



Working Together

2009 Annual Review

 **servicestream**

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**The Annual General Meeting
of Service Stream will be held
at the RACV Club
Level 2, 501 Bourke Street
Melbourne
12.00pm October 30, 2009**

Service Stream is Australia's leading provider of asset management services, contact centre activities and logistics, construction, design and technology solutions to the utilities and telecommunications sectors. Hundreds of thousands of people benefit from our services daily and we are proud to provide jobs for nearly 5,000 Australians, with 60 offices across the nation.



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We are the link between the largest utility companies and their end users. Together, we help to build, maintain and improve Australian infrastructure in telecommunications, energy and water.



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lectricity, solar***

About Working Together

The concept of 'partnership' is integral to our business. Partnership is not just a marketing device or a lofty ideal but the core principle of our approach to infrastructure utilities services. By working together with our customers, we can constantly evaluate our performance and review our methods, helping us to provide excellence in delivery. Working in partnership, we achieve great value for our clients and fair reward for our business.

What we do

- 4 **Service Stream delivers a complete infrastructure service to our customers in the utilities and telecommunications sectors. We develop long term partnerships with our customers by building trust, understanding, and a culture of co-operation.**

How we work

Service Stream sets the national benchmark in telecommunications and utilities infrastructure.

Service Stream consists of two operating groups, four divisions and nine businesses. Our businesses work together to deliver innovative and efficient services. We are constantly developing solutions in order to improve our services and the value we represent to our clients.

In every aspect of our business we strive for excellence.

Service Stream invests in strategies that will secure a sustainable future for our staff, our clients and our shareholders.

Service Stream's success is based on several key operating principles:

Simplifying complexity

Many of our clients attract massive volumes of transactions. We apply our systems, technology and expertise to simplify and help manage this load.

Excellence in delivery

Service Stream is driven by continuous improvement. We scrutinise our own performance against agreed performance requirements to ensure a world class operation.

Absolute focus on results

Our priority is getting the right result for our clients. Our solutions can save costs, streamline processes, increase revenue, attract customers and generate competitive advantage.

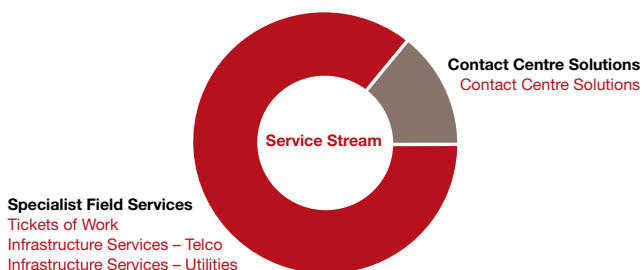
Deep technical expertise

Our information technology and management systems are the cornerstone of our business. We are committed to seeking innovative solutions that will help fulfil our clients' needs and exceed their expectations, both now and in the future.

The best people

We seek to attract, retain and develop the best people for our business, ensuring that they are engaged, passionate and valued. We have a culture of teamwork and collaboration and we recognise our people for their achievements. We are committed to providing our staff and contractors with a safe and rewarding workplace.

Service Stream's two Operating Groups and four Divisions





Fellow Shareholders,

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During 2009 we re-won existing contracts, successfully gained new contracts (in both existing and new areas of the business), increased our turnover and made \$30.1 million EBITDA all in a very challenging financial environment. Our businesses have become highly integrated, working together to share know-how, software platforms and management systems. This integration has two important outputs – an improved service delivery and cost savings for our clients, and through expanded contracts increased turnover along with reduced ongoing costs for our business. I view this integration as key to our continued success in winning and renewing long term, profitable contracts.

As a Board, we believe our management structure is accountable and focused. It gives each area of our business the ability to grow its particular expertise, while adding significant value through integration and cross-referrals.

Market environment in 2009

The past year has been tough; probably the most difficult for Service Stream since inception. However, we are doing the hard work required to increase our profitability, while positioning for future growth.

The global economic situation adversely impacted overall demand across the utilities and telecommunications markets for both operational and capital expenditure. This in turn directly impacted Service Stream.

Service Stream's Board and management team acted decisively to minimise the impact of the weakening economic climate by continuing to focus on re-winning existing business and gaining new contracts. In addition to this activity was a targeted management approach to reducing costs. Reductions were made in a careful, sustainable way which leaves the Company well positioned for growth into the future.

Operational highlights

This year, each of Service Stream's divisions delivered volume and revenue growth.

We continue to focus on strengthening our existing businesses to position the Company for stability through the global financial crisis and into the future. This means driving organic growth for each of our businesses while keeping a decisive emphasis on reinforcing systems and having the right resource base in place.

Our consistently high performance in client service has continued, as we again experienced very high contract renewal rates. This is testament to the results that Service Stream has generated for our clients.

We continued to show strong growth in the Tickets of Work division. Tickets of Work is core to our business so growth in this area is a very encouraging sign.

We were able to increase the organic growth of a range of our environmentally focused infrastructure projects. These sorts of projects are becoming increasingly important to our business.

Most pleasingly, we were able to significantly increase our workforce to just under 5,000 people while at the same time improving our safety record even further. It is satisfying to know that while we welcome more and more Australian workers to the Service Stream fold, we are still focused on providing a safe and rewarding workplace.

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We continue to develop unique IT and system solving solutions for government and the community. The platform we developed for the Do Not Call Register continues to perform and there are now over 2 million individuals registered across Australia. We successfully developed and won the Fuel Watch initiative and were disappointed that the government did not proceed with this initiative.

Financial performance

Importantly, Service Stream improved its cash flow to the best result in the Company's history.

In this difficult climate we should acknowledge the fact that we made \$30.1 million EBITDA. We continue to focus on reducing our costs and planning for growth for next year and into the future.

I noted earlier the difficulties facing the infrastructure services industry as a result of the economic downturn. In the face of these volatile conditions, the business model of the Group – with diversified clients across an integrated business – has underwritten a creditable financial result for 2009. The Company achieved a 23.9% increase in revenue to \$558.2 million.

While achieving a very good result on many key measures, statutory profit after tax of \$11.1 million reflected the difficult trading conditions.

