

ASX & Media Release**28 August 2008****Record earnings in 08 and strong 09 outlook****Highlights**

- Operating revenue up 82.3% to \$450.6M
- EBITDA up 75.6% to \$37.2M
- Reported NPAT up 61.1% to \$18.1M
- \$1B Telstra AAS contract performing to expectations
- Annualised revenues approaching \$650M
- \$2B work-in-hand contracted for next 4 years
- All business units performing profitably
- Material organic growth opportunities in core infrastructure business streams
- Strong balance sheet and capacity to fund growth
- Full year DPS maintained at 7.5 cents
- Positive FY09 outlook, 30% plus growth expected

Results Commentary

Service Stream Limited (ASX Code: SSM) confirmed its position as a leading diversified infrastructure services company with the release today of its results for the 2008 financial period.

The Company reported significant revenue and net earnings growth, while at the same time positioning itself for a strong operating performance in the 2009 financial period and beyond.

The Company delivered an exceptional performance with operating revenue, EBITDA and NPAT for the period increasing to \$450.6M (+82.3%), \$37.2M (+75.6%) and \$18.1M (+61.1%) respectively. All divisions performed in line with expectations with key highlights being the performance of the Company's Field Services and Infrastructure Services business streams, where EBITDA performance was up 101.5% and 132.4% respectively to \$22.98M and \$16.8M before corporate overheads.

The Company rewarded shareholders with a full year dividend maintained at \$0.075 per share fully franked at 30%.

The period reflected one of significant investment in growing the business through both strategic acquisitions and the funding of organic contract growth. The Company outlaid \$43.20M cash on acquisitions together with \$39.30M on working capital and capital expenditure associated with the \$1B Access and Associated Services (AAS) contract awarded from Telstra Limited in August 2007.

The four year AAS contract expanded the Company's service and maintenance activity with Telstra Limited by nearly 400%, and involved the addition of 17 new offices and nearly 800 technicians nationally over the six month period from November 2007 to April 2008.

Commenting on the results Service Stream CEO and Managing Director Mr Patrick Flannigan said:

"The past year reflected one of significant achievement for the Group on a number of levels. We continued our commitment to reward shareholders through growth in net earnings and solid dividends, while at the same time enhancing the Company's capabilities in the provision of infrastructure services to multiple utility sectors."



"We continued our diversification into the electricity, gas and water sectors with the strategic acquisitions of Australia's largest utility metering services company AMRS (Aust) and utility infrastructure construction group McCourt Dando. Our utilities services (ex telecommunications) based revenues now stand at \$150M annually, and we expect to grow this line of business to \$400M to \$500M over the next three years."

"The period also saw the transition of our Field Services division into a truly national player following the successful awarding of the \$1B AAS contract with Telstra in August 2007. I am delighted to report that following a six month implementation phase the contract is now performing in line with both the client and our expectations."

The Company remained focused during the period on the delivery of complete turnkey solutions to clients on large infrastructure build and asset service and maintenance programs. The average term on the Company's \$2B contracted work-in-hand stands at approximately four years.

The Company remains conservatively geared at 8.5 times interest cover and 2.5 times EBITDA / Net Debt, and has extensive capacity within its existing banking facilities to fund organic and acquisition growth activity.

Outlook

Service Stream remains well positioned during what is a challenging operating environment for companies globally. The Company has maintained a consistent strategy in servicing large asset owners on the deployment and management of essential network infrastructure, with the majority of its current turnover related to non-discretionary client spending.

Mr Flannigan commented on the outlook saying: "We have commenced the 2009 financial period strongly with all business units performing in line with or above expectations. This year's results will also benefit from a full twelve months contribution from AAS."

"We expect to maintain a strong bias toward client operating expenditure on network infrastructure, and are very well positioned to benefit from the projected growth in capital expenditure spending in the telecommunication and power sectors from 2009 and beyond."

Service Stream has consistently strived to reward shareholders, having delivered 43.6% annual compound growth in EPS since listing on the ASX in 2004. The Company expects to achieve its current EBITDA guidance for the FY09 period of \$48M.

Ends -

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About Service Stream Limited:

Service Stream is a public company listed on the Australian Stock Exchange (Code: SSM) with annualised revenues approaching A\$650 million. The company is an industrial services enterprise with proven outsourced infrastructure deployment, management and service capabilities across 52 locations throughout Australia. Service Stream's technical staff of around 4,000 support large asset owners on the deployment, management and servicing of essential network infrastructure in the telecommunication, electricity, water and gas sectors. For more information please visit the Company's website at www.servicestream.com.au.