

Traffic Group seeks \$5m for acquisitions

TREVOR CHAPPELL

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A former joint managing director of a traffic services provider is seeking to raise \$5 million so a rival company he has set up could potentially takeover his former firm.

Con Scrinis used to be a joint managing director of Traffic Technologies Ltd, which is a supplier of traffic signals, traffic control equipment and traffic signs.

Mr Scrinis said on Thursday that he had resigned from Traffic Technologies Ltd in August 2007 because having two managing directors at the company was unworkable.

Mr Scrinis subsequently set up The Traffic Group (TTG), a traffic signage and street-sweeping company which is seeking to raise \$5 million and list on the Australian Securities Exchange in early November.

"These funds are purely earmarked to fund future acquisitions," Mr Scrinis said on Thursday.

He said the funds could be used for a possible acquisition of part or all of Traffic Technologies, although the acquisition of Traffic Technologies was not the only option given that the traffic services sector was made up of many small players.

Mr Scrinis and associated entities hold 12.81 per cent of the shares of Traffic Technologies and have called a general meeting of shareholders on October 14 with the aim of unseating three directors on the Traffic Technologies board, including chairman Ray Horsburgh and managing director Con Liosatos.

Mr Scrinis, who is seeking a position on the board should seats become vacant, claims that Traffic Technologies has performed poorly since late 2007 as a result of "the lack of consistent, positive leadership".

Share in Traffic Technologies had fallen from 53.5 cents in May 2007 to 2.1 cents in June 2009.

Mr Scrinis said on Thursday that it made sense from an industry perspective that Traffic Technologies and TTG be joined together but the issue was how to engineer it.

He said TTG's strategy was to acquire other businesses in the sector, and Traffic Technologies was one such business.

TTG is offering 25 million shares at 20 cents each in an initial public offer that opened on Thursday.

If the offer is fully subscribed, TTG will have about 47.6 million shares on issue, with a market capitalisation of \$9.5 million.

TTG has uploaded a promotion of its prospectus onto video sharing website YouTube.

Mr Scrinis established TTG in September 2007 to consolidate the fragmented road sign manufacturing industry and take advantage of other opportunities in the growing road construction and maintenance sector.

In November 2007, TTG established a traffic sign manufacturing business in Western Australia, which has since expanded to include the acquisitions of Allpack Signs in South Australia in July 2008 and Road Safety Shop in Western Australia in February 2009.

In February 2008, TTG acquired the business of Cleansweep in WA.



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