Outlook

Today, your Service Stream remains well placed. I am pleased to report to you that we are seeing strong organic growth within each of the divisions. The Company has a clear, long term strategy; strong positions across all its key markets; a secure pipeline of work with high quality partners, and a leadership position in a growing sector.

There are substantial structural reforms occurring in both the telecommunications and utilities sectors which present significant opportunities for Service Stream over the short and medium term.

We have led the introduction of smart meters, positioning us well to assist utilities companies nationally as they move to this new technology. Similarly, our national coverage and extensive fibre optic and copper expertise position us well to work with whatever entities move forward to complete the National Broadband Network.

One business, working together

Service Stream's two Operating Groups and their constituent businesses are clearly defined and well established. We continue to work hard to capitalise on our valuable integrated offering.

Service Stream has been built out of the successful integration of nine businesses, acquired over four years. Each of these

acquisitions was focused on bringing skills and expertise to Service Stream to create a stronger position for the future.

These nine businesses now provide one highly integrated, end-to-end solution, a service that is integral to the successful operation of Australia's largest telecommunications and utility companies.



A great team

I want to take this opportunity on behalf of both our shareholders and myself, to extend thanks to my fellow Board members, our senior management team, and all our Service Stream people. They have worked hard to ensure Service Stream remains well positioned for growth despite the very difficult market conditions we are facing and may well face for some time yet.

The year ahead will be another challenging one which will provide Service Stream with opportunities to further demonstrate the synergy that is inherent across its business operations – from people, products and services, to its professional management skills. We rely significantly on the diversity of resources and talent across Service Stream to overcome new challenges in an increasingly dynamic environment.

The Board particularly acknowledges the significant contribution made by outgoing Managing Director, Mr Patrick Flannigan. Patrick has had a pivotal role in ensuring the strong growth of Service Stream since listing along with the operational successes of the past five years.

I would like to commend the work of the acting Managing Director, Mr Michael Doery. I have worked closely with Michael in this role and will continue to provide support as the Company completes this important transition.

Of course, the Company could not have built such a strong business without the hard work and loyalty of each and every member of the Service Stream team.

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

John Llewellyn (Lyn) Davies
Chairman

Risk management

One of the challenges of integrating the Service Stream businesses has been ensuring the same high level of risk management across the entire Group. Service Stream has rigorous policies and processes in place to identify, mitigate and manage overall strategic risks, and risks to technical, economic, third party and environmental aspects that are specific to individual businesses and contracts.

Risks can present themselves at several stages during a contract, so we apply our risk management processes from inception to completion. These processes are critical to ensuring that we can focus on gaining the results our clients expect, while also claiming fair reward for our business and shareholders.

A message from Patrick Flannigan

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Fellow Shareholders,

I am pleased to report that Service Stream has performed well in an extremely difficult market. Even more pleasing is the strong position the Company enjoys as we deal with tough market and economic conditions around the globe.

When I reported to you last year, Service Stream had successfully integrated nine acquisitions over four years. Each of these acquisitions was focused on bringing skills and expertise to position Service Stream for the future.

These nine businesses now provide one highly integrated, end-to-end solution, supporting Australia's largest telecommunications and utility companies.

There is a misplaced perception that outsourcing manages snap-off components of businesses. When our clients outsource work to Service Stream, nothing could be further from the truth. The embedded management and technology systems we build into our clients' businesses have become critical to some of Australia's largest corporations.

Every day, Service Stream delivers intelligent solutions for our clients through a combination of the highly technical and the intensely practical. These trusted partnerships are the single most important element of Service Stream's successes over the last five years.

This is my last report to shareholders. After five years as Managing Director and Chief Executive Officer of Service Stream, it is now time to select someone who will lead the Company through its next phase of development.

The search process is well under way and the Board will announce the appointment of my successor in due course. I will continue to actively assist to ensure a smooth transition. In the meantime, the Company is well served by the leadership of Michael Doery.

It has been an honour to serve Service Stream and its shareholders. I wish to record my sincere appreciation for the support and wise counsel the Directors have afforded me as we have grown the business and strengthened its foundations for a long and successful future.

I am also very grateful for the unstinting support of my colleagues on the executive team and the fantastic hard work of all our people in the field nationally. I have never worked with a more talented, passionate and committed group of men and women. The dedication that each has shown to Service Stream and to each other is truly remarkable.

I believe that my successor will take charge of one of the best infrastructure services businesses to be found in the world today and that Service Stream is extremely well positioned for the future.



Patrick J. Flannigan



Fellow Shareholders,

A strong performance in a tough year

Last fiscal year, in spite of deteriorating economic conditions, Service Stream increased net revenue by 23.9% to \$558.2 million and EBITDA was a respectable \$30.1 million in what became a very difficult trading year.

Working together for growth

Service Stream's integrated approach to telecommunications and utilities infrastructure continues to drive organic growth, which means we are able to achieve more from the same people and systems. We can now quickly and efficiently deliver an integrated solution across what were once quite separate businesses.

Our initiative in bringing both the AMRS and Solutions business together to work with our environmental customers this year delivered IT platforms, management know-how, call centres, sales staff and physical delivery into one of the fastest growing markets nationally. It is this kind of organic growth which will be the hallmark of Service Stream for the coming year.

Contact Centre Solutions

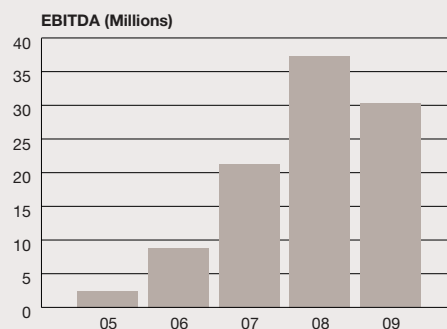
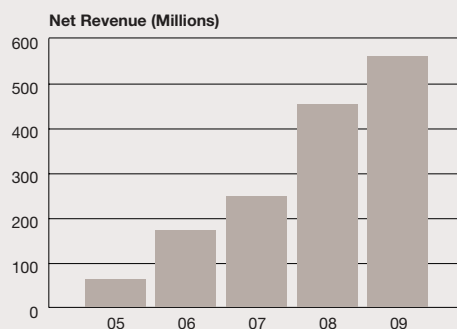
Contact Centre Solutions – which started as a Call Centre – now builds and runs infrastructure solutions for our clients, with an emphasis on complete value chain solutions.

