FY 2011
First Half Results

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Agenda

- FY 2011 First Half Summary
- Financial Summary
- Divisional Overview
- Conclusion & Outlook

FY 2011 First Half Summary

Financials

- Revenue of $186.4mil (up 67% on PCP)
- EBITDA of $33.9mil (up 42% on PCP)
- NPAT of $18.8mil (up 53% on PCP)
- EPS of 7.7 cents (up 12% on PCP)
- Interim fully franked dividend of 2.5 cents (no change to PCP)

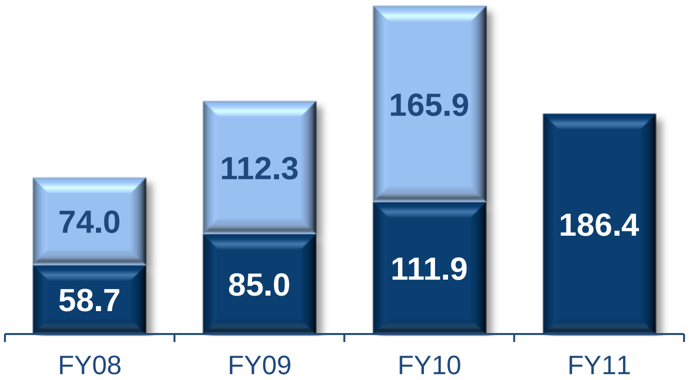
Performance

- Print NZ in line with expectation and continues to grow MIF base and increase colour prints percentage
- Large integration in Australian Print business which is behind PCP due to business interruptions in Qld. Canon business performing as expected
- IT business impacted by contract transition & client project timing – challenging half but pipeline solid

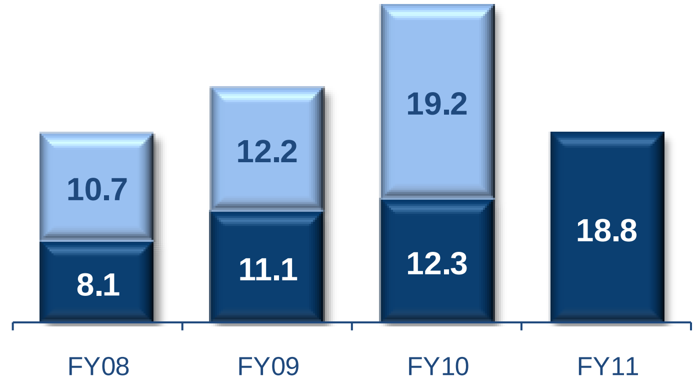
Financial Summary

Position v Prior Comparative Period (H1 2010)

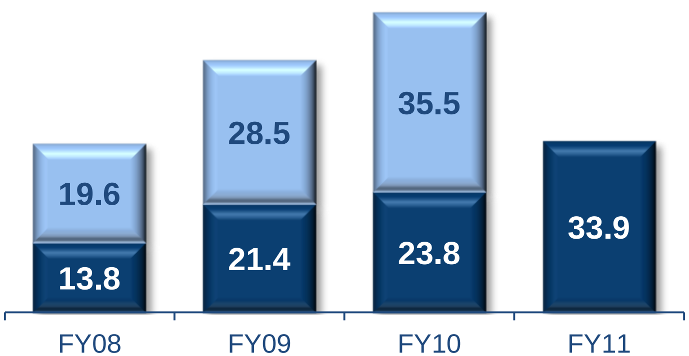
Revenue ($'mil)



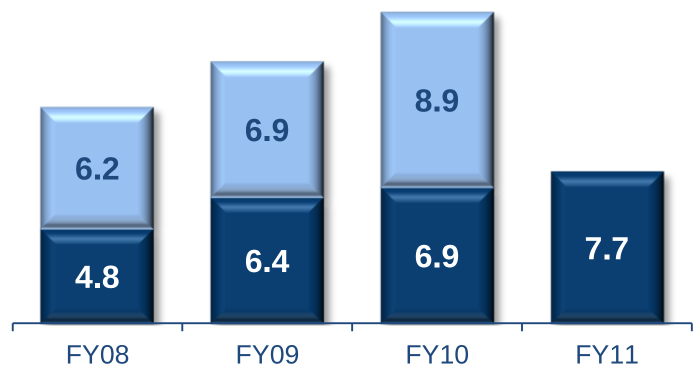
Net Profit After Tax ($'mil)



