

ASX & Media Release

23 May 2013

Update on Banking Facilities

As a result of the impact of lower EBITDA as previously announced to the market, Service Stream has breached the Gearing Ratio covenant under its banking facility agreements. The Gearing Ratio is the relationship between i) Net Debt plus Bank Guarantees and ii) rolling 12 months EBITDA, and the covenant under the banking facility agreements is to remain less than 3.00:1.

In addition, the pending non-cash goodwill impairment charge associated with the Group's Fixed Communications segment, as also previously announced to the market, is now forecasted to compromise a number of banking covenants going into FY14.

Service Stream is in discussion with its financiers on these matters in conjunction with an extension of the facilities. A waiver of the Gearing Ratio covenant breach and amendments to the covenants to apply going forward are being sought. The Company is confident that an agreement on these matters will be reached with its financiers prior to finalisation of its financial statements for the year ending 30 June 2013.

Service Stream's financiers are ANZ and Westpac. The existing two-year multi-option banking facilities were established in May 2012. They provide the Group with cash advance, trade finance, overdraft and bank guarantee facilities totalling \$140.0 million. At 31 December 2012, utilisation of the facilities comprised \$28.8 million in bank guarantees and \$59.8 million of debt. Reported net debt (ie. debt net of cash on hand) was \$23.6 million. The Company is forecasting a net debt position as at 30 June 2013 of around \$40.0 million, with bank guarantee utilisation unchanged.

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About Service Stream Limited:

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM) with annual revenue of approximately \$600 million. The Service Stream Group is a provider of essential network services to the telecommunications, energy and water industries. Service Stream operates out of more than 50 locations nationwide and maintains a workforce of over 4,000 employees and contractors. For more information please visit www.servicestream.com.au.