Contact Centre Solutions incorporates contact centre management, hosted technology solutions, logistics and supply chain management and distribution services. These branded, proprietary products are central to the business processes of clients like the Australian Communications and Media Authority (ACMA), Macquarie Telecom, Optus and Vodafone.

In short, our Solutions division provides high value solutions that are beyond the capability of much of the market. That is why our clients include leading banks, insurers, telecommunications carriers and the Australian Government.

The successful implementation of the Aegon Insurance contract over the last year and the ongoing success of the Do Not Call Register are excellent examples of how Service Stream Solutions, combining know-how from across Service Stream businesses, is delivering exceptional results for our clients.

In spite of deteriorating economic conditions, Service Stream increased Net Revenue by 23.9% to \$558.2 million and EBITDA was a respectable \$30.1 million in what became a difficult trading year.



Specialist Field Services

Specialist Field Services incorporates three integrated activities providing asset relocation, telephone network and installation services to the telecommunications and utilities sector.

Tickets of Work

The key task of Tickets of Work this year was to turn the massive Telstra Access and Associated Services contract into the strong, working relationship that both Telstra and Service Stream needed. Specialist Field Services drew strongly on the group wide expertise and systems of Service Stream to achieve this highly successful outcome.

Our national field team are experts in the installation, maintenance and construction of fibre and broadband networks from the exchange to customers' homes. Working together with our other divisions, they are putting in the hard work now to ensure they are in the box seat for a significant share of the National Broadband Network roll-out.

Infrastructure Services – Utilities

Infrastructure Services – Utilities brings together the expertise of the Group's infrastructure resources and skills, positioning us for a seat at the table in the booming energy and water infrastructure markets.

A major disappointment during the year was the performance of the McCourt Dando water pipeline activities. The EBITDA loss of \$9.4 million had a significant impact on Service Stream's financial performance.

An intensive review independent of the business' management has been completed, structural and personnel changes have been made and the business re-focused on its traditional asset movement activities. The management and control systems have been enhanced with a focus on smaller profitable contracts.

This division includes our substantial metering business, which not only reads thousands of meters a day, but is the Australian leader in the installation of "smart meters" – technology which is revolutionising the delivery of utilities nationally. Over time, this will move metering from a high volume, low technology business to a technology rich, high margin business, particularly suited to Service Stream's strengths.

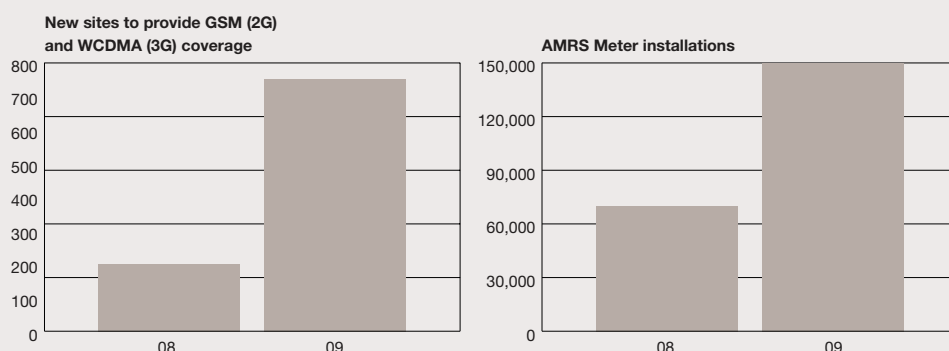
Eventually every single electricity meter in Australia will be replaced to reflect this new technology. Our successful roll-out of Australia's first smart meters in Victoria last year for Jemena was the precursor for a national roll-out commencing this year.

Infrastructure Services – Telco

This business provides turnkey and project management solutions in the design, construction, installation, commission and maintenance of telecommunications infrastructure.

We hold true to our values of working together as a single team to deliver quality, reliability and service.

Improving infrastructure in the telecommunications and utilities sectors



Working with companies like Optus, Telstra and Vodafone, we deliver the fibre optic, wireless, coaxial and copper infrastructure which is the backbone of the current telecommunications revolution.

The National Broadband Network, the Government release of further digital spectrum for wireless devices, and the merger of Vodafone and Hutchison all provide exciting opportunities for this division over coming years.

The best people

If there is one outstanding asset in our business, it's our people. They manage problems into solutions, technology into answers and projects to successful completion.

Our policy of investment in training has enabled us to overcome a number of skills shortages in the labour market, broaden as well as deepen the capabilities of our workforce and reinforce our reputation among customers as a provider of high-value technical services.

Safety is vital

Continued focus on Service Stream's certified safety system has seen further reductions in injuries throughout 2009. We achieved a Lost Time Injury rate of 2.5 injuries per million hours worked; a 24% reduction on the previous year. More importantly, our actions have minimised the severity of injuries, halving days lost from a Lost Time Injury rate of 11.7 days per injury in 2008 down to 5.9 days in 2009.

Managing our impact on the environment

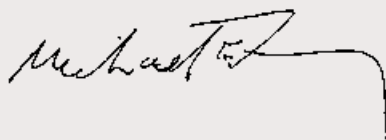
We are acutely aware that greenhouse gas emissions are no longer just an environmental issue. The need to prepare for a carbon constrained future is now a critical business issue.

I am pleased to report that through an increased focus on the management of our fleet, Service Stream is on target to reduce greenhouse gas emissions from Company owned fleet by 25% of the 2007 level by 2012. This represents significant energy and cost savings and more efficient use of our staff and contractors in the field.

Going forward

In closing, I would like to thank our Chairman Lyn Davies and the members of the Board for their commitment, dedication and expertise in guiding the Company through this challenging year. I would also like to thank Service Stream's people for their hard work. Maintaining a strong result during such a tough year would not have happened without our dedicated and committed people.

The future is bright for Service Stream. Our best years are ahead of us.



Michael Doery
Acting Managing Director



Service Stream never compromises on safety or quality. Strong systems and careful planning protect our workforce and help them to deliver fantastic results for our clients.