EBITDA ($'mil)



Earnings Per Share (cents)



Profit is impacted by a number of one off adjustments adding to increased profit of $480k.These items include legal costs, prior period adjustments, business restructuring, disruption and start up costs and a write back of goodwill

P&L – Adjusted NPAT

	H1 2011 ($mil)
Reported Net Profit After Tax	18.8
One-off Legal Fees	0.8
Contract Related Amortisation	0.8
Business Disruption\Integration	1.1
Prior Period	0.4
Deferred consideration write- back	(4.0)
Other items	0.5
Adjusted Net Profit After Tax	18.4

Cash Flow Overview

	H1 2010	H1 2011
Cash at 1 January, 2010	**3.8**	**22.2**
Operating Cashflow	13.8	4.9
Share Issue Proceeds (Net)	40.9	3.1
Acquistions	(7.4)	(8.3)
PP&E, Licences & Intangibles	(13.7)	(14.6)
Borrowings (Net)	(19.9)	18.7
Dividend paid	(4.4)	(7.3)
Deposits Paid	(4.2)	0.0
Foreign Exchange Difference	0.0	(0.6)
Cash at 31 December, 2010	**8.9**	**18.1**

- Operating cash-flow impacted by a number of non-recurring items – refer following slide
- Acquisition consideration relates to Canon and deferred component of prior period purchases
- Intangibles reflects continuing investment in specialist vertical product sets eg. Education as well as costs to secure major contracts and build delivery capability
- Borrowings still well within facility limits
- Expect cash to strengthen to prior year performance levels into 2012

Working Capital Impact on Operating Cash

	H1 2011
EBITDA	33.9
Tax Paid	(1.1)
Interest Paid	(5.5)
Working Capital	(22.4)
Operating Cash	4.9

Working capital deterioration mainly impacted by:

- Canon start up:
  - Funding of accounts receivable
  - Inventory levels increase
  - Start up costs
- H1 working capital requirement normally greater than H2
- Expect H2 to return to more normal levels

CSG

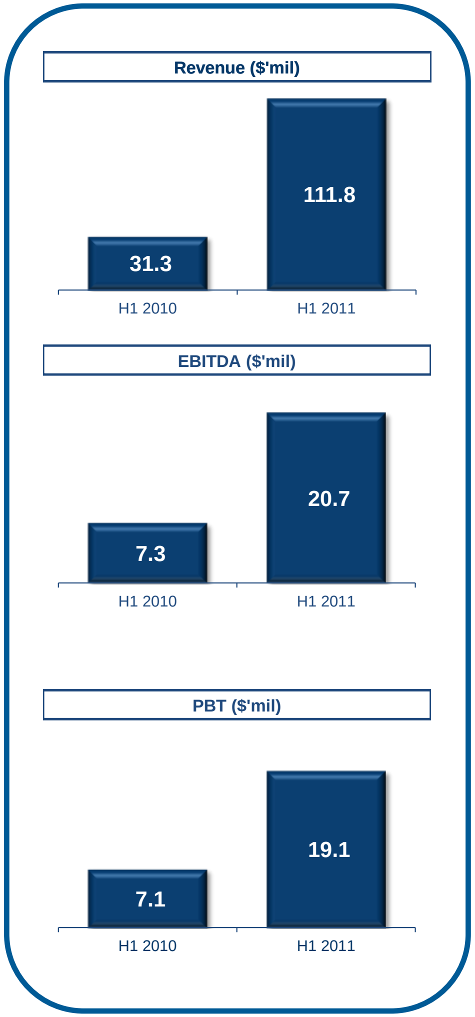
Balance Sheet Comparative

	30-Jun-10	31-Dec-10
Current Assets	132.4	152.3
Receivables	49.6	57.3
Lease Receivables	36.0	37.1
Inventories	20.0	33.6
Other	26.8	24.3
Non Current Assets	362.3	388.8
Lease Receivable	78.4	66.6
Intangibles	252.6	293.9
PP&E	23.6	24.0
Other	7.7	4.3
Total Assets	**494.7**	**541.1**
Current Liabilities	84.8	183.9
Debt Associated With Lease Receivable	8.3	79.9
Other	76.5	104.0
Non Current Liabilities	183.3	117.5
Long Term Borrowings	74.0	93.6
Debt Associated With Lease Receivable	93.1	9.8
Other	16.2	14.1
Total Liabilities	**268.1**	**301.4**
Total Equity	**226.6**	**239.7**

