to \$9.6 million
- Down 9% from continuing operations

## § Revenue Split

- 87% from US operation
- 13% from Australian/International

Revenue



EBITDA



Net Profit Before Tax



Net Profit After Tax



## ADVERSE IMPACTS

§ Operating profit result for FY2009 has been adversely affected by:

- Start-up difficulties with Arizona state-wide speed program
- Decline in Collection rates
- Write-downs on terminated programs
- Costs of defending litigation brought by a competitor
- General litigation and legislative lobbying costs
- One off costs associated with expressions of interest to acquire the company
- Write-off of deferred finance costs
- Step changes in some expenses



# INTERNATIONAL ACHIEVEMENTS

## § Saudi Arabia

- New \$34 million contract
- Supply of cameras and back office
- Operation of back office for 5 years

## § Hong Kong

- Major contract over \$3million for radar speed cameras
- Replaces previous vendor wet-film systems

## § Qatar

- Delivered a further 24 camera systems (after initial order of 86)
- Recent contract to deliver freeway speed camera systems

## § United Kingdom

- Home Office Type Approval for mobile Lasercam product achieved.
- Order with Suffolk Safety Camera Partnership – Lasercam & Red-Light/Speed cameras

## § Europe

- Outsourced photo enforcement services in Poland – City of Tarczyn
- In conjunction with our partner Safety Camera Services.
- First Redflex outsourced program in Europe

## § New Zealand

- Successful Red-Light camera program for City of Auckland
- Delivering 45 mobile radar speed cameras to NZ Police



# AUSTRALIAN ACHIEVEMENTS

## § South Australia

- Red Light/Speed Cameras.
- Mobile speed cameras – new win
- Redflex back office software in use – now supports enforcement of unregistered and uninsured vehicles

## § New South Wales

- Bus Lane and School speed zone cameras
- Engine Brake Noise Enforcement System

## § Northern Territory

- Red-Light and Speed Cameras
- Back Office services continue

## § Queensland

- Image and Infringement Processing back office system being delivered
- Red-Light, Speed and Point-to-Point cameras supplied for evaluation – tender win.

## § Western Australia

- Fixed Red-Light enforcement site
- Automatic Licence Plate Recognition system for Main Roads WA
- Image and Infringement Processing back office system

## § Victoria

- \$4 million new contracts announced in July 09.
- Railway enforcement camera trials successfully completed – go-live expected soon

## AWARDS

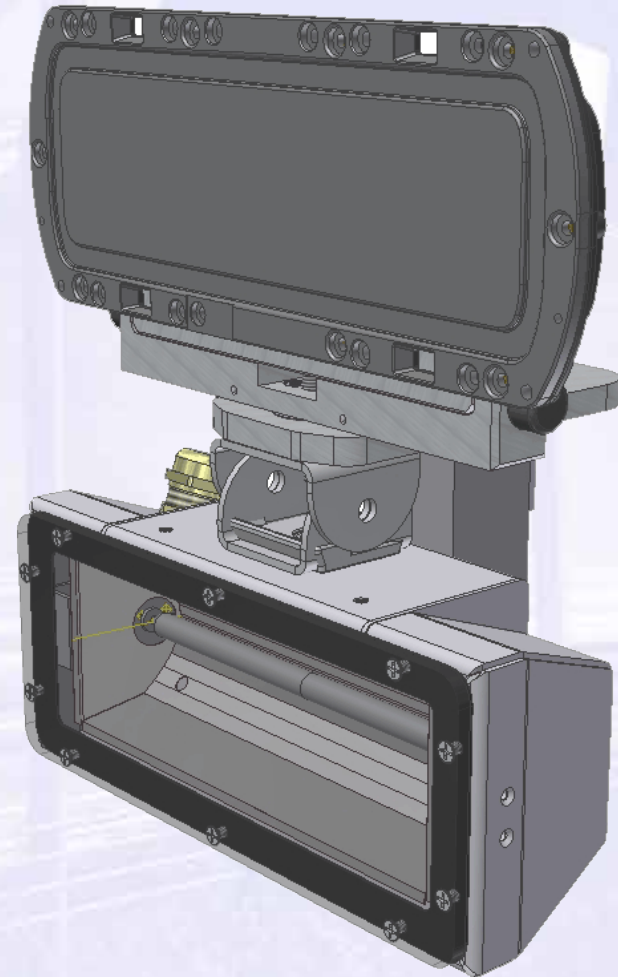
- § Governor of Victoria Export Award
  - Large Advanced Manufacturer Category
- § Excellence in Technology/Innovation Award from Chartered Institute of Logistics and Transport, New South Wales
  - Awarded for Redflex Bus Lane Enforcement Systems in Sydney





