



**Service Stream Limited**

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## ASX & Media Release

**1 October 2007**

### Acquisition of utilities contracting group

Service Stream Limited (ASX Code: SSM) announces the further consolidation of its interests in the utilities infrastructure services sector with the acquisition of the McCourt Dando group of companies. The purchase includes McCourt Dando's utilities contracting operations, as well as the civil construction business.

Consideration for the acquisition is based on an earn-out capped at \$13 million, representing a multiple of 4.5 times McCourt Dando's earnings before interest and tax. The acquisition will be funded 75% through Service Stream's existing cash reserves and facilities, and 25% in the form of Service Stream shares.

Service Stream has secured the services of McCourt Dando's founders and directors, Mr Lee McCourt and Mr Jonathan Dando, under separate 3-year employment agreements.

Established in 2000, McCourt Dando provides contracting services across the communications, electricity, water, gas and civil infrastructure sectors. The Company's specialised activities include open-cut, trenchless technology, the design and configuration of multi-layer projects through to inspection, testing and commissioning.

McCourt Dando has an impressive track record of strong organic growth, having achieved double-digit compound annual revenue and EBITDA growth rates over the last three years.

McCourt Dando is expected to contribute revenues of approximately \$36 million in the current period, supported by existing contracts and a strong pipeline of growth prospects. The acquisition is expected to be earnings accretive in year one.

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

"McCourt Dando is a logical fit for our infrastructure services division, and broadens our expertise and reach in the utilities sector specifically enhancing our capacity to deliver turnkey solutions for the deployment and servicing of multi-utility infrastructure projects nation-wide."

"This is our first acquisition since our recently completed share placement and signals the beginning of Service Stream's push into the electricity, water and gas infrastructure sectors."

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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 approaching A\$500 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](http://www.servicestream.com.au).

**About McCourt Dando Group of Companies:**

Established in 2000 McCourt Dando is a quality driven business with a significant presence in the Australian utilities sector, providing installation, upgrading, and relocation of all utilities infrastructure including water, electricity, telecommunications and gas. McCourt Dando has developed a specialised expertise in providing turnkey solutions for multi-utility projects nation wide, with equipment and personnel to carry out contracts of all sizes and complexity in both urban and rapidly growing regional locations. The company is able to operate across the full range of site situations - open cut, trenchless technology or the design and configuration of multi-layer projects, through to inspection, testing and commissioning. The company's energetic team with its unique customer focus is able to deliver quality end products suitable for both government, private, and projects up to major infrastructure capacity. For more information please visit the Company's website at [www.mccourtdando.com](http://www.mccourtdando.com).