

ASX & Media Release

26 May 2014

Leigh Mackender appointed Managing Director

The Board of Service Stream (ASX:SSM) advises that - effective 26 May 2014 – Mr Leigh Mackender has been appointed Managing Director of Service Stream Limited.

Leigh has until now headed up the Company's very successful Energy & Water division, and has been a critical part of the Service Stream executive leadership team for some years.

Leigh's appointment follows the recent successful placement and rights issue, with the Company now on a solid financial footing – and with a number of recent contract wins, including the recently announced NBN 'Greenfields' contract renewal, demonstrating the ongoing strength of the Company's operations.

The Board has given its full support to Leigh to take the Company through this exciting growth period, and non-executive director Brett Gallagher has agreed to take on a part time executive director role for the near term to provide whatever additional support Leigh requires as he settles into his new role.

Leigh's appointment follows the resignation of Terry Sinclair, which was offered as the Board and Terry were unable to agree on the approach to implement the strategic direction of the Company in coming years. Terry leaves the Company in a substantially better position than at the time of his appointment, with a sound strategy in place, a completed capital raising strengthening the balance sheet, and a number of recent contract wins and renewals secured.

Mr Sinclair said *"I have enjoyed being part of Service Stream's return to profitability and lower debt levels which will underpin a reinvestment in growth. I wish the team and the Board success for the future."*

Commenting on Leigh's appointment, Peter Dempsey, Chairman said:

"We are delighted that we are able to appoint a replacement Managing Director from inside the business, who could hit the ground running. Leigh's skills and personal characteristics will ensure that he really takes hold of this exciting role and builds on the solid foundations on which the Company now stands."

Terry worked closely with the Board over the last few months to complete an agreed strategy for the next three years, and it was unfortunate that he and the Board were not able to agree on the best way to implement that strategy. We wish him all the best in his future endeavours, and have benefited from his time with the Company."

The Board and I are grateful to Brett for agreeing to take on a part time executive director role over the initial period of Leigh's appointment, to assist him with settling into the position."

Outline of material elements of Employment Agreement

The Board anticipates providing a revised remuneration package to Leigh over the coming weeks to more clearly align his incentive arrangements with shareholders. Pending that revised package being agreed, his current arrangements are set out below (any revised package will be advised to the market, once concluded).

Leigh Mackender's Current Remuneration Arrangements

- Total Fixed Remuneration (including superannuation) of \$310,000pa
- Short Term Incentive of up to 30% of Total Fixed Remuneration, subject to performance against a range of personal and group financial targets
- Long Term Incentive of up to 25% of Total Fixed Remuneration in the form of share performance rights with vesting subject to both service and performance criteria

The Executive Employment Agreement contains other standard provisions common to such agreements, and includes the right for either party to terminate on three months' notice.

Outlook for FY14

The Board anticipates that as a consequence of the recent late receipt of orders on some major wireless programs of work there will be pressure to the downside of its previous guidance (with current indications that EBITDA may be of the order of \$17m for FY14). However, the ongoing flow of work and existing orders will ensure the anticipated recovery of the Company's earnings remains on track for coming years.

For further details contact:

Service Stream Limited
Peter Dempsey, Chairman
Tel: +61 3 9677 8817

About Service Stream Limited:

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM) with annual revenue in excess of \$500 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 40 locations nationwide and maintains a workforce of around 3,000 employees and contractors. For more information please visit www.servicestream.com.au



Personal Biography

Leigh Mackender

Leigh joined Service Stream when it acquired AMRS (now Energy and Water) in February 2008, prior to which he held various management roles with the AMRS business since joining in 2005. Leigh was appointed to the role of Executive General Manager in April 2011, and has served as a director of AMRS since 2012.

Leigh was previously responsible for overseeing the Energy and Water business' national operations which includes metering, asset inspection and in-home services divisions operating across the Electricity, Gas and Water markets.

In his time with the business Leigh has been instrumental in developing a multifaceted team, working closely with Service Streams' valued clients to execute on contracted works and assisting the Energy and Water division to diversify and expand its service offerings and base of operations.

Leigh has over 14 years of extensive experience working within the industrial services sector and held various roles in private and public businesses specialising in contract management, financial analysis, business development and commercial negotiations.

Leigh has recently completed the final requirements for the award of an MBA.