

The Traffic Group \$5m IPO issue opens today

Profitable fast growing national traffic businesses with bases in WA, SA & Victoria

28 October 2009, Melbourne: Traffic signage and street sweeping company The Traffic Group (ASX:TTG) will open its initial public offer (IPO) today to raise \$5 million. The company is profitable and plans to substantially expand by winning new business, acquiring new businesses and to buy assets from distressed competitors.

The Traffic Group was established in 2007 by managing director Con Scrinis. The strategy of The Traffic Group is to consolidate the fragmented traffic services industry and the IPO fundraising will accelerate the company's growth.

The Traffic Group includes wholly owned business units Allpack Signs, Cleansweep and Russell Signs across Western Australia and South Australia and head office in Melbourne. These businesses manufacture, market and sell road and traffic signs, corporate signs and provide road sweeping services. Clients include road construction and maintenance companies, local councils and road authorities.

The Traffic Group prospectus offers 25,000,000 shares at \$0.20 each and if subscribed in full the company will have a total of 47,563,171 shares on issue with a market capitalisation of \$9.5 million. The offer is being managed by Sonray Corporate, opens today and is set to close on 16 November. ASX listing is due on 23 November.

"This investment is about taking a stake in a company that will grow at a rapid pace," said Mr Con Scrinis. "The board and management know the traffic industry probably better than any others and there is a determination to grow this business, deliver profits to shareholders and to be the first company able to exercise industry pricing power in traffic products in Australia.

"We have a long list of potential acquisitions and as soon as the company is listed we intend to move quickly."

"With high and growing spending the infrastructure sector enjoys strong investment fundamentals. Government spending on the sector is increasing, while we as a company are looking to exploit the major shift to outsourcing services to the private sector such as street sweeping."

Through its subsidiary Traffic Products Group Pty Ltd the company acquired Allpack Signs in South Australia in July 2008 and Road Safety Shop in Western Australia in February 2009. These now trade under the Allpack Signs name in Western Australia, South Australia, Victoria, Queensland and the ACT, with a vision to further consolidate the traffic signage industry.

Further acquisitions include Western Australian company Cleansweep in February 2008 and South Australia's Russell Signs in October 2008.

Mr Scrinis is a former managing director of Traffic Technologies Limited (ASX:TTI) and played a core role in building up that company to close to \$100 million annual revenues.

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