

CSG Limited
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More than you expect.

APPENDIX 4D

CSG LIMITED AND CONTROLLED ENTITIES ABN: 64 123 989 631

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2014.

Appendix 4D

Half-Year Report for the six months to 31 December 2014

Name of entity: CSG Limited and its controlled entities
ABN or equivalent company reference: 64 123 989 631 (ASX: CSV)

1. Reporting period

Report for the half-year ended: 31 December 2014
Previous corresponding periods: Financial year ended 30 June 2014
Half-year ended 31 December 2013

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities (<i>item 2.1</i>)	Up 14%	to	108,282
Profit (loss) from ordinary activities after tax (<i>item 2.2</i>)	Up 42%	to	7,562
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	Up 43%	to	7,037
Dividends (<i>item 2.4</i>)	Amount per security	Franked amount per security	
Interim dividend	4c	0%	
Previous corresponding period	Nil	Nil	
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	23 February 2015		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>): Refer to the Review of Operations section in the Director's Report attached.			

3. Net tangible assets per security (*item 3*)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	25 cents	25 cents

4. Details of entities over which control has been gained or lost during the period: (item 4)

Control gained over entities

Name of entities (item 4.1)

N/A

Date(s) of gain of control (item 4.2)

N/A

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)

\$Nil

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$Nil

Loss of control of entities

Name of entities (item 4.1)

N/A

Date(s) of loss of control (item 4.2)

N/A

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).

\$Nil

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$Nil

5. Dividends (item 5)

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2015	11 March 2015	\$11,365,954
Final dividend year ended 30 June 2014	8/9/2014	\$13,965,000

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	\$0.04	0%	N/A
Previous year	\$0.05	0%	N/A

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities (each class separately)	\$11,365,954	\$13,965,000
Preference securities (each class separately)	Nil	Nil
Other equity instruments (each class separately)	Nil	Nil
Total	\$11,365,954	\$13,965,000

6. Details of dividend or distribution reinvestment plans in operation are described below (*item 6*):

The Dividend Reinvestment Plan ("DRP") is currently suspended.

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

N/A

7. The financial information provided in the Appendix 4D is based on the half-year condensed financial report (attached).

8. Independent review of the financial report (*item 8*)

The financial report has been independently reviewed. The financial report is not subject to a modified independent auditors' review report.



More than you expect.

CSG LIMITED AND CONTROLLED ENTITIES

ABN: 64 123 989 631

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2014

DIRECTORS' REPORT

The directors present their report together with the condensed financial report of the consolidated entity consisting of CSG Limited and the entities it controlled, for the half-year ended 31 December 2014 and independent auditors' review report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors Names

The names of the directors in office at any time during or since the end of the half-year are:

Name	Period of directorship
Ian Kew	Appointed Director 1 March 2007, Ceased 20 November 2014
Philip Bullock	Appointed Director 1 August 2009
Julie-Ann Kerin	Appointed Director 1 February 2012
Tom Cowan	Appointed Director 8 February 2012, appointed Chairman 15 August 2012
Robin Low	Appointed Director 20 August 2014
Mark Phillips	Appointed Director 20 August 2014
Stephen Anstice	Appointed Director 20 August 2014

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Review of Operations

The consolidated profit of the group for the half-year after providing for income tax amounted to \$7.562m.

Financial Summary:

	1H15 \$m	1H14 \$m	%
Revenue from continuing operations	108.28	95.28	14%
NPAT	7.56	5.34	42%
Add Tax	3.26	2.36	38%
Add Depreciation and Amortisation	2.25	2.71	(17%)
Add Interest expense/(income)	0.47	0.25	188%
EBITDA ¹	13.54	10.66	27%
Add Non-recurring items			
1. Restructuring	-	1.30	(100%)
2. Deferred consideration & legal	0.22	-	100%
3. LTIP/Employee Share Plan	1.67	1.50	11%
Total	1.89	2.80	(32%)
Underlying EBITDA	15.43	13.46	15%

Operational Overview:

- The Company has reported an underlying EBITDA of \$15.4 million which excludes \$1.7 million for the Executive Long Term Incentive Plan (LTIP) expense and \$0.2 million for non-recurring legal costs related to the Cinglevue case. EBITDA margin remained steady whilst significant investment occurred in the Enterprise Solutions business and additional executives and staff were added in preparation for future business growth.
- The Business Solutions division continued to grow with equipment revenue growth of 26 percent on the previous corresponding period and profit before tax growth of 22 percent on the previous corresponding period. The professional Services team in New Zealand produced an exceptional result with revenue growth of 83 percent. The division commenced selling non print Samsung

