

# AGM Presentation 2010



- 1. Company overview**
- 2. Results overview**
- 3. Updated strategy & outlook**

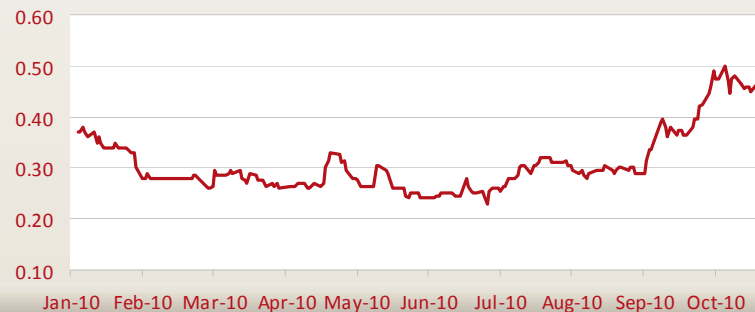
# Group overview

*Service Stream is a field services organisation, delivering technical services and small projects predominantly to the telecommunications and utilities sector. It is a niche provider of value added services & applications to government, utilities and public corporations*

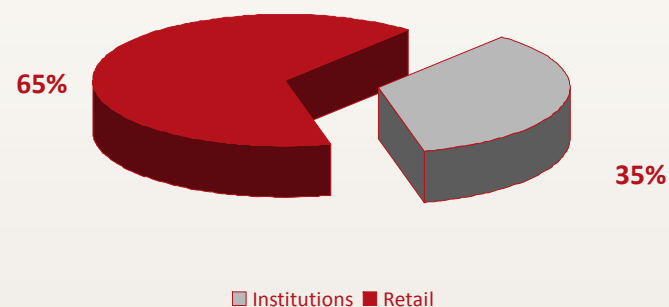
## SERVICE STREAM LIMITED

ASX code	SSM
Underlying EBITDA (June 2010)	\$27.0m
Reported EBITDA (June 2010)	\$6.4m
Net debt (June 2010)	\$59.3m
Total shareholders' equity	\$235.9m
Enterprise value (Net debt plus market cap)	<b>\$191.1m</b>
Workforce (June 2010)	3,900
Shares on issue (June 2010)	283M
Market capitalisation*	<b>~\$132m</b>

## SHARE PRICE PERFORMANCE



## SHAREHOLDER PROFILE



## BOARD & MANAGEMENT

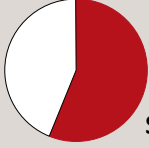

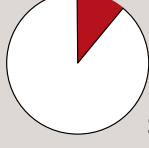
















Stephe Wilks  
Graeme Sumner  
Brett Gallagher  
Deborah Page AM  
Bob Grant  
Stephen Campbell

Chairman  
Managing Director  
Director  
Director  
Chief Financial Officer  
Company Secretary

\* As at 25 October 2010



# Group overview

Business Segment	CUSTOMER CARE	SPECIALIST FIELD SERVICES		
FY10 Revenue	\$79.8m	\$446.8m		
	CUSTOMER CARE	COMMUNICATIONS	TCI <i>(incl Infrastructure Services)</i>	AMRS
FY10 Segment Revenue Contributions		 \$272.2m	 \$101.5m	 \$73.1m
Business Description	Offers a complete end to end solution to customers in the areas of contact centre management (including inbound/outbound calls and insurance management), supply chain fulfilment capabilities (back office processes), administrative and information vetting field and distribution services.	Provides a range of network and specialist services to the telecommunications industry including installation and maintenance (telephony and broadband).	Specialist project management company working within the mobile telecommunications industry in the area of technology and infrastructure deployment.  Specialist contractor in underground multi utility solutions for the telecommunications, power, water, gas and civil sectors.	Offers a range of metering services and associated field services to utilities and local councils. AMRS's field-based workforce provide meter/smart meter installations, meter reading, water and environmental management services, and solar panel installation.
Key Customers	 Australian Government  Australian Communications and Media Authority  EGON  yes OPTUS  origin	 Telstra  JCDecaux	 vodafone  Telstra  yes OPTUS	 QUEENSLAND WATER  SA WATER  CITIPower  origin  Powercor AUSTRALIA  Jemena

