



Service Stream Limited

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ASX & Media Release

1 February 2008

Acquisition of national metering services company

Service Stream Limited (ASX Code: SSM) has further consolidated its position in the utilities infrastructure services sector with the acquisition of Australia's leading metering service provider AMRS (Aust) Pty Limited (AMRS).

Consideration for the acquisition is \$31 million, representing a multiple of 6 times projected earnings before interest and tax (EBITDA) for AMRS in the FY09 financial period. The acquisition also includes a deferred settlement component of approximately 52%.

An initial payment of \$15 million will be made on completion (1 February 2008), followed by two separate deferred payments of \$8 million on 1 September 2008 and 1 September 2009 respectively. The acquisition will be funded through Service Stream's existing cash reserves and facilities.

Established in 1992, AMRS provides over 27 million data reads per annum to utility customers in the electricity, gas and water sectors. With offices in every mainland state, the Company's 800 plus field staff complete more than 100,000 home visits per day.

AMRS generated \$39 million in revenue from metering services in the FY07 financial period with an EBITDA of \$4 million.

The Company maintains long-term contracts with major electricity and gas distributors throughout mainland Australia, and with water distributors and authorities around Australia. The Company's earnings are underpinned by long-term contracts averaging over 5 years, with revenue split 40% electricity, 30% gas and 30% water.

AMRS' Managing Director Brett Gallagher for the past 10 years has been retained by Service Stream under a 3 year management contract, and will hold the position of General Manager, Metering Services. Combined utilities based revenues in the Company's enlarged infrastructure services division will exceed \$100 million annually post acquisition.

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

"The acquisition of AMRS represents a logical progression in broadening Service Stream's capability in the utilities sectors. We are now well positioned to repeat the Company's performance achieved in the telecommunications sector across infrastructure build, management and servicing."



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Commenting on the announcement AMRS' Managing Director Mr. Brett Gallagher said:

"The continued privatisation of electricity, gas and water infrastructure assets in Australia (and resultant outsourcing opportunities), along with the impending AIMRO (advanced interval meter roll out) program were major drivers in our decision to join the Service Stream group."

"Service Stream has a well regarded capability in the deployment and management of infrastructure assets for clients nationally. Together with AMRS' strengths in metering, the combined Group is well positioned to take advantage of the expected growth in outsourcing from major distributor customers including involvement in the roll-out of 2.3 million smart meters under the Victorian AIMRO project scheduled to commence in the first-half of calendar 2009."

Market Update

Mr Flannigan further commented that the AMRS acquisition follows a good first half result which will exceed market consensus EBITDA of \$11.1m by approximately 10% and provides a strong level of confidence as to our full year guidance.

Ends -

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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.

About AMRS (Aust) Pty Limited:

Established in 1992, AMRS (Aust) Pty Limited is the leading domestic metering services provider in Australia. With over 800 field based staff, the Company delivers a range of metering services and associated field services to utilities and local Councils nationally. AMRS is an unlisted public company and operates as a subsidiary of Metering Services Australasia Pty Limited. AMRS is a national company with operations in each mainland state, and delivers over 27 million data reads per annum to customers in the electricity, water and power sectors. For more information please visit the Company's website at www.amrs.com.au.