Note: Current Banking Facility Net Headroom of approx. $40mil

Divisional Overview – Print Services

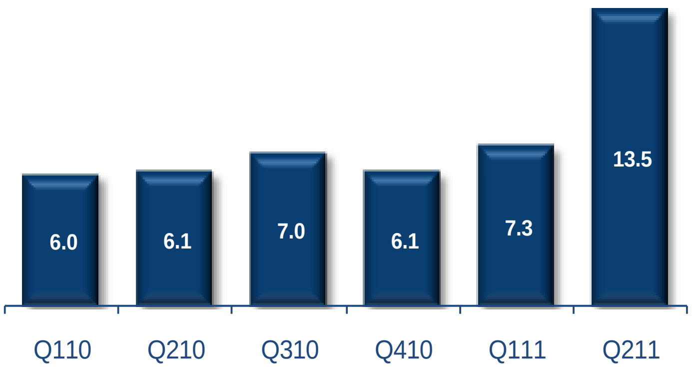
Print Services – Period of Consolidation



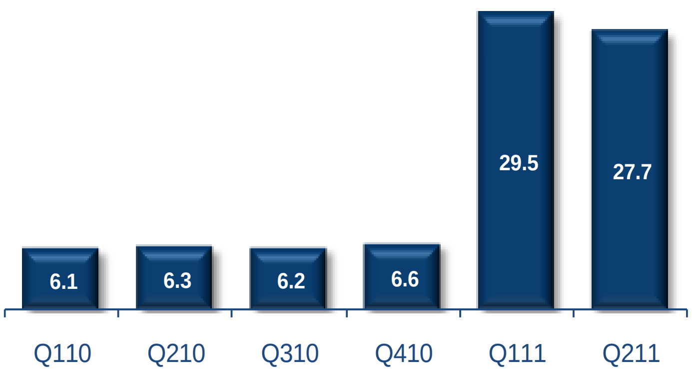
- Canon and NZ acquisitions performing in line with expectation
- Canon acquisition resulted in significant impact to working capital:
  - Increased inventory levels (toner & parts)
  - Day-one receivables zero
- Canon access to expanded market driving equipment sales
- Original Australian business down on PCP due to:
  - Move from FX to Canon\Develop except in Darwin
  - Restraint on selling in Brisbane & Maroochydore in Nov & Dec
- Significant integration costs in H1 in order to create a national business

Canon Deal Provides Growth Platform

Print Australia Equipment Sales ($mil)

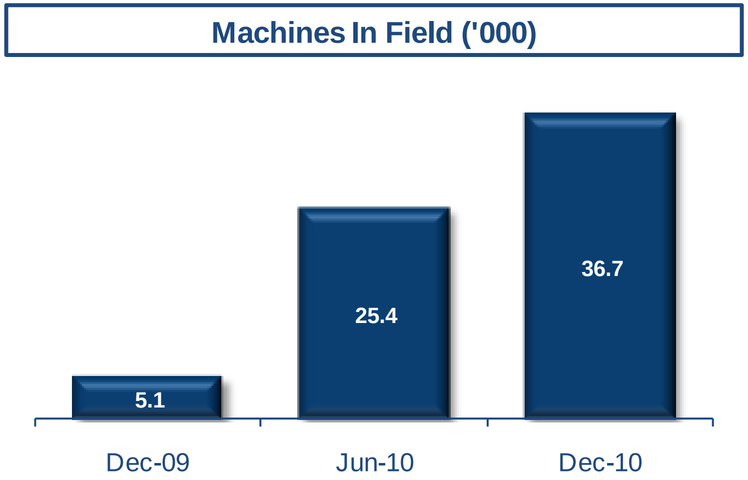


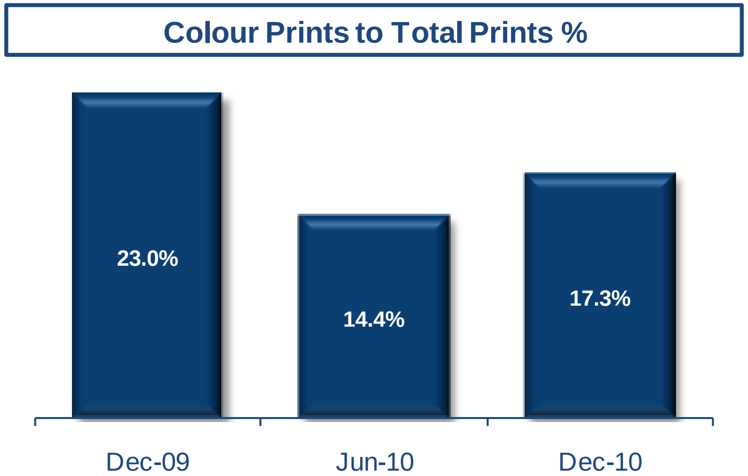
Print ANZ Service Revenue ($mil)