¹ CSG defines EBITDA as profit before net finance costs, tax, depreciation, amortisation, impairment (if applicable). CSG uses EBITDA as an internal performance indicator for the management of its operational business segments; and to allow for better evaluation of business segment activities and comparison over reporting periods. This is non-IFRS information that has not been reviewed by KPMG.

products in Australia in August 2014 and prepared to launch our relationship in New Zealand in February 2015 under the CSG Solutions brand. The average sale of non-print technology was maintained at \$30,000 per customer and 4 percent of total deals in Australia contained an attached non print equipment sale.

- Enterprise Solutions division won a number of significant new customers including: Victoria University, Auckland District Health Board and Fonterra. CSG Enterprise Solutions was also appointed to the Whole of Queensland Government's Standing Offer Arrangement for the provision of print and imaging as a service. Revenue in Australia grew by 84 percent on the previous corresponding period.
- The Finance Solutions division Lease receivable book increased by 36 percent year on year to close at \$188.6 million (\$138.8 million 31 December 2013). The Australian business continued to convert 95 percent of customers to CSG Finance products. Stronger growth in the lease book drove some decline in margin.

Significant change in state of affairs

There have been no significant changes in the consolidated group's state of affairs during the half-year.

Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporation Act 2001* in relation to the review for the half-year is provided with this report.

Rounding of amounts to nearest thousand dollars

The amounts contained in the report and in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

Subsequent event

The Company executed an agreement to purchase lease receivables of \$11m from Capital Finance Limited on 13 February 2015 for consideration of \$12m. The lease receivables relates to existing CSG business solutions customers. A Dividend has been declared after 31 December 2014.

Signed in accordance with a resolution of the directors:



Julie-Ann Kerin
Director

Sydney
Dated 16th February 2015



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of CSG Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in blue ink that reads 'Scott Guse'. The signature is written in a cursive, flowing style.

Scott Guse
Partner

Sydney

16 February 2015

CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year	
	2014	2013
	\$'000	\$'000
Revenue from continuing operations		
Sales revenue	93,552	82,875
Lease interest revenue	11,025	8,792
Other income	3,645	3,540
Interest income	60	80
	108,282	95,287
Less: Expenses		
Changes in inventories of finished goods	(50,423)	(46,313)
Lease interest expense	(5,494)	(3,849)
Marketing expenses	(1,160)	(967)
Occupancy expenses	(2,770)	(2,839)
Administration expenses	(10,732)	(9,667)
Employee expenses	(21,920)	(17,900)
Other expenses	(509)	(356)
Share based transactions	(1,671)	(1,507)
Restructuring expenses	-	(1,146)
Depreciation and amortisation	(2,250)	(2,714)
Finance costs	(533)	(325)
	(97,462)	(87,583)
Profit before income tax expense	10,820	7,704
Income tax expense	(3,258)	(2,362)
Profit after income tax expense	7,562	5,342
Profit is attributable to:		
Members of the parent	7,037	4,938
Non-controlling interest	525	404
	7,562	5,342

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year	
	2014	2013
	\$'000	\$'000
Profit after income tax expense	7,562	5,342
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Cash flow hedges:		
Net (losses) / gains taken to equity	(752)	-
Net (losses) / gains transferred to profit and loss	14	-
Exchange differences on translation of foreign operations, net of tax	1,032	3,652
Total comprehensive income for the half-year	7,856	8,994
Total comprehensive income is attributable to:		
Members of the parent	7,331	8,590
Non-controlling interest	525	404
	7,856	8,994
Earnings per share attributable to equity holders of the parent entity:		
Basic earnings per share (cents)	2.7	1.9
Diluted earnings per share (cents)	2.6	1.9

