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# **APPENDIX 4D AND INTERIM FINANCIAL REPORT HALF-YEAR ENDED 31 DECEMBER 2009**

**CSG Limited and Controlled Entities  
ABN: 64 123 989 631**

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2009

## Table of Contents

Appendix 4D .....	3
Directors' Report.....	8
Auditor's Independence Declaration.....	10
Condensed Consolidated Statement of Comprehensive Income.....	11
Condensed Consolidated Statement of Financial Position .....	13
Condensed Consolidated Statement of Changes in Equity.....	14
Condensed Consolidated Statement of Cash Flow.....	15
Notes to the Half-Year Financial Statements.....	16
Directors' Declaration .....	23
Independent Auditor's Review Report.....	24

**APPENDIX 4D**

**Provided to the ASX under listing rule 4.2A**

**Half-Year Report for the six months to 31 December 2009**

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 2009  
 Previous corresponding periods: Financial year ended 30 June 2009  
 Half-year ended 31 December 2008

**2. Results for announcement to the market**

			<b>\$'000</b>
Revenues from ordinary activities ( <i>item 2.1</i> )	up	30% to	\$111,933
Profit (loss) from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	up	11% to	\$12,285
Net profit (loss) for the period attributable to members ( <i>item 2.3</i> )	up	11% to	\$12,285
<b>Dividends (<i>item 2.4</i>)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>	
Interim dividend	2.5 cents	2.5 cents	
Previous corresponding period	2.0 cents	2.0 cents	
Record date for determining entitlements to the dividend ( <i>item 2.5</i> )	12 March 2010		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood ( <i>item 2.6</i> ):			
Refer to attached summary			

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

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	5 cents	0

**CSG LIMITED AND CONTROLLED ENTITIES**  
**ABN: 64 123 989 631**

**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)	Delexian Pty Ltd	
Date(s) of gain of control (item 4.2)	1 July 2009	
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)	\$376k	
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	N/A	

**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 2010	30 March 2010	\$5.424m
Final dividend year ended 30 June 2009	15 October 2009	\$4.391m

**Amount per security**

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign sourced dividend
<b>Total dividend:</b>	Current year	2.5 cents	2.5 cents	Nil cents
	Previous year	4.5 cents	4.5 cents	Nil cents

**CSG LIMITED AND CONTROLLED ENTITIES**  
**ABN: 64 123 989 631**

**Total dividend on all securities**

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	5,424	3,513
Preference securities <i>(each class separately)</i>	Nil	Nil
Other equity instruments <i>(each class separately)</i>	Nil	Nil
<b>Total</b>	<b>5,424</b>	<b>3,513</b>

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

N/A

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

N/A

**7. Details of associates and joint venture entities (item 7)**

Name of associate or joint venture entity	%Securities held
Nil	

**Aggregate share of profits (losses) of associates and joint venture entities**

Group's share of associates' and joint venture entities':	2009 \$	2008 \$
Profit (loss) from ordinary activities before tax	Nil	Nil
Income tax on ordinary activities	Nil	Nil
<b>Net profit (loss) from ordinary activities after tax</b>	Nil	Nil
Adjustments	Nil	Nil
<b>Share of net profit (loss) of associates and joint venture entities</b>	Nil	Nil

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

**9. Independent review of the financial report (item 9)**

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

CSG LIMITED AND CONTROLLED ENTITIES  
ABN: 64 123 989 631



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**FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2009**

## 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 2009 and independent review report thereon. This financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards.

### Directors Names

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

<u>Name</u>	<u>Period of directorship</u>
Philip Chambers (Chairman)	Director since February 2007
Denis Mackenzie	Director since February 2007
Andrew Kroger	Director since March 2007
Ian Kew	Director since March 2007
Philip Bullock	Director since August 2009

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 \$12.285m.

#### *Financial Highlights:*

- Revenue to 31 December 2009 of \$111.93m 30% above the half year to 31 December 2008.
- EBITDA to 31 December 2009 of \$23.79m 11% above the half year to 31 December 2008.
- Net profit after tax to 31 December 2009 11% above the half year to 31 December 2008.

#### *Operational Highlights:*

- Purchased Delexian Pty Ltd, a Perth based specialist IT service provider.
- Commenced work on the Victorian Department of Education "Ultrahnet" project.
- Announced the acquisition of Konica Minolta Business Solutions Ltd, a New Zealand based print services provider.
- Announced the acquisition of Leasing Solutions Ltd group, a New Zealand based financier of office products.