## RESEARCH AND DEVELOPMENT

- § 3.8% of revenue in FY2009 was spent on R&D
- § Expected spend in FY210 is about 3%
- § Essential that technology is developed to keep Redflex at the forefront of our industry
- § R&D is carried out in both Australia and US.



## GROUP OUTLOOK

- § 25% growth in installation per year over five year period is on track
  - Contracts underpin expectation
- § Contract renewal confirm long term nature of the business
- § Start-up problems with Arizona state-wide program are being addressed.
- § Collection rates in US remain an issue
  - Collection rate improvement is a particular focus of US team for the year ahead
- § Focus on building outsourced/Build Own Operate business outside US
- § Aggressively pursue opportunities for the Australian/International business
- § Look at opportunities to enhance shareholder value by acquisition and industry consolidation
- § Continue to invest in R&D
  - ~ 3% of revenue planned for FY10



KAREN FINLEY

Chief Executive Officer - Redflex Traffic Systems Inc.



## REDFLEX TRAFFIC SYSTEMS, INC.

- § Redflex Traffic Systems, Inc. (“REDFLEX”) continues to hold the number one position in the USA market in terms of installed cameras and new business being won
- § 49 announced new contracts signed with cities in the USA from 1 July 2008 to 30 June 2009; plus 11 executed from 1 July – 30 October 2009 bringing the total number of contracts to 252
- § An increase of ~31 % in the number of camera systems installed in the USA Build Own Operate and Maintain (“BOOM”) market from 1267 to 1661 at 30 June 2009
  - As of 30 October 2009, 1819 total camera systems; this equates to an additional 158 systems since 1 July 2009
- § Operating the largest red light camera program in the US with 352 operational systems in the City of Chicago projected to be 380 total install base by 31 December 2009
- § REDFLEX was awarded the Arizona Department of Public Safety (“AZDPS”) contract, which is the first state-wide photo enforcement program of its kind
  - Currently operating 40 mobile units and 36 fixed speed sites
- § 38 contracts renewed in FY09 plus 12 other long term cities since 1 July 2009, such as Council Bluffs, IA; El Cajon, CA; Peoria, AZ; and Sioux Falls, SD



# US MARKETSCOPE AND PENETRATION



## US Marketscope:

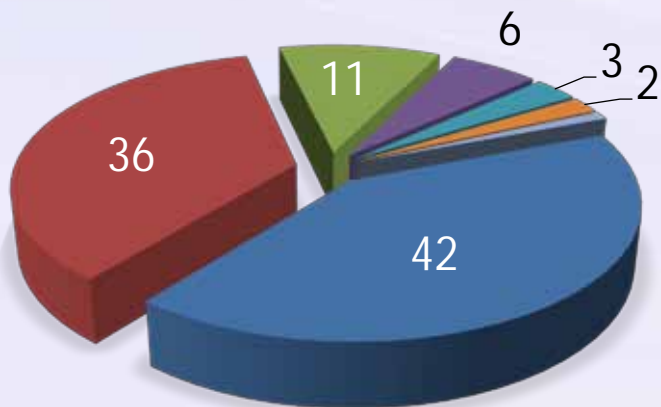
Red Light 20,000-30,000 systems  
Speed 35,000-50,000 systems