Review of Operations

One cohesive business

- 12 With a track record of strategic integration and organic growth, Service Stream is now the leader in end-to-end infrastructure services to customers in the utilities and telecommunications sectors.**

Our focus over the last year has been on continuing to integrate and de-risk what were once stand alone businesses. This not only provides a platform for growth into the future, but has created a more capable, efficient and scalable business.

Working together to integrate these businesses, our focus has been three-fold. First, we integrated our systems for people, IT and management. This was critical to transferring the skills we needed both into the Group and back across the individual businesses, and is central to de-risking the business into the future. Second, we reduced costs, by focusing on overheads and consolidating the back office functions. And third, we reorganised the businesses into Service Stream's truly national footing: businesses which were originally regionally focused now have a national interface as part of Service Stream.

We continue to expect cost synergies from this integration process; however our main focus remains driving organic growth from our expanded capabilities.

The suite of skills now integrated across the Company allows complex offerings which give Service Stream a clear competitive advantage. For example, the overlay of existing information technology and management systems across the Telstra Access and Associated Services contract has turned a piece of business which our competitors had struggled with into a clear win for both Telstra and Service Stream.

Importantly, we re-won existing contracts, successfully gained new contracts in both existing and new areas of the business, increased our turnover and delivered \$30.1 million EBITDA, all in a very challenging financial environment.

**Repairing one of 20,000
Telstra payphones**

We maintain 20,000 Telstra payphones throughout Australia. Maintaining them to exceed the government's Universal Service Obligation levels is a vital task for Telstra and the Australian public.



Payphones are used by everybody at one time or another. They are invaluable for use in emergency or unexpected situations, as a backup for mobile phones, and for use by travellers.

They are particularly important for some of Australia's most vulnerable, providing a critical link to the outside world. Young people and the elderly are often dependent

upon public payphones. Efficient cleaning, repair and maintenance is crucial to ensuring the viability of this essential public service.

Since Service Stream took over the maintenance of Telstra's public payphones, we have delivered above target reliability and faster repair times for the Australian public while providing cost benefits to Telstra.

A contract with outdoor advertising firm AdBooth to maintain their advertising features on payphones further utilises our field presence, broadens our capabilities and increases the turnover of the overall business.



**The Do Not Call
Register team**

Working together with the Australian Government, millions of Australian consumers and the telemarketing industry, Australia's National Do Not Call Register is another Service Stream success story.

Contact Centre Solutions

Contact Centre Solutions – originally a Call Centre – now builds and runs infrastructure solutions for our clients, with an emphasis on complete value chain solutions.

Today, Service Stream's Solutions Division offers a complete end to end solution to customers in the areas of contact centre management (including directory assistance, mobile number portability, inbound and outbound calls and insurance management), hosted solutions (technology), specialist logistics and supply chain management, supply chain fulfilment capabilities (back office processes), administrative and information vetting field and distribution services.

Every day, we help over 200,000 Australians as they access a Service Stream Solutions hosted technology platform. These platforms, such as the Mobile Real Time Management (MRTM) platform are deeply embedded into our clients' billing, management and fulfilment systems.

Our services are underpinned by technologies which support and enhance the customer experience. These technologies include CRM, CTI, online reporting, voice messaging, attendant console desktop, security systems, custom application development and support.

By incorporating management, IT and physical delivery, our Solutions division consistently delivers better results for our clients than our competition are capable of delivering. These branded, proprietary products are central to the business processes of clients like the Australian Communications and Media Authority (ACMA), Macquarie Telecom, Optus and Vodafone.

Our proprietary on-line reporting tool enables our clients to view reports on a daily basis. Reporting needs are customised in consultation with the client and may be amended easily with minimal lead-time.

In short, our Solutions division provides high value solutions that are beyond the capability of much of the market. That's why our clients include leading banks, insurers, telecommunications carriers and the Australian Government.

The successful implementation of the Aegon Insurance contract over the last year and the ongoing success of the Do Not Call Register are excellent examples of how Service Stream Solutions, combining know-how from across Service Stream businesses, is delivering exceptional results for our clients.

With its continued emphasis on working together with our clients to deliver technology and process driven results, Service Stream Solutions will continue to deliver strong organic growth.

Australia's government-mandated Do Not Call Register allows over 2 million people to opt out of commercial telemarketing calls, covering over 3.5 million individual telephone numbers.

The Australian Communications and Media Authority oversee the register on behalf of the government, and Service Stream

Solutions was appointed to build and operate the Register from its inception in 2007.

Telemarketers must upload their call lists to Service Stream for cleansing against the Register, enabling us to remove registered numbers from their databases.

The Do Not Call Register exemplifies our integrated approach to simplifying complexity: incorporating a robust website, mass consumer registrations over internet and post, and significant IT infrastructure alongside a world class complaints and enquiries process.

Review of Operations

Specialist Field Services

16 Specialist Field Services

Our Specialist Field Services group incorporates three integrated activities providing asset relocation, telephone network and installation services to the telecommunications and utilities sector.

Tickets of Work

This division provides a range of network and specialist services to the telecommunications industry including labour hire, installation and maintenance (telephony and broadband), and recoverable works (including network design, project management, asset relocation, exchange works and construction).

With successful volume growth of over 100% for the year, Field Services represents one of the biggest success stories for 2009. Completing over 6,000 jobs a day, operating 365 days a year, Service Stream is the clear leader in field services.

On winning the Telstra Access and Associated Services contract, it was apparent that significant effort was needed to process work in progress. Our immediate task was to clear this work and to simultaneously overlay the technology, personnel and management systems to provide for efficient end-to-end service delivery. The specific design and engineering of software platforms to support business processes has been essential to the running of this contract.

Infrastructure Services – Utilities

Service Stream delivers state of the art management, servicing, installation and construction for Australia's largest water, gas, sewerage and electrical companies.

AMRS delivers a range of metering services and associated field services to utilities and local councils. AMRS' field-based workforce provide meter installation, meter reading, water and environmental management services, smart meters, consultancy, surveys, animal management services and after hours site management services on a national basis.

AMRS has delivered significant growth this year, with more to come. Over the last year, AMRS was awarded the Sydney Water contract to provide metering services to more than 1 million properties in Sydney, and the \$23 million APA contract for the provision of gas meter reading services.

