

27 October 2014

Dear Shareholder,

On 24 October 2014, Stream Group Limited (**Stream**) announced a non-renounceable rights issue (**Rights Issue**) in accordance with section 708AA of the Corporations Act 2001.

Shareholders with an address in Australia or New Zealand recorded on Stream's register of members at 30 October 2014 (**Eligible Shareholders**) will be offered the opportunity to subscribe for 1 fully paid ordinary share in Stream (**New Shares**) for every 10 fully paid ordinary share held at 7:00pm (Sydney Time) on 30 October 2014, with fractional entitlements rounded up. Holdings on different registers will not be aggregated for calculating entitlements.

The New Shares will be offered at an issue price of \$0.18 per share (**Issue Price**). The Directors have reserved the right to offer at the Issue Price any shares that are not subscribed for in the Rights Issue (**Shortfall Shares**) in accordance with Listing Rule 7.2 Exception 3.

The Rights Issue (including the issue of any Shortfall Shares) may result in the issue of up to 16,301,094 fully paid ordinary shares. The Rights Issue is underwritten to the amount of 15,151,417 New Shares by Taylor Collison Limited, Nightingale Partners Pty Ltd, SM Tech Co No 1 Pty Ltd, Big Macs Pty Ltd ATF the Mad Macs Superfund, Longreach Group Pty Ltd and Dr. Steffen Lehmann & Cie GmbH. These underwriters all receive a fee equal to 5% of the value of the New Shares they have underwritten at the Issue Price, plus GST. On completion of the Rights Issue and issue of the Shortfall Shares the maximum number of quoted shares that will be on issue is 181,579,719 fully paid ordinary shares and 3,333,333 unquoted fully paid ordinary shares (excluding any fully paid ordinary shares that are approved at Stream's AGM). New Shares and Shortfall Shares will rank equally with Stream's sole existing class of ordinary fully paid shares.

Details of the terms and conditions of the offer of New Shares and how to apply for Shortfall Shares will be contained in the offer document that will be sent to Eligible Shareholders on 5 November 2014. Subject to any changes that may be made by your Directors, the other key dates for this Rights Issue are:

EVENT	DATE
Shares quoted on ex-entitlement basis	28 October 2014
Record Date for determining entitlements	7:00pm (Sydney) 30 October 2014
Closing Date	5:00pm (Sydney) on 21 November 2014
Issue Date	28 November 2014

The additional funds will be used to pay the costs of the Rights Issue as well as provide additional working capital during the benign claims environment and allow Stream to continue the growth of products and services in Australia, New Zealand and the United Kingdom.

**Your Directors recommend that you read the offer document carefully when you receive it. The offer will be made without a disclosure document and accordingly it is important that you review Stream's ASX announcements made in relation to the Rights Issue, together with past ASX announcements made regarding Stream, its business operations, financial position and prospects before deciding whether to participate in the Rights Issue.** All ASX announcements released by Stream and any documents relating to the Rights Issue can be accessed at [www.asx.com.au](http://www.asx.com.au).

Stream currently has shareholders with an address on the register of members in the United States of America, Germany, the United Kingdom and France. Shareholders in these countries will not be sent offer documents.

If you have any questions in relation to this letter please seek professional advice or contact Stream on +61 7 3552 0229 during office hours.

Yours sincerely

A handwritten signature in blue ink, appearing to read "C. Bernecker", is positioned above the printed name.

Christian Bernecker  
Chairman

27 October 2014

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Stream Group Limited (**Stream**) announced a non-renounceable rights issue (**Rights Issue**) in accordance with section 708AA of the Corporations Act 2001.

Shareholders with an address in Australia or New Zealand recorded on Stream's register of members at 30 October 2014 will be offered the opportunity to subscribe for 1 fully paid ordinary share in Stream (**New Shares**) for every 10 fully paid ordinary share held at 7:00pm (Sydney Time) on 30 October 2014, with fractional entitlements rounded up.

Stream has determined, in accordance with Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to offer participation in the Rights Issue to shareholders outside of Australia and New Zealand due to the legal limitations in some countries, the relatively small number of shares held by shareholders in other countries, the likely funds that would be raised from shareholders in those countries and the cost of complying with regulatory requirements in those countries.

Accordingly, as you do not have an address in Australia or New Zealand recorded on Stream's register of members, Stream unfortunately must advise you that **you will not be extended the opportunity to participate in the Rights Issue.**

Under the terms of the offer you are not eligible to subscribe for New Shares and you will not be sent a copy of the offer documents.

This notice is to inform you of the Rights Issue. It is not an offer to issue New Shares to you, nor is it an invitation to apply for New Shares. You are not required to do anything in response to this letter.

If you have any questions in relation to this letter please seek professional advice or contact Stream on +61 7 3552 0229 during office hours.

Yours sincerely

A handwritten signature in blue ink, appearing to read "C Bernecker".

Christian Bernecker  
Chairman