## Industry Market Penetration:

Red Light 13%  
Speed 2%

# US MARKET SHARE

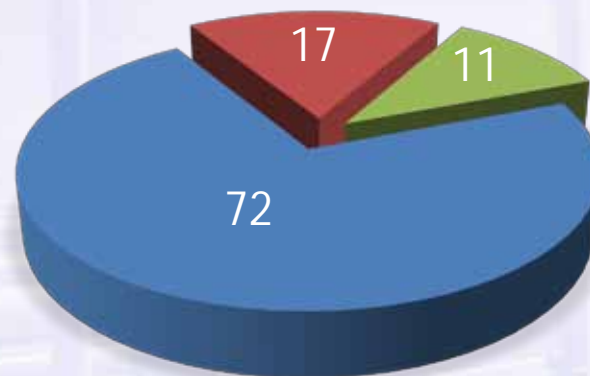
## Redlight Share



- Redflex   ■ ATS   ■ ACS   ■ Lasercraft
- Redspeed   ■ Traffipax   ■ Gatso

*Includes Redlight, Mobile Redlight, Railroad and Stop Sign as of 15 October 2009*

## Speed Share



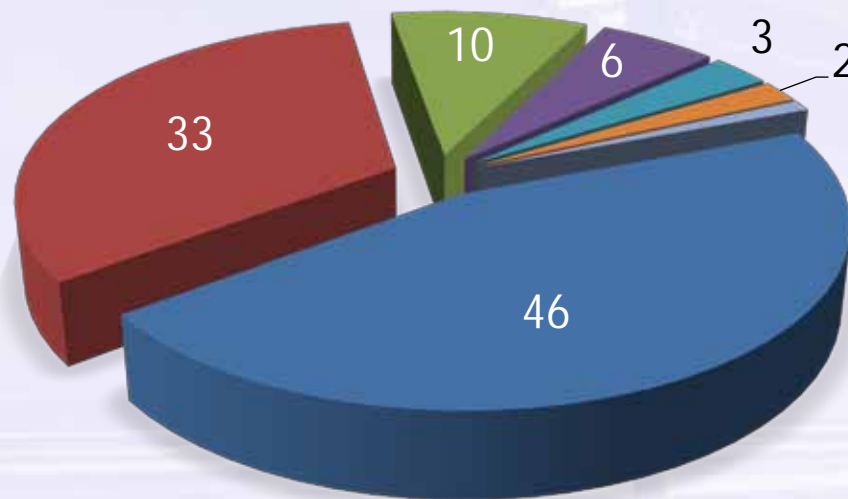
- Redflex   ■ ATS   ■ ACS

*Includes mobile, fixed and combos as of 15 October 2009*



# US MARKET SHARE

Total Share



*As of 15 October 2009*

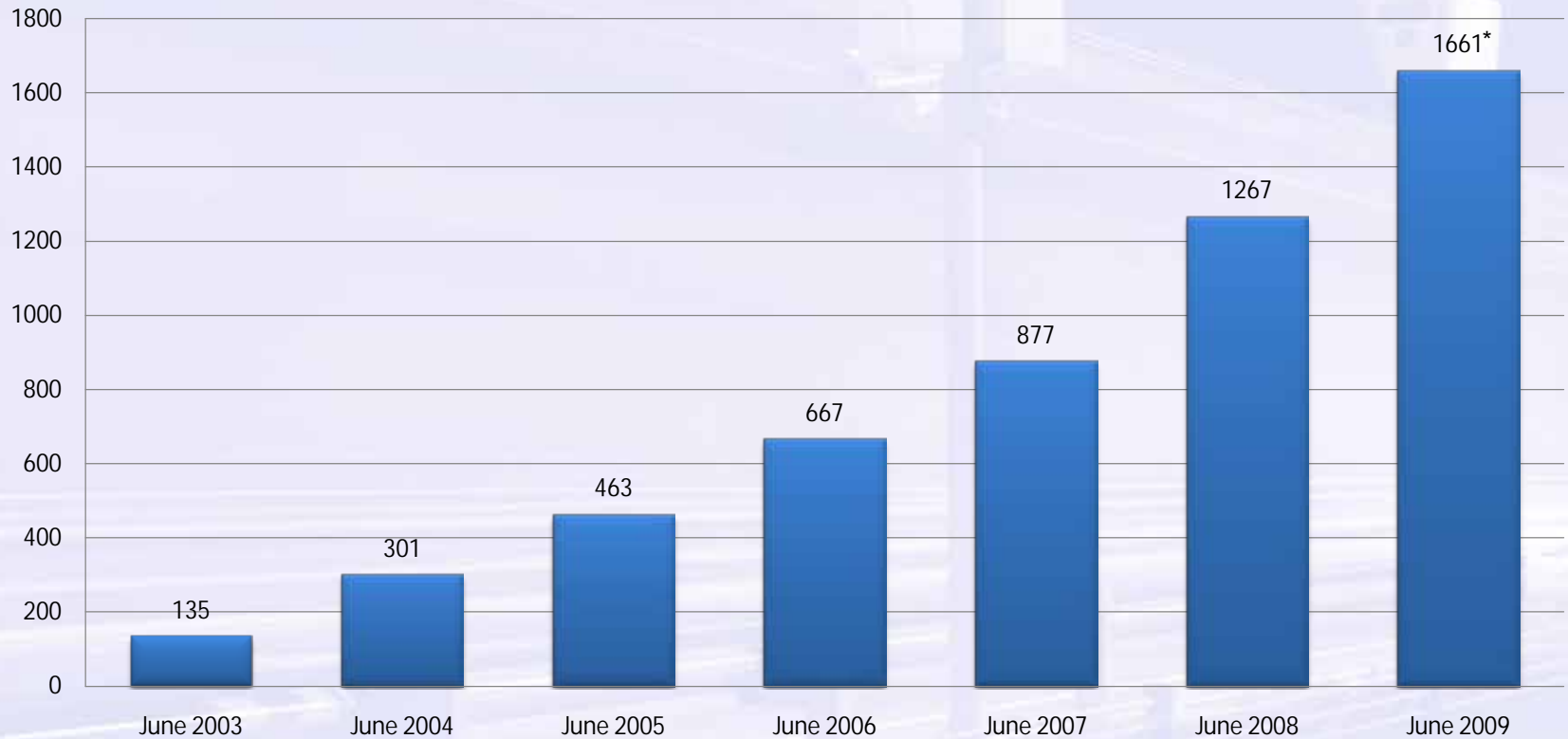
## REDFLEX TRAFFIC SYSTEMS, INC.

- § Field Sales competitive contract wins exceed all other vendors in the industry
- § Focused investment on the development of the speed enforcement market resulted in:
  - Securing approximately 20 new speed enforcement related contracts, 100% increase over year prior
  - Diversified expansion in each key speed enabled market including:
    - Arizona
    - Louisiana
    - Tennessee
    - Ohio
- § 1661 installed systems at 30 June 2009 with an additional 158 activated (30 October 2009)
  - Through efficient construction and maintenance processes REDFLEX increased operational span of control in all maintenance and support functions and increased new build activity by 10% with no additional staff



# NUMBER OF INSTALLED SYSTEMS CONTINUES TO GROW

## RTSI Installed Cameras



***\*1,819 systems as of 30 October 2009***

## REDFLEX TRAFFIC SYSTEMS, INC.– GROWTH INITIATIVES

- § REDFLEXplatescan™ is an automated license plate read product that was added to the REDFLEX offering to increase the product suite supporting law enforcement
- § REDFLEX launched the first remotely monitored mobile speed unit fleet from a centralized location optimizing service levels and lengthened deployments
- § REDFLEXspeed Tow and Go™ mobile (a towable trailer) launched in October 2009
  - This onsite unattended vehicle offers the combination of remote security surveillance capabilities (video, intrusion detection, GPS tracking) with the proven mobile photo enforcement system in a highly secure and flexible package
  - The system is monitored throughout its deployment from a central monitoring location
  - Equate to more efficient and effective speed enforcement
- § **Implementation of Project Platinum - a corporate-wide quality initiative program**
  - Initial projects are focused on the areas of customer service, profitability and supply chain management