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## Results Overview

# Underlying EBITDA in line with expectations; excellent operating cash flow performance

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## \$520.8M

Revenue down from \$558.2m



## \$27.0M

Underlying EBITDA down from \$30.1m



## (\$2.6M)

NPAT down from \$11.1m



## \$16.8M

Operating cash flow up from \$8.2m



- \$23.2m increase in metering & solar revenue
- \$40.2m decline in infrastructure project revenues
- Strong growth in AMRS
- Project volumes declined in line with strategy change
- McCourt Dando GCDA claim and restructuring (\$18.3m)
- Legal costs associated with Ericsson Jersey dispute (\$2.7m)
- Operating cash flow up 104.9% on FY09
- Group wide focus on working capital management

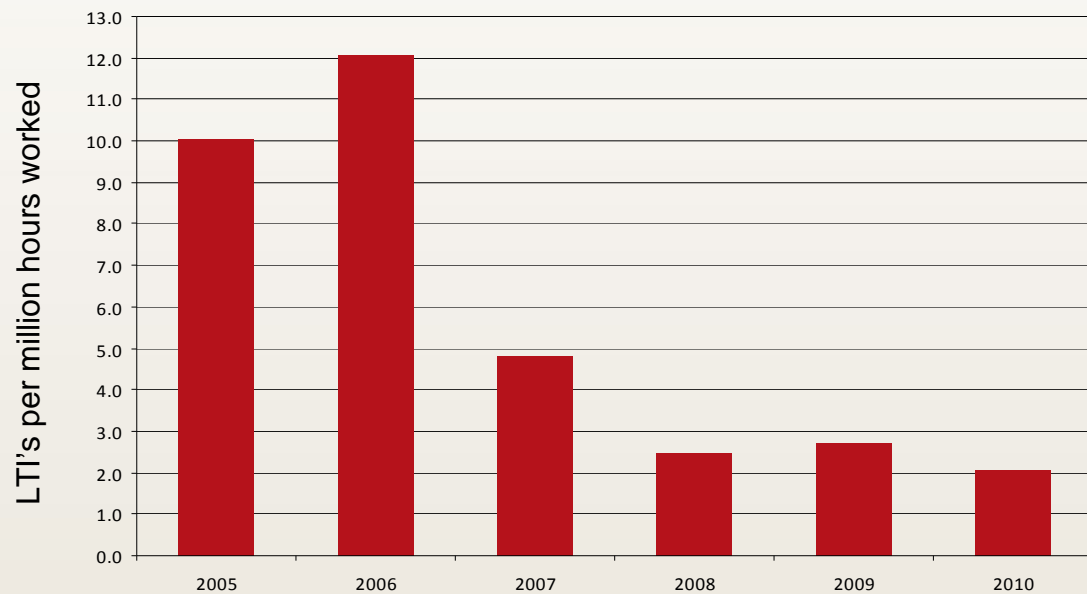
## Underlying performance in key businesses steady

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- **New contracts secured and existing contracts renewed**
  - Telstra – Access and Associated Services (AAS) / Payphones
  - Western Power – meter reading and installation services
  - Citipower / Powercor – meter reading services
  - Origin Energy – solar PV installations
- **Stronger operational performance**
  - AMRS smart meter and environmental services continued to grow
  - TCI finished strongly on increased customer demand from major carriers
  - Communications maintained steady revenue and earnings
  - Customer Care maintained earnings despite loss of Vodafone contract

## Improving health and safety performance

### Lost Time Injury Frequency Rate



- Service Stream is committed to providing a workplace that is safe and without risk to health for all personnel
- Our focus on health and safety is a fundamental component of our business
- Overall downward trend in LTIFR for the last 5 years

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## Strategy & Outlook

## Continued focus on providing flexible, low cost services 10

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- **Renewed focus on core activities**
  - Maintain strong focus on our flexible and low cost field services model
  - Continue to deliver projects and programs to the telecommunications, utilities and government sectors
  - Wind-down of large civil contracting activities
  - Focus on specific industry value added services in Customer Care

- **Service Stream operates in a number of growth markets**
  - Environmental services - Solar electricity and hot water
  - National Broadband Network
  - Utility Services - Smart meter installations & meter reading
  - Mobile infrastructure – Site acquisition, design, engineering and construction project management

- **Syntheo: Our NBN Joint Venture with Bovis Lend Lease**



## In conclusion

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- Service Stream is now structured to capitalise on market opportunities, both directly and with partners
- The markets in which we operate are presenting a substantial range of opportunities
- Management maintains an optimistic outlook on the presumption that government NBN and environmental policies stay the course

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