When it comes to rolling out fibre optic cable and hybrid fibre coaxial, Service Stream is the industry leader

The current copper-based telecommunications infrastructure deployed throughout Australia was never designed to carry high speed data – the fact that it has lasted this long is testimony to good network maintenance practices.

For consumers and businesses, the super-fast internet connections available through fibre will make new applications including

high definition (HD) TV, on demand DVD quality film downloads in minutes, online video messaging, and HD gaming services available for the first time.

However, connecting fibre to millions of homes is a challenge being faced around the world because of the significant cost of laying fibre in a suburban setting. The Australian Government's National



Broadband Network (NBN) will revolutionise telecommunications in Australia.

To be built in partnership with the private sector, the NBN will be the single largest nation building infrastructure project in Australian history. It is planned to connect 90% of all Australian homes, schools and workplaces with broadband services with speeds up to 100 megabits per second,

and provide fibre optic transmission links connecting cities, major regional centres and rural towns.

Service Stream's national field team are experts in the installation, maintenance and construction of fibre and broadband networks from the exchange to customers' homes. Working together with our other divisions, they are putting in the hard

work now to ensure we are in the box seat to play a significant role in the National Broadband Network roll-out.

In the photo above, Service Stream is upgrading and lashing up a hybrid fibre coaxial network capable of carrying cable television, VoIP and 100 megabits per second high speed Internet right into your home.



Success and future prospects in smart metering

Smart meters represent one of the biggest advances for utilities services in a century. They identify consumption in more detail than a conventional meter, and then communicate that information back to the utility provider for monitoring, billing and even consumption control purposes.

AMRS has been a market leader in the early implementation of smart meters. It conducted the trial roll-out of smart meters in Western Australia for Western Power, the State's electricity distributor, and recently won the AMI contract for Jemena and UED – an industry first for the provision of smart meters in Australia.

Under the AIMRO Project, the Victorian Government has mandated the implementation of smart electricity meters in every home by 2012. This includes the provision of meters, communications technology, meter data management systems and installation services. AMRS successfully delivered the trial stages and is now contracted for the full scale roll-out.

AMRS conducts 30 million meter readings a year, and installed 150,000 meters this year, up from 70,000 in 2008.

McCourt Dando is a civil contractor who provides turnkey solutions to the power, water and communications sectors. It offers extensive experience in the installation of new pipelines and the relocation of pipelines and trunk main projects through trenchless technology and traditional open cut methods.

Issues with several McCourt Dando contracts this year were very disappointing. An intensive review, kept independent of the business' management, has been completed, structural and personnel changes have been made and the business re-focused on its traditional asset movement activities. The management and control systems have been enhanced with a focus on smaller, profitable contracts.

South East Qld Underroad Drillers (SEQUD) provides specialist civil excavation services to major councils, utility suppliers and mining companies for the laying of public infrastructure such as water, gas and sewerage pipes and electrical cabling. In addition to traditional methods of open cut excavation SEQUD also specialise in directional drilling, auger boring and case boring.

Infrastructure Services – Telco

Service Stream offers tailored end-to-end solutions to many of Australia's leading telecommunications companies.

We are the Australian leader in providing national network infrastructure products and services that enable the profitable and on time delivery of the most modern telecommunications networks.

Globally, telecommunications companies are rapidly migrating to next-generation networks. Proficient in the delivery of copper, wireless, fibre and broadband technologies, our Service Stream Communications, TCI, Fibercom and GPG businesses are leading the deployment of these new technologies in the field.

Fibercom Technology specialises in telecommunications infrastructure, build and maintenance. Fibercom provides optical fibre, coaxial and copper infrastructure solutions to their customers. It also delivers wideband and broadband projects through to narrowband PSTN works.

Service Stream is the Australian leader in the installation of smart meters. Over time, this will move metering from a high volume, low technology business to a technology rich, high margin business, particularly suited to Service Stream's strengths.

The Council of Australian Government (COAG) has committed every State and Territory to the progressive national roll-out of smart electricity meters to allow the introduction of time of day pricing and to allow users to better manage their demand for peak power and provide networks with advanced load-balancing capabilities.

Starting with electricity, eventually every single meter in Australia will be replaced to reflect this new technology. Service Stream's successful roll-out of Australia's first smart meters in Victoria last year for Jemena was the precursor for a national roll-out this year.



The design and town planning team working on the Leura Phone Tower Solution

Protecting the streetscape of the picturesque village of Leura, in New South Wales' Blue Mountains, has provided a special challenge to our design and town planning group.

General Purpose Group (GPG) provides installation augmentation, recovery and maintenance services to the infrastructure industry. These include exchange works, mobile networks (AMPS, GSM, CDMA, WCDMA and 3G), customer access networks and transmission and switching technologies.

Total Communications Infrastructure (TCI) is a specialist project management company working within the construction industry in the area of technology infrastructure deployment.

TCI services include the deployment of mobile telecommunications base stations to greenfield locations and rooftops and specialist mobile infrastructure to in-building systems, HV towers, concealed sites and satellite earth stations.

TCI's expertise was integral in forming Totalcomm Infra Services Pvt Ltd, a successful joint venture in India. Service Stream holds 40% of the joint venture with engineering giant EDAC Singapore Pte Ltd and specialist investment firm Totalcomm Insight Pte Ltd, and stands to benefit greatly from unlocking our intellectual property in the booming Indian market. Based in Chennai, Totalcomm has

become a leading builder of mobile telecommunications base stations in the fast-growth southern Indian mobile network market. Now with a staff of over 250 people, Totalcomm also provides operation and maintenance services for some 800 site towers.

Radhaz Consulting is a NATA accredited and independently operated consultancy providing a range of essential services to the Radio Communications industry. Services include electromagnetic emissions (EME) testing / consulting, risk management consulting, RF Awareness training, site auditing and measurement and reporting.

Milcom is a Registered Training Organisation (RTO) providing certified training in the area of IT&T. Milcom has developed comprehensive training programs to cater for voice and data communications, security, electrotechnology, project management, contact centre and workplace trainers and assessors.

While new mobile phone tower locations were important to bring the improved reliability of 3G network coverage to the Leura community, doing so in a way which protected the environment and preserved the historic town streetscape was critical.

