



**Australian
Monday 19/10/2009**

Page: 23
Section: Business News
Region: Australia, AU
Circulation: 138765
Type: National
Size: 134.11 sq.cms.



slice
slicemedia.com

press clip

Red light for Traffic bid

Tim Boreham
Boards

THE protagonist in the bitter battle for control of road-equipment group Traffic Technologies faces a resounding defeat at next week's EGM, which will decide the issue.

According to Traffic chairman Ray Horsburgh, proxy votes have been running 60 per cent in favour of the incumbents and 30 per cent in favour of the challenger, Traffic founder and former joint chief executive Con Scrinis.

"I'm pretty confident," Mr Horsburgh said yesterday. "Slightly over 50 per cent of holders have voted. There's a fair gap there and I can't see how they can rein it in."

Mr Scrinis has petitioned to remove three Traffic directors: Mr Horsburgh (who is also Toll Holdings chairman), former Victorian transport minister Alan Brown, and current chief executive (and joint founder) Con Liosatos.

Along with disaffected share-

holder Keith Aldridge, Mr Scrinis accounts for 13 per cent of Traffic shares but claims the wider support of 30 per cent of the register.

So far, the EGM campaign has been marked by claim and counter claim, legal threats and behind-the-scenes suggestions of inappropriate behaviour.

Mr Scrinis on Friday said the vote was "too close to call", but admitted the putsch needed the support of private equity house Equity Partners, which holds 32 million Traffic preference shares.

If Equity Partners converts, it will account for 18 per cent of Traffic's ordinary shares on a diluted basis. But the firm must give the company five days' notice and has not yet done so.

Equity Partners principal Quentin Jones said the firm planned to finalise its position this week. "It's a pretty interesting state of affairs," he said.

While next Tuesday's EGM is tipped to confirm the status quo, it is unlikely to be the last the

company hears from Mr Scrinis.

Having quit in August 2007, Mr Scrinis blames Traffic's subsequent actions for the company's woeful performance, culminating in a \$16.2 million loss in 2007-08. Traffic on Friday reported EBITDA of \$2.4m for the September 2009 quarter, compared with \$1.4m previously and \$4.8m in 2008-09.

The company retorts that Mr Scrinis should also bear responsibility for overpaying for acquisitions which blew Traffic's debt out to its current level of \$44m.

The company has embarked on an improvement drive under Mr Horsburgh, who says Friday's numbers confirm the company is turning around.

Mr Scrinis had a broader agenda to list a separate company, Traffic Group, with a view to consolidating the companies' operations. However, the \$5m listing this month was called off amid investor confusion about Mr Scrinis's dual roles.