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$'000	30 June 2014 \$'000
CURRENT ASSETS			
Cash and cash equivalents		20,558	27,268
Receivables		27,456	23,072
Lease receivables		66,336	57,617
Inventories		44,738	40,961
Other		6,915	6,546
TOTAL CURRENT ASSETS		166,003	155,464
NON-CURRENT ASSETS			
Lease receivables		122,216	103,887
Deferred tax assets		580	1,182
Property, plant and equipment		2,468	2,667
Intangible assets	6	191,613	191,001
TOTAL NON-CURRENT ASSETS		316,877	298,737
TOTAL ASSETS		482,880	454,201
CURRENT LIABILITIES			
Payables		48,621	42,826
Deferred income		102	435
Short term borrowings		5,169	675
Current tax payable		863	1,325
Provisions		3,615	3,154
Debt associated with lease receivables		3,595	3,716
TOTAL CURRENT LIABILITIES		61,965	52,131
NON-CURRENT LIABILITIES			
Provisions		1,131	1,326
Derivatives		1,914	1,118
Debt associated with lease receivables		157,258	134,614
TOTAL NON-CURRENT LIABILITIES		160,303	137,058
TOTAL LIABILITIES		222,268	189,189
NET ASSETS		260,612	265,012
EQUITY			
Contributed equity	4	166,588	160,838
Reserves		5,344	9,091
Retained earnings		75,599	82,527
Equity attributable to owners of CSG Limited		247,531	252,456
Non-controlling interest		13,081	12,556
TOTAL EQUITY		260,612	265,012

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Consolidated	Contributed equity \$'000	Reserves \$'000	Cashflow hedge reserve \$'000	Retained earnings \$'000	Non- controlling interest \$'000	Total Equity \$'000
Balance as at 1 July 2014	160,838	8,878	213	82,527	12,556	265,012
Profit for the half-year	-	-	-	7,037	525	7,562
Cash flow hedge						
Net losses taken to equity			(752)			(752)
Net gains transferred to profit and loss			14			14
Foreign Exchange movement of translation of foreign operations, net of tax	-	1,032	-	-	-	1,032
Total comprehensive income for the half-year	-	1,032	(738)	7,037	525	7,856
Transactions with owners in their capacity as owners:						
Dividend Paid	-	-	-	(13,965)	-	(13,965)
Equity settled transactions	5,803	(4,041)	-	-	-	1,762
Capital raising cost deferred tax asset	(53)	-	-	-	-	(53)
	5,750	(4,041)	-	(13,965)	-	(12,256)
Balance as at 31 December 2014	166,588	5,869	(525)	75,599	13,081	260,612

Consolidated	Contributed equity \$'000	Reserves \$'000	Cashflow hedge reserve \$'000	Retained earnings \$'000	Non- controlling interest \$'000	Total Equity \$'000
Balance as at 1 July 2013	172,250	3,135	-	71,402	11,594	258,381
Profit for the year	-	-	-	4,938	404	5,342
Foreign Exchange movement of translation of foreign operations, net of tax	-	3,652	-	-	-	3,652
Total comprehensive income for the half-year	-	3,652	-	4,938	404	8,994
Transactions with owners in their capacity as owners:						
Capital distribution	(11,159)	-	-	-	-	(11,159)
Share based payments	-	1,507	-	-	-	1,507
Options exercised	225	-	-	-	-	225
Capital raising cost deferred tax asset	(181)	-	-	-	-	(181)
	(11,115)	1,507	-	-	-	(9,608)
Balance as at 31 December 2013	161,135	8,294	-	76,340	11,998	257,767

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year	
	2014	2013
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	114,166	104,199
Payments to suppliers, employees and others	(102,607)	(96,321)
Movement in lease receivables	(27,140)	(15,714)
Interest income	60	80
Borrowing costs paid	(682)	(250)
Income tax paid	(2,975)	(3,694)
Net cash provided by/(used in) operating activities	(19,178)	(11,700)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for intangibles	(2,066)	(1,237)
Payments for property, plant and equipment	(529)	(114)
Proceeds from the sale of property, plant and equipment	-	398
Payments for businesses	-	(7,500)
Net cash provided by/(used in) investing activities	(2,595)	(8,453)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	31,776	(35)
Repayment of borrowings	(26,901)	(2,867)
Borrowings associated with lease receivables	23,956	12,624
Options exercised	320	225
Capital distribution	-	(11,159)
Dividend distributions	(13,965)	-
Net cash provided by/(used in) financing activities	15,186	(1,212)
Net increase/(decrease) in cash and cash equivalents	(6,587)	(21,365)
Foreign exchange differences on cash holdings	(123)	1,590
Cash and cash equivalents at beginning of half-year	27,268	40,017
Cash and cash equivalents at end of the half-year	20,558	20,242

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by CSG Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the directors on 16 February 2015.

(a) Basis of preparation

This general purpose half-year financial report has been prepared in accordance with Australia Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liability derivatives as described in the accounting policies.