Working together with the local community, the City of Blue Mountains Council, street

traders, local Members of Parliament, carriers and infrastructure providers, Total Communications Infrastructure (TCI) has developed technical solutions on behalf of all three carriers which exceeds the expectations of all stakeholders.

Using its unique stealth design, TCI's team of property consultant, planning consultant,

design engineer, construction engineer and construction supervisor devised a way to protect the historic streetscape of flowering cherry trees and heritage buildings – TCI has created a solution which will ensure that the phone equipment will be effectively invisible.

22 Committed to Corporate Responsibility

Service Stream is committed to making a positive contribution to the communities where we live and work.

At the end of each day, we want to know that our work has helped to make Australian lives easier, and made Australia a better place to live.

A people business

Service Stream's strong organic growth means that our workforce numbers continue to grow. Our success relies on recruiting the right people and fostering the right systems and culture for them to work and develop.

At Service Stream, we focus on continuous improvement designed to encourage people and make them more effective. We have a substantial investment in safe systems of work, training and supervision – an investment which pays big dividends when it comes to our customers.

We are committed to our shareholders and people to run a responsibly profitable business that people want to work for. We recognise that our team members are the core of the Company and we work to recruit, support, motivate and compensate our team so that we retain the highest quality standards in the business.

Quality focused

Service Stream holds Australian/New Zealand Standard ISO accreditations for Quality Assurance 9001:2000, Environmental Management 14001:2004 and Safety Management AS/NZS 4801:2001.

These accreditations ensure our work practices are at the forefront of the highest Australian and international standards.

Health & Safety

Our aim is to eliminate personal injury and occupational illness arising from company activities. We continue to make significant gains towards achieving that goal. Last year, Service Stream achieved a further 24% reduction in injury rates, which is now down a very pleasing 79% over four years. This reflects a sustained and dedicated effort across the Service Stream team.

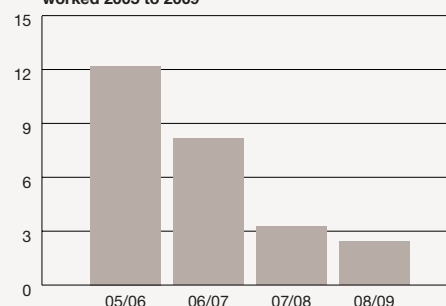
Service Stream's health and safety commitments also extend to ensuring that the organisation does not place the community at risk of injury or illness.

Building social infrastructure

Every day of the year, Service Stream is building and maintaining the physical infrastructure of Australian communities. We have a unique role in making sure that infrastructure is operational, which is one of the most rewarding aspects of our business. As a Company, we also know that our success depends on the strength and growth of our community's social infrastructure. That's why our corporate giving program is focused on working together with the community to ensure that young people get the best possible chance in life.

Last year, Service Stream achieved a further 24% reduction in injury rates, which is now down a very pleasing 79% over four years. This reflects a sustained and dedicated effort across the Service Stream team.

Frequency - Lost Time Injuries per 1,000,000 hours worked 2005 to 2009



Community Involvement

We support Western Chances, which assists talented and self-motivated young people in the western suburbs of Melbourne to realise their potential through the provision of scholarships and other related programs.

We also support Connections operating in the eastern suburbs of Melbourne, which is part of Uniting Care. Connections provides a range of innovative and early intervention programs that support vulnerable children, young people and their families, giving them a better chance in life now and in the future.

Giving back to the community is not just rewarding for us as a business. It also produces a lot of satisfaction for our people who are able to get involved. Our people regularly assist the community organisations that we support such as with our commitment to the Kidney Kar Rally for the Kidney Foundation.

Environment

We are acutely aware that greenhouse gas emissions are no longer just an environmental issue. The need to prepare for a carbon constrained future is now a critical business concern.

Service Stream is on target to reduce greenhouse gas emissions from Company owned fleet by 25% of the 2007 level by 2012. Significant energy and cost savings are being achieved through the more efficient use of our staff and contractors in the field. Initiatives include coordinating assignment of jobs in the field to reduce travel time, driving fuel efficient vehicles, and using energy efficient IT systems. These efficiencies mean we are well placed for the introduction of the Australian Government's Carbon Pollution Reduction Scheme (CPRS).

Service Stream has also complied with its reporting obligations under the National Greenhouse and Energy Reporting Scheme (NGERS). The results of our calculations show we are under the threshold reporting requirement for the 2008–09 financial year.

Looking after the environment in which we work is standard operating procedure. Our IT and management systems conform to ISO 14001:2004 environmental requirements and integrate environmental considerations into our business and decision making processes.



Working together with the community in which we do business, and doing the right thing by the environment in which we work, is embedded in Service Stream's culture.

John Llewellyn (Lyn) Davies
Chairman

Chairman since August 2005

Mr Lyn Davies has advised boards across a wide range of industries and brings highly developed commercial and corporate governance skills to Service Stream. Mr Davies has more than 20 years experience at executive director level with Elders IXL Limited, Wattie Limited and Goodman Fielder Limited.

He is a member of Service Stream's Audit and Governance Committee and Chairman of the Remuneration and Nomination Committee.

Mr Davies is also Chairman of Citywide Service Solutions Pty Ltd and Star Services International Pty Ltd and a Director of Mackay Consolidated Industries Pty Limited and ParaQuad Victoria. He is a Company Director, a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Management and a Life Member of the Australian Institute of Agricultural Science and Technology. His qualifications include a Diploma of Agriculture and a Diploma from the Australian Institute of Company Directors.

Michael Doery
Acting Managing Director

Executive Director since July 2004

Mr Doery brings a wealth of experience to Service Stream particularly in the areas of capital raising, mergers and acquisitions, risk management, change management, corporate governance and general management. His 24 years experience with KPMG, including 14 years as a partner, encompassed the telecommunications, IT and services sectors.

Mr Doery has been instrumental in developing and managing Service Stream's strategic, financial and operational activities. He is an *ex officio* member of the Audit and Governance Committee, the Environment and Safety Committee and the Investment and Strategy Committee.

Mr Doery is also actively involved at director level with the Australian Drug Foundation. He has a Bachelor of Financial Administration from the University of New England and is a Fellow of the Institute of Chartered Accountants in Australia.

