

Annual General Meeting

19 October 2016

Chairman's Address to Shareholders

Fellow Shareholders,

Service Stream performed strongly during FY16, reporting solid growth across each of our three reporting segments, and achieving a number of significant milestones. Some of the key financial results for the period include:

- EBITDA growing to \$35.8m
- Net Profit After Tax increased to \$20m;
- Net Cash increased to \$41.1m; and
- Earnings Per Share reaching 5.20 cps

The positive performance over this period, coupled with prudent financial management, resulted in increased returns to shareholders through a \$20m capital return, successfully completed in June, increased interim and full-year dividends and share price appreciation.

Looking at our share price performance, over the past 12 months to 30 June 2016 the business has outperformed our peers. Our price increased considerably, from a low of 0.32 to a high of 1.17 yesterday, and pleasingly the business has recently been re-included in the ASX300, another positive milestone.

Looking forward, the Board remains confident that the demand across each of our core markets remains strong, and when coupled with the contracts secured over the past 12 months, we believe these will provide solid opportunities to achieve continued growth into the future:

- Fixed line telecommunications - The deployment of the national broadband network continues to gather pace, and we expect to see growth associated with our role in activating customers and maintaining a large portion of the network as the deployment expands across the country.
- Wireless communication infrastructure – Increasing customer demand, advances in technology and the expansion of network coverage throughout regional areas of the country continue to support demand of our specialist services across our expanded client base.
- Utility market - Our core metering services revenues remain steady, and we see good growth prospects associated with the deployment of smart metering technology and increasing trials of disruptive technologies such as Solar PV and Battery Storage, becoming more common place over the short-medium term.

The Board remains pleased with the progress made by management over the past 12 months, who continue to execute against the Group's Strategic Plan, taking a measured and practical approach.

I would like to thank my fellow board members for their contribution over the course of the year, and again acknowledge the efforts of the management team, and all of the business's valued staff and contractors.



Brett Gallagher
Chairman