The consolidated entity's operations are not subject to any obvious seasonality

(b) Summary of the significant accounting policies

All other accounting policies applied in this half-year financial report are the same as those used in the annual financial report for the year ended 30 June 2014.

(c) Rounding of amounts

The company is of a kind referred to in ASIC Class Order CO 98/100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(d) Use of estimates or judgements

The preparation of the financial report in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

i. Assessing impairment of goodwill

Goodwill is allocated to cash generating units (CGUs) according to applicable business operations. The CGUs are aligned at the segment level. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected financial forecasts and projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections are based on past performance and its expectation for the future. The present value of future cash flows has been calculated on a consistent basis to the methods applied as at and for the year ended 30 June 2014.

ii. Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

iii. Employment benefits

Calculation of long term employment benefits requires estimation of the retention of staff, future remuneration levels and timing of the settlement of the benefits. The estimates are based on historical trends.

iv. Share-based payments

Calculation of shared based payments requires estimation of the timing of the exercise of the underlying instrument. The estimates are based on historical trends.

v. Inventory – consumables at customer premises

Inventory balances include consumables owned by the group but located at customer premises. The value of consumables recorded as inventory is based on management's estimate resultant from information held in customer servicing systems and a sample of customer holdings.

vi. Inventory - obsolescence

Inventory balances relate to items subject to technological obsolescence and unknown usage levels. Obsolete and slow-moving inventory is estimated based on the age of the inventory items, historical usage and likely future usage, and likely recoverable values.

(e) Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 30 June 2014.

Fair value hierarchy

In valuing financial instruments, the consolidated entity uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. There are no material level 3 financial instruments.

The fair value of financial assets and financial liabilities, other than the fair value of derivatives, approximates their carrying amounts as disclosed in the Statement of Financial Position and Notes to the financial statements.

The fair values of the Group's derivative financial instruments, being interest rate swaps and forward foreign exchange contracts, are categorised as Level 2 in the fair value hierarchy (2013: Level 2). The fair values are based on the market comparison technique, using broker or counterparty quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. There are no significant unobservable inputs used in the valuations.

(f) Fair Valuation Measurement

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i. Forward exchange contracts and interest rate swaps

The fair value of forward exchange contracts is based on their counterparty quoted price, if available. If a quoted price is not available, then the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a credit-adjusted risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on counterparty quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using the market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

ii. Other non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is referenced to the contract.

iii. Share-based payment transactions

The fair value at grant date is determined using a Black-Scholes, Binomial or Monte Carlo option pricing model depending on the terms and conditions of each option, that takes into account the exercise price of the instrument, expected volatility (based on an evaluation of the historic volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2014

NOTE 2: DIVIDENDS

	Half-year	
	2014	2013
	\$'000	\$'000
Dividends provided for or paid during the half-year:		
Paid – Unfranked dividends of 5 cents per share were paid on 8 September 2014		
(2013 : nil)	13,965	-

Unfranked dividends of 4 cents per share were declared and approved for payment on 13 February 2015 for a payment date of 11 March 2015.

NOTE 3: SEGMENT INFORMATION

(a) *Description of segments*

Management has determined the operating segments based on reports reviewed by the Chief Executive Officer and the executive team (comprising the Chief Financial Officer and Group General Managers) for making strategic decisions. The Chief Executive Officer and executive team monitor the business based on product/service factors and have identified the following reportable segments:

Business Solutions

CSG Business Solutions provides the sale, support, service and financing of print and business technology equipment to customers across Australia and New Zealand. CSG Enterprise Solutions provides managed service based print and technology solutions for Tier 1 enterprise, education and government customers also in Australia and New Zealand. CSG Enterprise Solutions is still in its growth phase in terms of developing and building a pipeline of potential business and therefore will be grouped with Business Solutions for the purpose of segment reporting.

Management has determined that the Australian and New Zealand business units are separate operating segments but due to their similarity in terms of product and service offerings in addition to the methods used to distribute products across both geographies these business units will be aggregated for the purposes of segment reporting.

Finance Solutions

CSG Finance Solutions is a specialist service provider of lease and rental products for business technology assets sold and serviced by CSG in both Australia and New Zealand.

