

ASX RELEASE

24 February 2014

STREAM GROUP LIMITED (ASX:SGO): Cerno Limited voluntary administration

Stream Group Limited ("Stream") advises that the Board of Cerno Limited has appointed voluntary administrator Bradley Hellen of Pilot Partners.

Since investing in Cerno in April 2013, Stream has provided significant funds, but has been unable to return the business to profitability, in addition a resolution could not be agreed with the Third Party Cerno Shareholders' Debt which ultimately lead to the voluntary administration.

Stream will continue to service customers and has transferred a number of Cerno employees, customers and open claim files to Stream to ensure customer service levels are maintained and ensure that there is no disruption in respect of service delivery. This was achieved by Stream acquiring certain business assets of Cerno and assuming certain liabilities which were satisfied by setoff against the amounts owing from Cerno Limited to Stream as a secured creditor and future cash payment contingent on business performance.

The impact of the Cerno voluntary administration on the half year results for the six months to 31 December 2014 will be an impairment charge of \$5.19 million.

The voluntary administration of Cerno does not impact the Class A Performance ("CAP") Shares issued to Cerno Shareholders on 9 February 2015. The CAP shares may convert to ordinary shares based on the performance conditions as described in the Class A Performance Shares Prospectus dated 1 December 2014.

The Cerno Brand has been retired and replaced by Stream across all business lines. Stream will maintain national coverage for loss adjusting and will continue to provide a broad service offering including liability, property, marine and motor services.

Stream confirms EBITDA guidance of between \$3.0- \$4.0 million for H2 FY15. Given the recent Cyclone Marcia event in Queensland, Stream will provide an update once there is more certainty on the number of claims to be received from the event.

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