Rod Stanton
Executive Director and Managing Director, Total Communications Infrastructure (TCI)

Executive Director since December 2004

Mr Stanton has over 20 years project management experience in construction and wireless deployment projects. Mr Stanton commenced with TCI in September 1998 managing national wireless deployment projects for carriers including Optus and Vodafone. He progressed through to General Manager and ultimately Chief Executive Officer following the public listing of TCI in December 2004.

Mr Stanton joined the Service Stream Group as an Executive Director when Total Communications Infrastructure merged with Service Stream in December 2006. He maintains responsibility for the performance of TCI as Managing Director. Mr Stanton is now extending his extensive commercial expertise in the telecommunications industry into other sectors within the broader Service Stream business.

Prior to joining TCI, Mr Stanton spent 12 years with Lend Lease in their construction division. Mr Stanton holds a degree in Civil Engineering from the University of Sydney.



Adrian Field
Non-Executive Director

Non-Executive Director since January 2004

Mr Field is a co-founding Director of Service Stream. He has over 20 years experience in the areas of business ownership, general management, operations management, sales and account management with Skilled Communications Services Pty Ltd and Communication Services Australia Pty Ltd. His experience encompasses the telecommunications, electrical and construction sectors.

Mr Field is a member of the Investment and Strategy Committee and former Chairman of the Environment and Safety Committee. He is also actively involved in business development strategy for Service Stream.

Mr Field is a Director and a major shareholder of Star Services International Pty Ltd, a company he founded in 2007. Star Services operates in the industrial and retail packaging industry.

Russell Small
Non-Executive Director

Non-Executive Director since January 2004

Mr Small is a co-founding Director of Service Stream and brings extensive telecommunications industry knowledge to the Company. He has over 20 years experience in the areas of business ownership, general management, operations management, sales and account management with Fujitsu, Honeywell, Skilled Communications Services Pty Ltd and Communication Services Australia Pty Ltd.

He is Chairman of the Company's Audit and Governance Committee and the Investment and Strategy Committee and a member of the Remuneration and Nomination Committee and Environment and Safety Committee. Mr Small holds a Diploma of Business Studies (Valuations).

Stephe Wilks
Non-Executive Director

Non-Executive Director since September 2005

Mr Wilks has over 20 years experience in the telecommunications industry both within Australia and overseas. He has held senior executive positions with BT Asia Pacific, Optus, Hong Kong Telecom, Nextgen Networks and Personal Broadband Australia. He was also a consulting director with investment bank, NM Rothschild.

Mr Wilks is Chairman of the Environment and Safety Committee and a member of the Audit and Governance Committee.

He is currently Chairman of Mooter Media Limited and a Director of Tel.Pacific Limited and 3Q Holdings Limited. Mr Wilks is on the advisory board of the Network Insight Group and consults to a number of companies in the media and technology industries. He holds degrees in Science and Laws from Macquarie University and a Master of Laws from the University of Sydney.



Executive Team

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Alistair Legge Chief Technology Officer

Mr Legge joined Service Stream as Chief Technology Officer in March 2005. His involvement in developing the Group's technology strategy and managing the development, implementation and support of complex technology solutions has supported Service Stream's growth and delivered efficiencies to our customers.

Mr Legge has 20 years experience in designing and implementing technology solutions for the utilities, telecommunications and financial sectors. He has consulted to more than 50 organisations on business and IT strategy and managed IT departments of more than 150 employees.

Mr Legge holds an Honours Degree in Electrical Engineering, a Master of International Business from the University of Melbourne and a Master of Business Administration from the Australian Graduate School of Management.

Chad Orr General Manager Strategy

Mr Orr is responsible for managing growth for Service Stream. Since his appointment in February 2007, he has played a key role in consolidating the Company's operations and diversifying its interests into the utilities, environment and client premise equipment sectors.

Mr Orr brings over 13 years experience in large scale outsourcing projects from a range of industries. His position reflects Service Stream's commitment to continuing to expand its services into new emerging markets.

Mr Orr has an Associate Business Diploma from Lakewood College.

Greg Kenyon General Manager Human Resources

Mr Kenyon was appointed to the role of General Manager – Human Resources in June 2007. He is responsible for Service Stream's human resource strategies and services for recruitment, payroll, industrial relations and learning and development.

Mr. Kenyon has over 35 years experience within the telecommunications industry in workforce recruitment and mobilisation, workforce planning, industrial relations, human resource management, business development and labour hire management.

John Gramc Executive General Manager Service Stream Solutions

With a strong background of senior roles within the telecommunications sector, Mr Gramc joined Service Stream in March 2006, managing Service Stream Solutions' outsourced contact centre operations. Mr Gramc has been instrumental in providing value added services to the Solutions business.

With more than 25 years experience managing a diverse range of products and services for the telecommunications industry, Mr Gramc has played a crucial role in developing new business opportunities in the financial services and utilities sectors for the Solutions business.

Mr Gramc holds a Master of Business Administration from Swinburne University and tertiary qualifications in Electronics.



John Ryan
Executive General Manager
Service Stream Infrastructure
Services

Mr Ryan joined the Company in February 1997, working in various operational and general management roles primarily focused on Service Stream's Telstra relationship.

Mr Ryan has recently been appointed to the role of Executive General Manager – Service Stream Infrastructure Services. He is responsible for developing new opportunities in the infrastructure business including recoverable works opportunities and multi utility asset relocation.

He has 26 years experience in all facets of field activities, supervision and management including contract management, state operational management and general management within the infrastructure sector including communications, power and water.

Stephen Ellich
Executive General Manager
Service Stream
Communications

Mr Ellich's role as Executive General Manager is to manage the Service Stream Communications business nationally. Included within his role is the leadership of our Telstra Access and Associated Services and payphones contract teams.

Mr Ellich has over 18 years experience in general management, senior and project management positions in the telecommunications and construction industry.

He holds a Bachelor of Electrical Engineering (Honours), Master of Business Administration and a Graduate Diploma of Administration from the University of Technology, Sydney.

Brett Gallagher
Executive General Manager
AMRS

Mr Gallagher joined Service Stream when AMRS was acquired in February 2008.

He was initially appointed to the role General Manager of AMRS in August 1998 and then appointed to role of Managing Director in 2003. Mr Gallagher's role is to support the Company's operations throughout Australia while overseeing the organisations strategic direction.