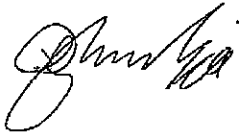
**Auditor's Declaration**

A copy of the auditor's 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 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'Denis Mackenzie', written in a cursive style.

Mr Denis Mackenzie  
Director

Dated this 15<sup>th</sup> day of February 2010

**AUDITOR'S INDEPENDENCE DECLARATION**

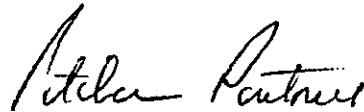
**To the Directors of CSG Limited**

In relation to the half-year independent review for the six months ended 31 December 2009, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.
- (ii) No contraventions of any applicable code of professional conduct.



T J BENFOLD  
Partner  
15 February 2010



PITCHER PARTNERS  
Melbourne

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Half-year	
	2009 \$'000	2008 \$'000
<b>Revenue from continuing operations</b>		
Sales Revenue	110,564	84,999
Other Revenue	1,369	781
	<u>111,933</u>	<u>85,780</u>
<b>Less: Expenses</b>		
Cost of sales	(65,140)	(44,517)
Marketing expenses	(553)	(536)
Occupancy expenses	(3,236)	(2,143)
Administration expenses	(5,978)	(5,621)
Other employee expenses	(11,379)	(10,116)
Depreciation and amortisation	(5,475)	(3,915)
Sub Contractor expenses	(1,284)	(468)
Other expenses	(87)	(696)
Finance costs	(1,534)	(1,910)
	<u>(94,666)</u>	<u>(69,922)</u>
<b>Profit before income tax expense</b>	17,267	15,858
Income tax expense	(4,982)	(4,793)
<b>Profit from continuing operations</b>	<u>12,285</u>	<u>11,065</u>

*The accompanying notes form part of these financial statements*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Half-year	
	2009	2008
	\$'000	\$'000
<b>Profit for the half-year</b>	12,285	11,065
<b>Other comprehensive income</b>		
Other comprehensive income for the half-year	-	-
<b>Total comprehensive income for the half-year</b>	12,285	11,065
<b>Profit is attributable to:</b>		
Members of the parent	12,285	11,065
<b>Total comprehensive income is attributable to:</b>		
Members of the parent	12,285	11,065
Basic earnings per share for continuing operations	\$0.0691	\$0.0637
Diluted earnings per share for continuing operations	\$0.0659	\$0.0620

*The accompanying notes form part of these financial statements*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2009**

	<b>31 December</b>	30 June
	<b>2009</b>	2009
	<b>\$'000</b>	\$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	8,814	3,756
Receivables	29,330	47,552
Inventories	5,232	1,981
Other current assets	7,300	1,499
<b>TOTAL CURRENT ASSETS</b>	<b>50,676</b>	<b>54,788</b>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	1,112	1,112
Property, plant and equipment	21,805	20,769
Deferred tax assets	2,849	2,448
Intangible assets	125,788	111,008
<b>TOTAL NON-CURRENT ASSETS</b>	<b>151,554</b>	<b>135,337</b>
<b>TOTAL ASSETS</b>	<b>202,230</b>	<b>190,125</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	25,136	51,281
Short term borrowings	25	111
Current tax liabilities	674	2,877
Provisions	4,329	3,872
<b>TOTAL CURRENT LIABILITIES</b>	<b>30,164</b>	<b>58,141</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	19,452	39,227
Provisions	912	932
Payables	16,600	6,000
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>36,964</b>	<b>46,159</b>
<b>TOTAL LIABILITIES</b>	<b>67,128</b>	<b>104,300</b>
<b>NET ASSETS</b>	<b>135,102</b>	<b>85,825</b>
<b>EQUITY</b>		
Contributed equity	89,633	48,250
Reserves	199	199
Retained earnings	45,270	37,376
<b>TOTAL EQUITY</b>	<b>135,102</b>	<b>85,825</b>

*The accompanying notes form part of these financial statements*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

Consolidated	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total Equity \$'000
Balance as at 1 July 2008	43,907	133	21,162	65,202
Profit for the year	-	-	11,065	11,065
<b>Transactions with owners in their capacity as owners:</b>				
Issued of ordinary shares in acquisition	4,343	-	-	4,343
Contributions	-	-	-	-
Cost of Capital Raising	-	-	-	-
Deferred tax asset on capital raising cost	-	-	-	-
Employee share scheme	-	66	-	66
Dividends paid	-	-	(3,513)	(3,513)
Balance as at 31 December 2008	48,250	199	28,714	77,163

