

# ASX ANNOUNCEMENT

31 August 2015

REDFLEX HOLDINGS LIMITED ABN 96 069 306 216

## Legal Action by the City of Chicago ex rel Aaron Rosenberg (qui tam action)

The City Attorney for the City of Chicago in the United States of America has notified the Company's U.S. subsidiary, Redflex Traffic Systems, Inc. (RTSI), that a *qui tam* legal action has been commenced against RTSI in the Circuit Court of Cook County, Illinois by Mr Aaron Rosenberg, a former Executive Vice President of Business Development at RTSI. We understand that this legal action was previously commenced by Mr Rosenberg, but by order of the Court, the existence of the legal action was suppressed and was not brought to the Company's attention until now. The City of Chicago has notified us that they intend to intervene in this matter and a status hearing will take place on October 6, 2015.

The legal action makes certain allegations against RTSI relating to alleged breaches of city ordinances and bribery of public officials in the City of Chicago during a period from 2002 to 2012 (which has been the subject of previous disclosures by the Company). Amongst other civil penalties, the legal action claims an award of damages treble the amount paid to RTSI by the City of Chicago under the now terminated contracts between RTSI and the City of Chicago. The claim alleges that the revenues earned by RTSI under the now terminated contracts were USD\$100 million.

In a *qui tam* legal action in the U.S., a purported 'whistle blower' (called the "relator") is able to file a legal action as a plaintiff with the expectation that the matter will subsequently be transitioned to an alleged aggrieved government plaintiff (in this case the City of Chicago) to determine if the government plaintiff will take on the legal action for itself. Due to the City of Chicago wishing to intervene in this matter, Mr Rosenberg (being the relator) will cease the role as plaintiff. The relator typically has an expectation that if the case is ultimately successful in the Court that the relator will share in any financial recovery achieved by the government plaintiff.

### About Redflex

The Redflex Group has established itself as a world leader in traffic enforcement products and services, developing world leading enforcement camera technology and owning and operating one of the largest network of digital speed and red-light cameras in the world.

The Redflex Group develops and manufactures a wide range of digital photo enforcement solutions including red light camera, speed camera and school bus stop arm camera systems all utilising the most advanced sensor and image capture technologies.

The Redflex Group runs its own systems engineering operations, system integration technologies and innovation centre for research and development. With our continuous development of new safety products, the Redflex Group has been helping to reduce collisions and to save lives for more than 20 years.

Redflex Holdings Limited was listed on the Australian Securities Exchange in January 1997.

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