## LEGISLATIVE ENVIRONMENT

### § REDFLEX sustained and accelerated the leadership position in the marketplace with superior representation at State Legislatures

- This past legislative season was the most active as the technology becomes more wide-spread
- Legislatures turn to efficient methods of delivering effective law enforcement in economically challenged times

### § State Status

- Ohio: ballot referenda in Chillicothe and Heath resulted in local election bans on the photo enforcement technology
- Texas, Arizona, Louisiana: negative legislation introduced in all three states, none voted in
- Mississippi, Montana, and Maine: these states moved to pass banning legislation in the most recent session
- Florida: failed to pass red light enabling legislation this session
- New York: passed broader enablement of five more jurisdictions for red light
- Maryland: passed state-wide speed enablement



# ARIZONA STATEWIDE SPEED ENFORCEMENT PROGRAM FIRST ANNIVERSARY – GREAT SAFETY RESULTS!

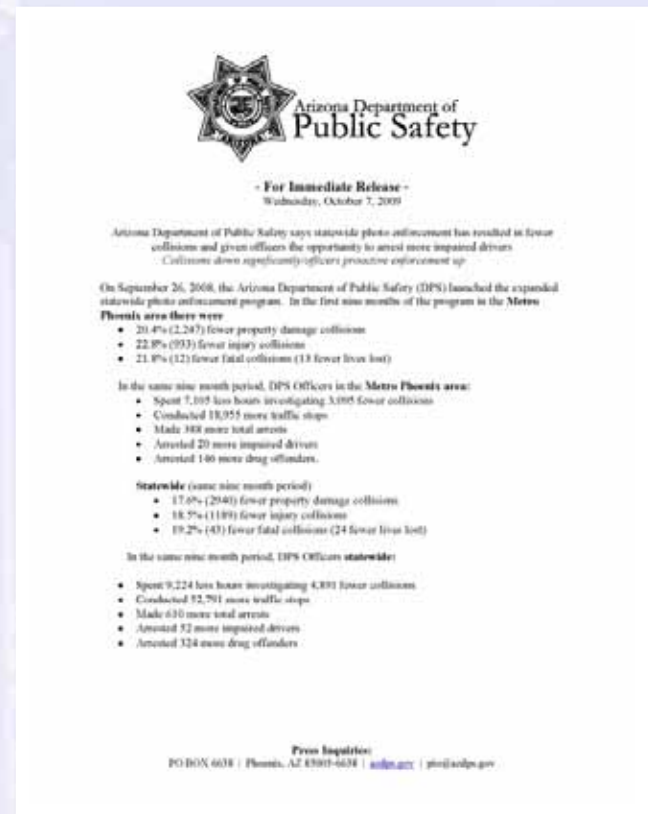
## § Leveraging Local Statistics

### § AZ DPS Releases Results from First 9 Months of Program: Metro Phoenix

- 20.4% (2,247) fewer property damage collisions
- 22.8% (933) fewer injury collisions
- 21.8% (12) fewer fatal collisions (13 fewer lives lost)
- DPS Officers in the Metro Phoenix area:
- Spent 7,105 less hours investigating 3,095 fewer collisions
- Conducted 18,955 more traffic stops
- Made 388 more total arrests
- Arrested 20 more impaired drivers
- Arrested 146 more drug offenders

### Statewide

- 17.6% (2940) fewer property damage collisions
- 18.5% (1189) fewer injury collisions
- 19.2% (43) fewer fatal collisions (24 fewer lives lost)
- DPS Officers Statewide:
- Spent 9,224 less hours investigating 4,891 fewer collisions
- Conducted 52,791 more traffic stops
- Made 610 more total arrests
- Arrested 52 more impaired drivers
- Arrested 324 more drug offenders



# REDFLEX SPEED EDUCATION CAMPAIGN

- § USA National Statistics:
- § Speeding now exceeds drunk driving in annual fatalities, according to the most recent study by the National Highway Transportation Safety Administration (NHTSA) 2007



# REFLEX PUBLIC SERVICE EDUCATION CAMPAIGN - SPEED ENFORCEMENT





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