Consolidated	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total Equity \$'000
Balance as at 1 July 2009	48,250	199	37,376	85,825
Profit for the year	-	-	12,285	12,285
<b>Transactions with owners in their capacity as owners:</b>				
Issued of ordinary shares in acquisition	-	-	-	-
Contributions	42,555	-	-	42,555
Cost of Capital Raising	(1,674)	-	-	(1,674)
Deferred tax asset on capital raising cost	502	-	-	502
Employee share scheme	-	-	-	-
Dividends paid	-	-	(4,391)	(4,391)
Balance as at 31 December 2009	89,633	199	45,270	135,102

*The accompanying notes form part of these financial statements*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Half-year	
	2009	2008
	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	144,880	90,720
Payments to suppliers, employees and others	(122,420)	(77,961)
Interest income	54	115
Borrowing costs paid	(1,534)	(1,608)
Income tax paid	(7,156)	(4,689)
<b>Net cash inflow from operating activities</b>	<b>13,824</b>	<b>6,577</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for investments	-	(89)
Payment for licenses and other intangibles	(8,831)	(416)
Payments for property, plant and equipment	(4,903)	(3,055)
Proceeds from property, plant and equipment	47	-
Payments for businesses	(7,389)	(24,540)
<b>Net cash outflow from investing activities</b>	<b>(21,076)</b>	<b>(28,100)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issues of shares and other equity securities	42,555	-
Proceeds from borrowings	52,367	69,149
Repayment of borrowings	(72,334)	(50,372)
Payment of deferred capital raising costs	(1,674)	-
Dividends and reserve distributions	(4,391)	(3,513)
Deposits Paid	(4,213)	-
<b>Net cash flows from financing activities</b>	<b>12,310</b>	<b>15,264</b>
<b>Net increase/(decrease) in cash held</b>	<b>5,058</b>	<b>(6,259)</b>
Cash at the beginning of the financial period or half year	3,756	8,289
<b>Cash and cash equivalents at end of the half-year</b>	<b>8,814</b>	<b>2,030</b>

*The accompanying notes form part of these financial statements*

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
ENDED 31 DECEMBER 2009

**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 2009 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 15 February 2010.

***(a) Basis of preparation of half-year financial report***

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 as described in the accounting policies.

Except from the changes in accounting policies described below, the 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 2009.

***(b) Summary of the significant accounting policies***

Due to new or revised accounting standards which became operative for the annual reporting period commencing 1 July 2009, CSG Limited had to change some of its accounting policies as described below.

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 2009.

***(i) Principles of consolidation***

The changes in revised AASB 127 Consolidated and Separate Financial Statements were implemented prospectively from 1 July 2009.

***(ii) Business combinations***

The changes in revised AASB 3 *Business Combinations* were implemented prospectively from 1 July 2009 and affected the accounting for the acquisition of Delexian Pty Ltd as disclosed in note 7.

Contingent consideration of \$16.600m (Delexian \$10.6m and CingleVue \$6.0m) that would not previously have been recorded at the date of acquisition, was now recognised at fair value at 1 July 2009. Transaction costs incurred for the amount of \$24.5k in connection with the acquisition of Delexian Pty Ltd such as finder's fees, legal fees, and other professional and consulting fees were recognised as expense in the statement of comprehensive income. Previously, transaction costs were recognised as part of the cost of acquisition and therefore included in goodwill.



***(iii) Segment reporting***

The Group has applied revised AASB 8 *Operating Segments* as of 1 July 2009. Operating segments are now reported based on internal reporting provided to the CEO, who is the Group's chief operating decision maker.

These reportable segments differ from the previous annual report for the financial year ended 30 June 2009 which reflected one reportable segment, being IT and Office infrastructure supply and services in Australia. Refer to Note 3.

***(c) Rounding of amounts***

The company is of a kind referred to in ASIC Class Order CO 98/0100 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.

**NOTE 2: DIVIDENDS**

	<b>Half-year</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends provided for or paid during the half-year:		
Paid - Franked dividends: 2.5 cents per share. (2008 : 2.0 cents per share)	4,391	3,513
Proposed dividends not recognised at the end of the half-year:		
Proposed - Franked dividends 2.5 cents per share (2008: 2.0 cents per share)	5,424	3,513

**NOTE 3: SEGMENT INFORMATION**

***(a) Description of segments***

Management has determined the operating segments based on reports reviewed by the Chief Executive Officer and executive team (comprising the Chief Financial Officer, Chief Information 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:

***Segment 1 – IT Services***

The IT Service segment derives its revenue through the alignment of providing both tailored IT outsourcing services and the provision of consulting, services and technology solutions.

***Segment 2 – Print Services***

The Print Services segment derives its revenue through the aggregation of two specialist service offerings.

