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The Traffic Group \$5m IPO

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

17 September 2009, Melbourne: Traffic signage and street sweeping company The Traffic Group (ASX:TTG) will list on the Australian Securities Exchange after a prospectus was lodged to raise \$5 million.

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 offering to new shareholders is for an existing profitable business with an expectation of high growth. The Traffic Group was established in 2007 by founder and managing director Con Scrinis to consolidate and profit from the fragmented traffic services industry. 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.

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 opened on 17 September and is set to close on 21 October. ASX listing is due in early November.

Mr Scrinis said the IPO fundraising would allow the company to, "accelerate existing businesses and aid in moving more quickly on a long list of potential acquisitions".

"We will only buy companies on modest multiples that are value accretive for shareholders. We will take our shareholders on a journey of value building in an industry usually neglected by professional investors."

"This is a high growth infrastructure sector benefiting from greatly increased Commonwealth and state government expenditure not adversely affected by difficult economic conditions.

"The Traffic Group is also seeking to fully exploit the major shift to outsourcing street sweeping services by local government. We will build up the Cleansweep business and actively scout for new street sweeping acquisitions".

"The Prospectus provides an opportunity to invest in a company with exceptional growth potential," said Mr Scrinis.

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 of the same year.

You are invited to check the Traffic Group on YouTube at <http://www.youtube.com/watch?v=Hk0k2T003wA>

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