

ASX & Media Release**23 August 2007**

Net earnings up 158 percent

Pro forma EBITDA \$30.1 million**Pro forma operating revenue \$292.5 million and NPAT \$17.48 million****Fully franked final dividend of 4.5 cents per share****Successful acquisition strategy continues****Merger integration completed****Strong market conditions in essential infrastructure continues to deliver strong growth and opportunities**

Leading industrial and technical infrastructure services group **Service Stream Limited (ASX Code: SSM)** is pleased to announce its results for the 2007 financial period.

Reported Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was \$21.2 million, up 142.6% on the previous corresponding period, with operating revenues of \$247.1 million (up 44.5%). The reported Net Profit after Tax (NPAT) for the period was 158.2% higher than the previous year at \$11.2 million. The directors declared a fully franked final dividend of 4.5 cents per share, taking total dividends for the year to 7.5 cents per share.

The increase in reported earnings for the group reflects the inclusion of earnings from Total Communications Infrastructure Limited (TCI) commencing 1 January 2007. As such, the Company has provided its pro forma results as if Service Stream and TCI had operated as a single entity for the entire 2007 financial period.

Pro forma EBITDA was \$30.1 million based on annualised operating revenues of \$292.5 million. Pro forma NPAT at \$17.48 million exceeded previous guidance.

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

"Our strong financial performance in 2007 marks the third consecutive year of growth for Service Stream since establishing the business in November 2004. The results continue to be driven organically by growth in the existing operations, together with the performance of businesses we have acquired. Furthermore these acquisitions have enhanced our capacity to service large infrastructure projects."

"Service Stream continued to benefit from increasing growth in spending by the telecommunication and utilities industries in the area of essential infrastructure. This combined with the continued trend to outsource non-core functions in these sectors has had a positive impact on our performance".

"We continue to invest heavily during the period in people to ensure the Company is well positioned to meet expected growth in the foreseeable future."



Review of Operations

Service Stream successfully completed its merger with TCI in December 2006 with the integration of the two companies providing a solid platform for Service Stream's ongoing growth and expansion.

The Company has maintained its strong organic growth with the successful winning of new contracts including: Customer Care & Assistance (Vodafone), Do Not Call Register (Australian Communications and Media Authority) and Payphones (Telstra Limited). The period also saw Service Stream enter the utilities sector with the awarding of its first material contract covering minor works with Energex Limited.

During the period the Company also completed a number of strategic acquisitions – Fibercom (August 2006), General Purpose Group (January 2007) and Serviceworks Metering (June 2007).

Results Summary

Results Highlights (\$ Million)	Reported Results FY06	Reported Results FY07	% Change on 06	Pro forma Results FY07	% Change On 06
Revenue	171.0	247.1	44.5	292.5	71.1
EBITDA	8.7	21.2	142.6	30.1	244.3
NPAT	4.4	11.2	158.2	17.5	301.6
EPS – basic (cents)	6.97	10.66	52.9	12.47	78.9
EPS – diluted (cents)	5.81	9.57	64.7	11.17	92.3
DPS (cents)	1.87	7.5	301.1	7.5	301.1

Outlook

Service Stream continues to experience strong market conditions across all of its activities. The integration of TCI was completed in July 2007, and together with the Company's existing activities, all business units are performing strongly in line with expectation.

Commenting on the outlook Mr Patrick Flannigan said:

"The addition of the recently awarded Payphones Contract, together with a full 12 months contribution from acquisitions completed in the past year, demonstrates our ability to deliver scaled solutions to customers. We continue to see opportunities to provide large-scale infrastructure service solutions in the telecommunications and power sectors nationally."

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About Service Stream Limited:

Service Stream is a public company listed on the Australian Stock Exchange (Code: SSM) with annual revenues of approximately A\$300 million. The company is an Australian owned and operated industrial services enterprise with proven outsourced field force management, technical support, customer contact, customer assistance and asset management capabilities. Service Stream aims to generate superior returns for shareholders by leveraging its equipment installation and maintenance capabilities across a range of infrastructure based industries. For more information please visit the Company's website at www.servicestream.com.au.