Other

The remaining business operations/activities are the corporate office activities which are classified as 'Other' to facilitate reconciliation to Group results.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2014

NOTE 3: SEGMENT INFORMATION (cont'd)

(b) Segment information

Half-Year 2014	Consolidated				
	Business Solutions	Finance Solutions	Other	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment Revenue					
External segment revenue	96,527	11,408	347	-	108,282
Inter- segment revenue	-	-	-	-	-
Total	96,527	11,408	347	-	108,282
Segment Result					
Interest revenue	31	-	29	-	60
Interest expense	(169)	(266)	911	-	476
Depreciation & amortisation	1,095	171	984	-	2,250
Total segment profit/(loss) before income tax	12,588	4,481	(6,249)	-	10,820
Total Segment Assets	198,493	244,028	213,580	(173,221)	482,880
Total Segment Liabilities	53,043	168,210	1,015	-	222,268

Half-Year 2013 restated	Consolidated				
	Business Solutions	Finance Solutions	Other	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment Revenue					
External segment revenue	85,497	9,750	40	-	95,287
Inter- segment revenue	-	1,507	-	(1,507)	-
Total	85,497	11,257	40	(1,507)	95,287
Segment Result					
Interest revenue	38	-	42	-	80
Interest expense	94	(92)	248	-	250
Depreciation & amortisation	1,479	385	850	-	2,714
Total segment profit/(loss) before income tax	8,359	5,936	(5,084)	(1,507)	7,704
Total Segment Assets	192,890	186,897	209,934	(170,523)	419,198
Total Segment Liabilities	42,691	118,432	308	-	161,431

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2014

NOTE 3: SEGMENT INFORMATION (cont'd)

(c) *Geographical Information*

CSG's reporting segments provide sales, support, service and financing across Australia and New Zealand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Half-Year 2014			
	Australia	New Zealand	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000
Revenue	51,277	57,005	-	108,282
Assets	315,370	264,862	(97,352)	482,880

	Half-Year 2013 restated			
	Australia	New Zealand	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000
Revenue	41,314	55,480	(1,507)	95,287
Assets	296,871	187,338	(65,011)	419,198

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2013

NOTE 4: CONTRIBUTED EQUITY

Movement in shares on issue

	31 December 2014		30 June 2014	
	No. of shares	\$'000	No. of shares	\$'000
Beginning of the period	278,840,492	160,838	278,155,477	172,250
On-market share buy-backs	-	-	(132,583)	(117)
Capital distribution	-	-	-	(11,159)
Issued Shares	5,308,347	5,803	817,598	225
Capital raising costs deferred tax asset	-	(53)	-	(361)
Balance at the end of the period	284,148,839	166,588	278,840,492	160,838

NOTE 5: CONTINGENT LIABILITIES

As previously disclosed, the Company has been involved in a dispute regarding earn out payments under a historical purchase agreement in relation to the purchase of the Cinglevue business in 2008. A further amended statement of claim was provided in October 2014. The Company has filed its amended defence. The Company's position is that it will vigorously defend the claim. On the basis of present information, it has made no provision for any loss or damage in relation to this claim.

NOTE 6: INTANGIBLE ASSETS

The carrying amounts of acquired goodwill are allocated to cash generating units ("CGUs") and the recoverable amount of these CGUs has been determined based on a value in use calculation using cash flow projections covering a five year period, based on financial budgets approved by the Board. The average discount rate applied to cash flow projections is 10.5% and the long term growth rate is 2.5%. The Board have determined there are no reasonably possible changes that could occur in these two key assumptions that would cause the carrying amount of these CGUs to exceed their recoverable amount.

NOTE 7: SUBSEQUENT EVENTS

The Company executed an agreement to purchase lease receivables of \$11m from Capital Finance Limited on 13 February 2015 for consideration of \$12m. The lease receivables relates to existing CSG business solutions customers. A Dividend has been declared after 31 December 2014 (Refer Note 2).

The financial effect of these transaction has not been brought to account in the financial statements for the period ended 31 December 2014.

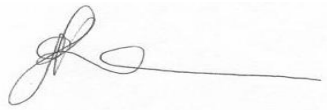
DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 1 to 16 in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that CSG Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

A handwritten signature in dark ink, consisting of a stylized 'J' and 'K' followed by a long horizontal line.

Julie-Ann Kerin
Director

Sydney
Dated 16th February 2015



Independent auditor's review report to the members of CSG Limited

We have reviewed the accompanying half-year financial report of CSG Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising CSG Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of CSG Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of CSG Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CSG Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

A handwritten signature in blue ink that reads 'Scott Guse'.

Scott Guse
Partner

Sydney

16 February 2015