- Print Service business centres providing integration and convergence of voice, print and data; and
- Enterprise Print Services delivering and implementing holistic managed print solutions and document output solutions

The remaining business operations/activities (including corporate office activities) are classified as 'Other' to facilitate reconciliation to Group results

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
ENDED 31 DECEMBER 2009

NOTE 3: SEGMENT INFORMATION (cont'd)

*(b) Segment information*

	Half-Year 2009			
	IT Services	Print Services	Other Segments	Total
	\$'000	\$'000	\$'000	\$'000
<b>Segment revenue</b>				
Total segment revenue	87,570	31,357	116	119,043
Inter-segment revenue	7,110	-	-	7,110
<b>Revenue from external source</b>	<b>80,460</b>	<b>31,357</b>	<b>116</b>	<b>111,933</b>
<b>Segment result</b>				
Total segment result (before income tax)	14,594	7,114	(4,441)	17,267
Inter-segment eliminations	-	-	-	-
<b>Segment result from external source (before income tax)</b>	<b>14,594</b>	<b>7,114</b>	<b>(4,441)</b>	
Interest revenue				54
Interest expense				(1,104)
Depreciation and amortisation				(5,475)
Income tax expense				(4,976)
<b>Profit before income tax</b>				<b>17,267</b>

	Half-Year 2008			
	IT Services	Print Services	Other Segments	Total
	\$'000	\$'000	\$'000	\$'000
<b>Segment revenue</b>				
Total segment revenue	56,899	28,596	253	85,748
Inter-segment revenue	749	-	-	749
<b>Revenue from external source</b>	<b>56,150</b>	<b>28,596</b>	<b>253</b>	<b>84,999</b>
<b>Segment result</b>				
Total segment result (before income tax)	14,189	4,726	(3,057)	15,858
Intersegment eliminations	-	-	-	-
<b>Segment result from external source (before income tax)</b>	<b>14,189</b>	<b>4,726</b>	<b>(3,057)</b>	
Interest revenue				115
Interest expense				(1,608)
Depreciation and amortisation				(3,915)
Income tax expense				(4,793)
<b>Profit before income tax</b>				<b>15,858</b>

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
ENDED 31 DECEMBER 2009**

**NOTE 4: CHANGE IN THE COMPOSITION OF THE ENTITY**

On 1 July 2009, the company acquired 100% of the shares of Delexian Pty Ltd.

The primary reason for the business combination is to reinforce the company's strategic focus to build the Oracle practice across pre-existing capabilities in CRM, ERP, software development and Business Intelligence. The acquisition adds to the company's skill base within the Oracle technology stack and positions CSG to provide a full range of enterprise software, solutions and service across the two dominant vendor markets; Microsoft and Oracle.

The acquisition details are outlined below

Half-year : 31 December 2009	Delexian Pty Ltd 2009 \$'000
<b>Consideration transferred</b>	
Cash paid under share sale agreement	2,990
Total cash paid	2,990
Contingent consideration	10,600
<b>Total acquisition cost</b>	<b>13,590</b>
<b>Net assets acquired</b>	<b>Fair Value</b>
<i>Assets</i>	
Cash and cash equivalents	699
Receivables	1,656
Inventory	17
Property, plant and equipment	126
Other Assets	107
<b>Total assets acquired</b>	<b>2,605</b>
<i>Liabilities</i>	
Trade and other payables	1,400
Provisions	355
Tax Payable	156
Other liabilities	105
<b>Total liabilities acquired</b>	<b>2,016</b>
<b>Net assets acquired</b>	<b>589</b>
<b>Goodwill on acquisition</b>	<b>13,001</b>

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
ENDED 31 DECEMBER 2009

**NOTE 4: CHANGE IN THE COMPOSITION OF THE ENTITY (cont'd)**

In January 2010, CSG acquired 90% of the shares in Konica Minolta Business Solutions New Zealand Limited ('KMBS') for approximately \$85m and 100% of the shares in Leasing Solution Limited ('LSL') for approximately \$20m

At the date the half year financial report was authorised for issue by the directors, it was impracticable to disclose the fair value of the total consideration transferred. The final purchase price is subject to a working capital adjustment following completion. KMBS had net assets of approximately \$18m. LSL had net assets of approximately \$23m. The profit impact for the acquisition has not been quantified as it is impractical to quantify because the pre acquisition accounts for the entities are unaudited.