- Canon business essential for growth:
  - ➢ Access outside of Qld & NT into markets where CSG presence strong via Technology eg. NSW, SA, Vic, WA
  - ➢ Access to Tier 2/3 accounts
  - ➢ Provides deep and consistent capability through ANZ region
- Equipment sales performing well considering start-up, integration & FX position
- Service revenue performing as expected – Canon and NZ colour print percentage and colour enabled machines below original fleet

MIF & Colour Strategy On Track





Note: MIF restated to include NZ on an individual units basis
MIF restated to include CSG only contracted MIF
Canon included from 1st July, 2010 onward

- H1 focus to complete Canon integration, grow NZ MIF base and continue overall shift to colour
- Total MIF under management increased over six times in 12 months
- Australian MIF base slightly negative since Canon acquisition despite restricted trading in December
- Expect MIF growth in H2
- Colour percentages in the business:
  - Original fleet – 23%
  - Canon – 18%
  - NZ – 13%

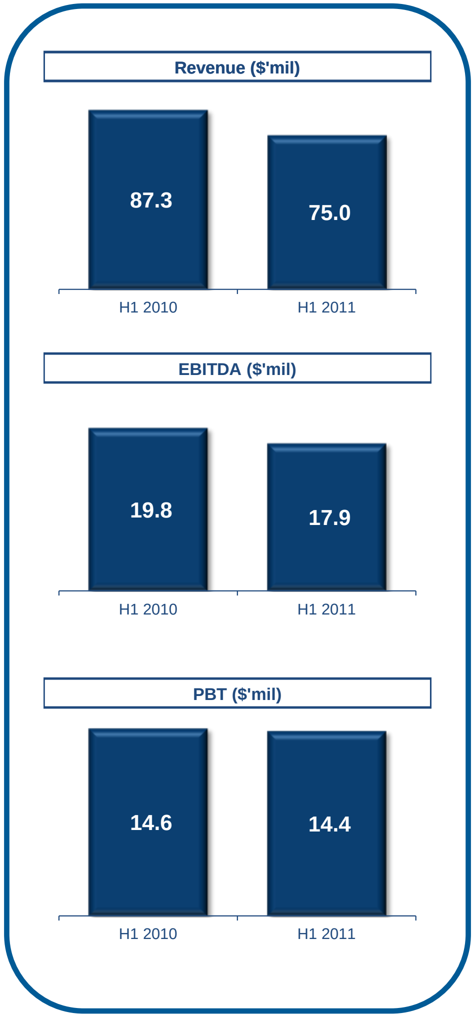
Fuji Xerox Update

- The Fuji Xerox (FX) action has impacted a subset of CSG's Queensland customers
- The FX action required CSG to provide Brisbane and Maroochydore customers with the option of novating their service contracts to FX
- The FX action also resulted in CSG having to cease sales activity and customer contact within Brisbane and Maroochydore throughout December and January with the moratorium ending on Friday 11th February
- At the end of the moratorium period 210 customers (370 MIF) have chosen to novate their service contracts to FX. This represents less than 1% over the overall MIF base*
- CSG expects strong competition in the H2 in our Brisbane & Maroochydore business
- CSG's strategy to expand its Print markets in ANZ are delivering increased sales of MIF and this flows through to increased service annuities

*** Overall MIF base as at 31st December, 2010**

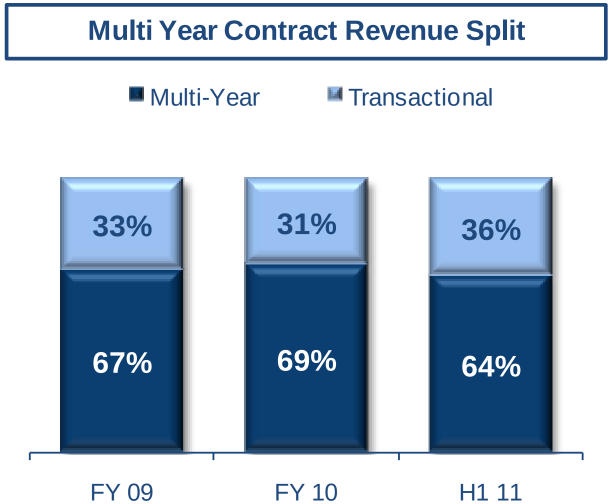
Divisional Overview – Technology Solutions