With 18 years management experience in various contract service industries, Mr Gallagher has core experience in the areas of contract and financial management, business development and stakeholder relations.

Mr Gallagher is a Graduate and Fellow of the Australian Institute of Company Directors.

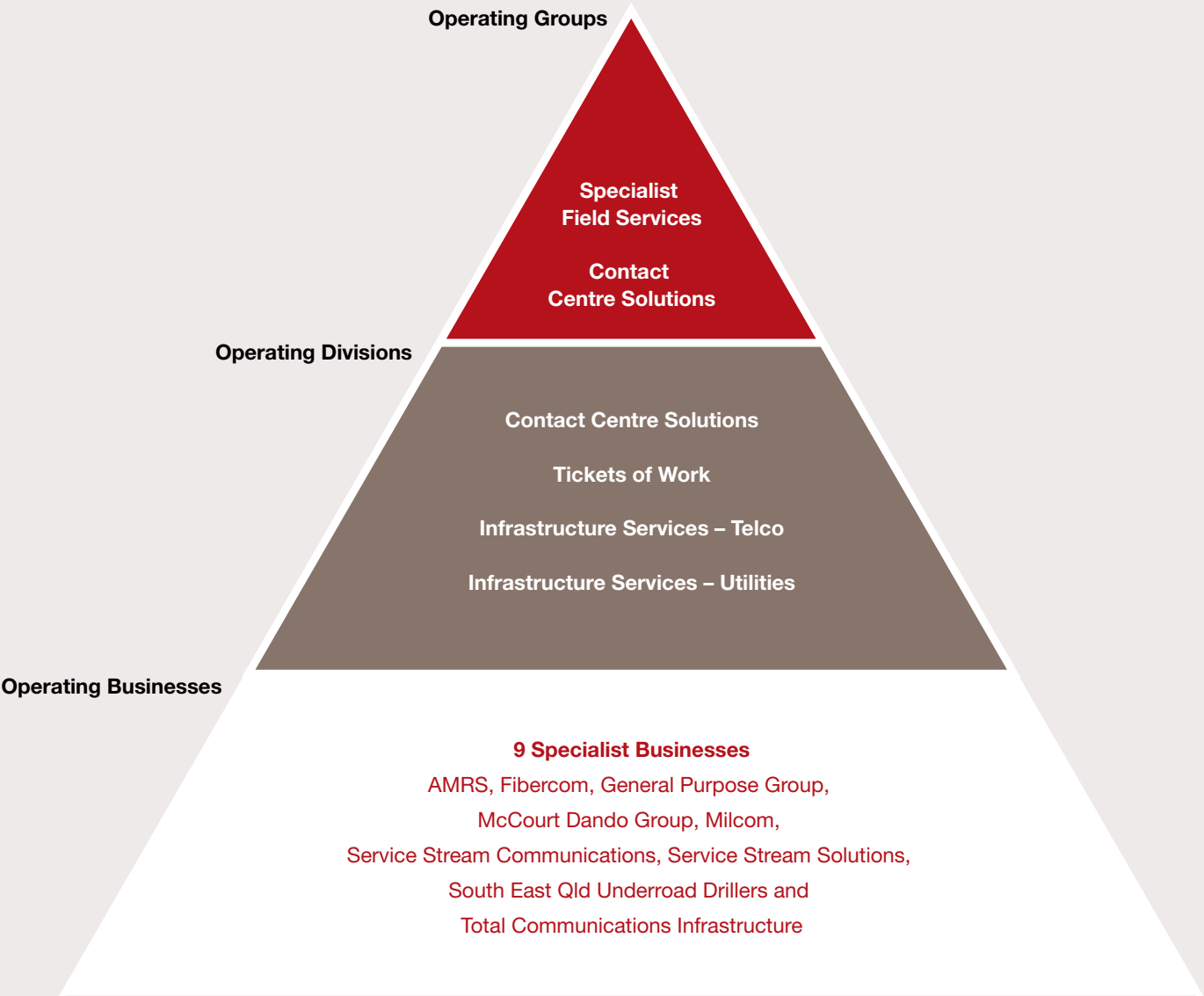
Stephen Campbell
Company Secretary

Mr Campbell joined Service Stream in January 2005 as Group Financial Controller and was appointed to the role of Company Secretary in February 2005. Mr Campbell is responsible for Service Stream's accounting, corporate administration, corporate governance and investor relations.

Mr Campbell has over 20 years experience in senior roles within the accounting profession with publicly listed and large proprietary organisations. He also has experience in capital raisings, due diligence reports, acquisitions and prospectus forecasts. Mr Campbell has worked across a broad range of industries including manufacturing, distributions, property, gaming and financial services.

He holds a Bachelor of Business in Accounting, a Master of Business Administration (Advanced) and a Graduate Diploma in Applied Corporate Governance. Mr Campbell is a Chartered Accountant (CA) and Chartered Secretary (ACIS).





Corporate Directory

Directors

John Llewellyn (Lyn) Davies
Michael Doery
Rod Stanton
Adrian Field
Russell Small
Stephe Wilks

Company Secretary

Stephen Campbell

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Commonwealth Bank of
Australia

Share Registry

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Services
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

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(within Australia)

Ph: +61 3 9415 4000

(outside Australia)

Fax: +61 3 9473 2500

Auditors

Deloitte Touche Tohmatsu

Company Timeline

November 2004

Acquired Skilled
Communications

March 2005

Acquired Pracom

January 2006

Acquired Milcom

July 2006

Acquired Fibercom

December 2006

Merged with Total
Communications Infrastructure
(TCI)

January 2007

Acquired General Purpose
Group (GPG)

May 2007

Awarded national Telstra
payphones contract

July 2007

Acquired AMRS
Acquired McCourt Dando

September 2007

Awarded \$1 billion Telstra
Access and Associated
Services contract

February 2008

Acquired South East Qld
Underroad Drillers

October 2008

Awarded Sydney Water
contract to provide metering
services to more than 1 million
properties in Sydney

November 2008

Awarded \$23 million APA
contract for the provision of
gas meter reading services

April 2009

Awarded AMI contract for
Jemena and UED – an industry
first for the provision of smart
meters in Australia