*(a) Cash issued on consideration*

Payment for businesses in the Cash Flow Statement of \$7.389m comprise of cash paid under the share sale agreement (net of opening cash balance) disclosed in this note plus payments made during the half year relating to the acquisitions made in prior periods for:

i.	Change Corporation Pty Ltd	\$1.898m
ii.	CingleVue Pty Ltd	\$3.200m

Payments for businesses for the half-year ending 31 December 2008, as disclosed in the Cash Flow Statement of \$24.54m, are made up of cash paid under share sale agreement and acquisition costs relating to the following acquisitions:

i.	Power Accounting Pty Ltd	\$38k
ii.	Anadex Pty Ltd ATF Anadex Trust	\$1.407m
iii.	Change Corporation Pty Ltd	\$4k
iv.	Bexton Professional Pty Ltd	\$3.344m
v.	ATI Group Pty Ltd	\$2.606m
vi.	CingleVue Pty Ltd	\$1.841m
vii.	Commander Australia Ltd <sup>(1)</sup>	\$15.300m

<sup>(1)</sup> The consolidated entity purchased certain assets and assumed some liability forming part of Commander Australia Ltd (Administrator Appointed).

*(b) Contingent consideration*

As per the settlement deed, the Group has agreed to pay a contingent consideration to the selling shareholders of **Delexian Pty Ltd** subject to earn-out arrangements. Directors consider the fair value of consideration to be \$10.6m. Maximum consideration payable under this agreement is \$16m.

*(c) Acquired receivables.*

Delexian Pty Ltd: The fair value of trade and other receivables is \$1,656m. The trade receivables comprise gross amounts due of \$1,656m, of which all is expected to be collectable at the acquisition date.

**CSG LIMITED AND CONTROLLED ENTITIES**  
**ABN: 64 123 989 631**

*(d) Goodwill on acquisition*

The purchased goodwill is attributable to the high profitability of the acquired businesses and the expected synergies from combining operations of the acquiree and the Group post acquisition.

*(e) Profit after tax of the acquisitions included in the consolidated half-year profit of the group since the acquisition date is as follows*

	<b>Acquisition date</b>	<b>Profit</b>
Delexian Pty Ltd	1 July 2009	\$376k

*(h) Results of combined entity for the period as though acquisition date for acquisition of Delexian Pty Ltd occurred a 1 July 2009 is the same as that reported in the Condensed Consolidated Statement of Comprehensive Income.*

**NOTE 5: PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 31 December 2009 the Group acquired assets with a cost of \$5,006m (six months ended 31 December 2008: \$3,143m), including assets acquired through business combinations (see note 4) of \$103k (six months ended 31 December 2008: \$88k).

Other assets with carrying amount of \$308k were disposed of during the six months ended 31 December 2009 (six months ended 31 December 2008: \$0), resulting in a gain on disposal of \$47k (six months ended 31 December 2008: \$0), which is included in other income.

**NOTE 6: CONTRIBUTED EQUITY**

*Movement in shares on issue*

	<b>Half-year 2009</b>	
	<b>No. of shares</b>	<b>\$'000</b>
Beginning of the financial year	175,730,675	48,250
Exercise of options	343,500	380
Share issue	26,359,598	42,175
Capital raising costs	-	(1,674)
Capital raising costs deferred tax asset	-	502
Balance at the end of the year	<u>202,433,773</u>	<u>89,633</u>

**NOTE 7: SUBSEQUENT EVENTS**

In January 2010, CSG completed the acquisition of Konica Minolta Business Solutions New Zealand Limited and Leasing Solution Limited and settled the transaction in February 2010.

In February 2010, CSG Limited subsidiary CSG Services Pty Ltd has been selected Preferred Tenderer for two major contracts with the Northern Territory Government (NTG), covering the provision of Desktop and Server Services and Network Management. CSG will now enter further contract negotiations with the Government for these two packages.

On 27 January 2010, the company issued a total of \$14,265,402 fully paid ordinary shares at an issue price of \$1.60 per share

Further details of these subsequent events are contained within announcements lodged with ASX

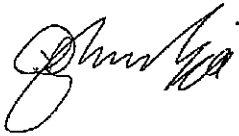
## DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 11 to 21 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 2009 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.



.....  
Mr Denis Mackenzie  
Director

Darwin  
Dated 15 February 2010

**CSG LIMITED  
ABN 64 123 989 631  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
CSG LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of CSG Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2009, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the CSG Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*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 Interim and Other Financial Reports 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the 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*.



**CSG LIMITED  
ABN 64 123 989 631  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
CSG LIMITED**

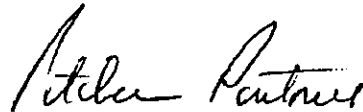
*Conclusion*

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 consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



T J BENFOLD  
Partner  
15 February 2010



PITCHER PARTNERS  
Melbourne