



Annual General Meeting

28 October 2010

Chairman's Address to Shareholders

Service Stream is a leading provider of services to the telecommunications and utilities industries. Our people build, maintain and manage the vital infrastructure needed for telecommunications, electricity, solar energy and water right across the country. We are the link between many of our country's largest utility companies and millions of their customers.

The 2010 Financial Year

The 2010 financial year was a year of transformation for the Company. While the results for the year were disappointing, following on from the challenges of the previous year, your Company has emerged from the year in an excellent position to take advantage of the opportunities ahead.

Indeed, our results in the current year are in line with the guidance provided with the full year financial report: we remain optimistic about the future growth prospects of the Company, with FY11 EBITDA expected to exceed the underlying earnings result reported for FY10.

A vital element of the repositioning of the Company is the renewed management team led by Graeme Sumner. The Board believes this renewed team is critical to positioning Service Stream as a specialist field services business that delivers the best value to our customers. We also believe that Graeme and his team have now set the right direction for the business, and are executing on that plan.

The year saw some very important successes including:

- Securing a two-year, \$250 million per annum extension to the Telstra Access and Associated Services contract (the "AAS Contract") including expansion of services to include all of SA and WA.
- Securing new contracts and renewing existing contracts in our core business with clients such as Western Power, CitiPower and ETSA utilities.
- Winning a new contract to provide field services for Origin Energy to install PV Solar and hot water systems.
- Winning a new contract to provide field and contract services for the Queensland Government's ClimateSmart Home Service Program.

The Board is also very pleased with progress in integrating systems across the Service Stream business to deliver more competitive solutions to the market.

In particular, the successful integration of our Information Technology, Warehouse, Logistics and Human Resources platforms improve internal service delivery, while taking costs out of the business and reducing working capital. This successful investment in systems is an essential component of the future profitability of the business.

Service Stream is in a strong position for future growth. We have strengthened the balance sheet. Company debt reduced from \$102.6m to \$59.5m at the end of the financial year and the improved operating cash flow of \$16.8m reflects the Group's strong focus on cash management. This has allowed Service Stream to reduce its gearing - giving it the financial flexibility to achieve sustainable growth.

Board Renewal

The past year has been a time of significant change for Service Stream.

In addition to our focus on both the financial position of the Company and the composition and strategic direction of the management team, we renewed our focus on corporate governance and risk management issues – particularly ensuring that the skills and experience of the Board reflect industry and market expectations.

The Directors undertook a formal review of the current Board structure (with the assistance of an appropriate external adviser) and made a number of changes - and I am pleased to report today that this process is now nearing completion.

I would like to thank the current Board members and those that departed during the course of the financial year. In particular, I would like to acknowledge the efforts of Lyn Davies, who retired as chairman in April this year having served the Company in this capacity since August 2005.

Also, once we had finalised a preferred candidate for a new non-executive director, Russell Small took the opportunity to step down as a director of the Company. Russell has been an excellent colleague as Service Stream has grown. His insights and broad commercial knowledge and capability added real value to the Company and to Board discussions. His substantial part in the process of renewing the Company will bear fruit in the coming years.

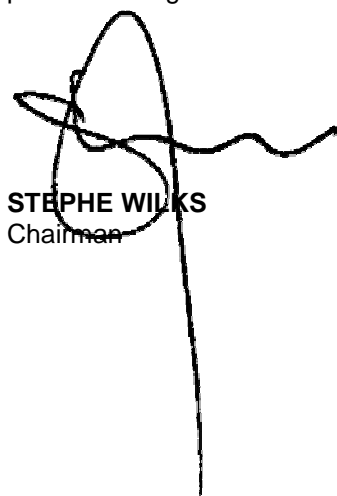
I am pleased to be able to announce that the candidate whose arrival allowed Russell to move on from the Company is Peter Dempsey – who has agreed to join the Board in the very near future. Peter's experience makes him a stand out candidate for the Board and I look forward to providing further detail on Peter's background in a separate formal announcement of his appointment once finalised in the coming weeks.

As a final step in completing this phase of the Board renewal program, I would like to foreshadow that the Board has supported my request to Peter that he consider taking over as Chairman of the Company from the time of his appointment.

I am very confident that the completion of this renewal process will give Graeme Sumner and his team the support they require as we move into a very busy and productive period in Service Stream's development!

Finally, I would like to extend our gratitude to all shareholders for your continued trust and support.

Service Stream's future growth is in its core businesses and the outlook is bright. In particular, the opportunities in fixed and mobile infrastructure, metering and environmental services are significant. Building on the platform now put in place, we are doing the hard work to ensure that your company is well positioned to gain a substantial share of these growing markets.



STEPHE WILKS
Chairman