

24 October 2014

## Section 708AA Notice

Stream Group Limited (Stream) (ASX:SGO) gives notice in accordance with ASIC Class Order 08/35, ASIC Instrument [14-1080] and Section 708AA(2)(f) of the Corporations Act, 2001 (**the Act**) that:

1. Stream will offer to issue without disclosure to investors under Part 6D.2 of the Act 16,301,094 fully paid ordinary shares (**Shares**) at an issue price of \$0.18 per share under a non-renounceable rights issue on the basis of one Share for every ten existing Shares held at 7:00pm (AEDT) on 30 October 2014 (**Record Date**) by shareholders whose address on the Company's register of members is in Australia or New Zealand.
2. This notice is being given under section 708AA(2)(f) of the Act.
3. As at 24 October 2014, Stream has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act as they apply to Stream; and
  - (b) section 674 of the Corporations Act.
4. As at 24 October 2014, there is no information:
  - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (b) that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
    - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of Stream; or
    - (ii) the rights and liabilities attaching to the new Shares.
5. The Rights Issue will not have any material effect on the control of Stream. The capital structure before the Rights Issue and the potential structure after the Rights Issue is set out below:

<b>Securities currently on issue</b>	168,611,958 Shares
<b>Total securities currently held by Shareholders eligible to participate in the Rights Issue</b>	163,010,949 Shares
<b>Maximum number of securities that may be issued under the Rights Issue (based on current shareholding of shareholders eligible to participate in the Rights Issue)</b>	16,301,094 Shares
<b>Minimum number of securities that will be issued under Rights Issue (including to underwriters).</b>	15,151,417 Shares
<b>Additional securities that may be issued after the Record Date but before the issue of the shortfall, subject to shareholder approval<sup>1</sup>.</b>	3,547,668 Shares

<b>Maximum number of securities on issue immediately following the issue of shortfall.</b>	188,460,720 Shares
<b>Minimum number of securities on issue immediately following the issue of the shortfall.</b>	183,763,375 Shares

<sup>1</sup>Approval is to be sought for the issue of these Shares to the vendors of NIRS at the Company's 2014 annual general meeting.

The Directors have reserved the right to offer any shortfall under the Rights Issue in accordance with Listing Rule 7.2 Exception 3.

Investors should note the following:

- (a) The Rights Issue is underwritten to an amount of 15,151,417 Shares.
- (b) The proportional interests of eligible shareholders who do not take up all of their entitlements under the Rights Issue are likely to be reduced. Proportional interests of eligible shareholders who do not take up all of their entitlements will be reduced if there are sufficient applications for the shortfall to meet the gap between the amount underwritten and the total number of Shares offered under the Rights Issue.
- (c) The proportional interests of shareholders with registered addresses outside Australia and New Zealand will be reduced because those shareholders are not entitled to participate in the Rights Issue;
- (d) Stream's major shareholder, LMBM Pty Ltd will not subscribe for its entitlement under the Rights Issue and will be diluted to a maximum voting power of 37.97% on completion of the Rights Issue.

- ENDS -

For further information please contact

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