

ASX & MEDIA RELEASE**4 December 2017****nbn's recent announcement regarding HFC delays not expected to impact Service Stream earnings**

Leading essential network services company Service Stream Limited (ASX: SSM) notes a 6.0 cents per share drop in its share price on Friday 1 December 2017 and a further drop in share price today. The company presumes the share price impact is related to an announcement made by nbn co on Monday 27 November 2017 in which it advised that it would temporarily pause the taking of new orders for customer connections to its HFC access network ("temporary pause").

Service Stream does not believe that the temporary pause will have a material impact on its earnings outlook for the current financial year nor beyond, and expects its Fixed Communications division to have a strong FY18:

- Service Stream understands that the temporary pause is likely to be for a period of only six to nine months, during which time nbn will undertake a range of remediation works to its HFC access network;
- HFC technology represents approximately 27% of the customer activations that Fixed Communications is currently undertaking for nbn, meaning that the majority of the work it undertakes for nbn (ie. FTTx activations and service assurance) is unaffected by the temporary pause;
- SSM notes that nbn has confirmed it remains committed to its existing network roll-out and customer connection targets by 2020; and
- Service Stream is confident that it will receive additional revenue from remediation works undertaken during the temporary pause period, and that this will contribute to offsetting any loss of activation revenue in the short-term.

Chief Financial Officer, Bob Grant said: *"With five months of the current financial year now complete, the company expects EBITDA for the first-half of FY18 to be at least \$30.0 million and for full-year earnings to be in-line with market consensus. The company expects earnings growth to continue into FY19."*

For further details contact:**Service Stream Limited**

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About Service Stream Limited:

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM). 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 1,800 employees and up to 3,500 active contractors. For more information please visit www.servicestream.com.au.