Technology Solutions Transition

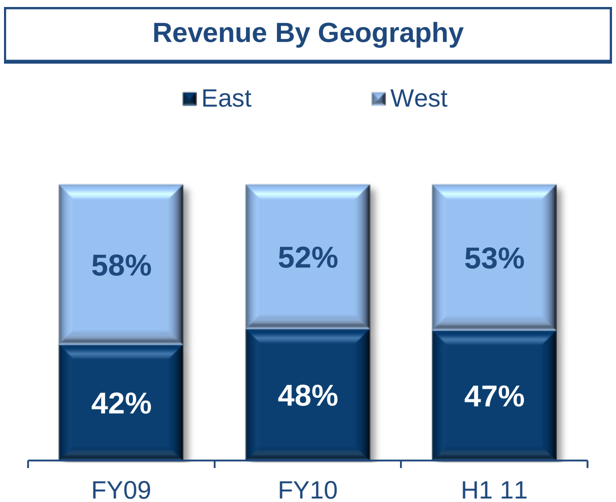


- Number of factors impacting business in H1:
  - Change in NT government contracts with less project activity through transition
  - Less licence sales in Oracle business
  - New infrastructure services contracts commenced later than expected
  - Integration & restructuring of the business
- ACT & SA Government contracts now coming on line
- Continue to invest in replicable solutions in key verticals eg. Education, Finance
- Continue build of East Coast business and realign WA business to areas of considerable vertical expertise
- Strong focus on people capability in line with increasingly tight labour market
- Strong H2 pipeline in infrastructure services, Education, XRM and Oracle

Technology Services Outlook



- Multi-year contract split impacted by NT contract transition and timing of ACT & SA infrastructure services contracts
- Further impacted by transactional revenue growth outpacing Infrastructure services
- Current pipeline will see multi-year revert to prior levels by start 2012



- 2010 FY included large licence sales in East Coast business not repeated in H1 2011
- East Coast revenue also impacted by Ultranet development completion
- Infrastructure services projects coming on line in H2 2011 ie. ACT & SA Government
- East Coast revenue will continue to increase as a % into 2012

Technology Services Offering

BUSINESS STRATEGY & CONSULTING

- Business & IT Consulting
- Enterprise Architecture

BUSINESS PROCESS & PROJECT SERVICES

- Program Management
- Project Management
- Business Analysis
- Change Management

APPLICATION / SOLUTIONS DEVELOPMENT

- ERP
- Business Intelligence
- Information Management
- IT Management
- .NET J2EE
- xRM
- SaaS
- Cloud Computing

INFRASTRUCTURE & APPLICATIONS MANAGED SERVICES

- Service Desk
- Server Management
- Network Management
- Desktop Management
- Security Management
- Continuity Planning
- Applications Support
- Remote Support
- Training
- Change / Release Management
- SAN / DBA as a service
- Data Centre
- Event / Incident Request Management
- Problem Management
- Asset Management
- Maintenance

Conclusion & Outlook

Conclusion & Outlook

- **Challenging first half:**
  - Canon integration & working capital requirements
  - FX dispute and restricted sales activity
  - Transition of large contracts in Technology
  - Lack of large licence sales seen in FY 2010
- **Business in 2nd Half:**
  - Expect growth in Print MIF base
  - Move to colour continuing as expected
  - East Coast technology revenue expected to grow with closure of licence sales
  - Technology contracts commencing in FY11 with full year impact in 2012
  - Full impact of floods & cyclone in Brisbane, Toowoomba and Cairns still unknown
- **Business well positioned moving into FY 2012:**
  - FX restrictions lifted
  - Gaining MIF growth momentum through access to new locations
  - Continuing momentum in shift to colour through enabled devices and overall prints
  - Large East Coast infrastructure services contracts fully on line mid H2
  - Technology solutions pipeline strong in infrastructure services, Education & Oracle
  - Opportunity for stronger licence sales in H2 2011\H1 2012

Thank You & Questions