



1H FY10 Results Presentation

February 2010

Agenda

- Financial Update
- Business Review & Outlook

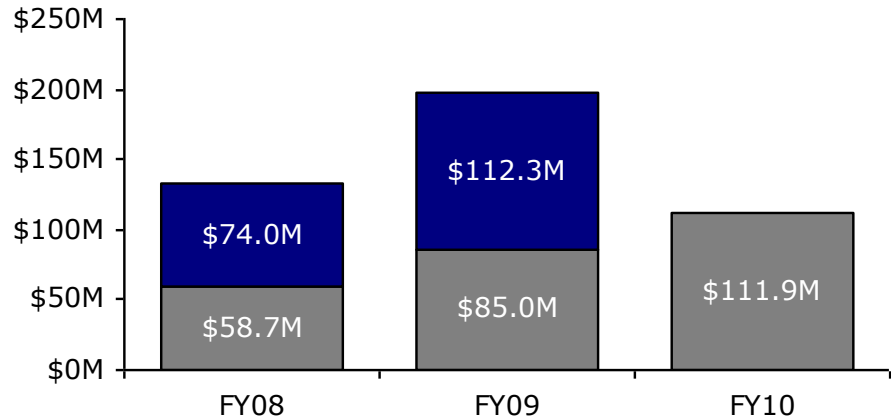
Executive Summary

- Strong first half vs PCP in current environment
- Revenue of \$111.9 M (+ 30% vs PCP)
- NPAT of \$12.3 M (+ 11% vs PCP)
- Both divisions recorded continued organic growth. Financials do not include impact of KMBS / LSL transaction
- Margin contraction due to new revenue at lower margin and significant software and hardware pass-through. Will improve in second half
- CSG increasingly well positioned in Eastern states; now less reliant on single relationships or regions
- Strong pipeline of opportunities; if we win our share we will grow significantly

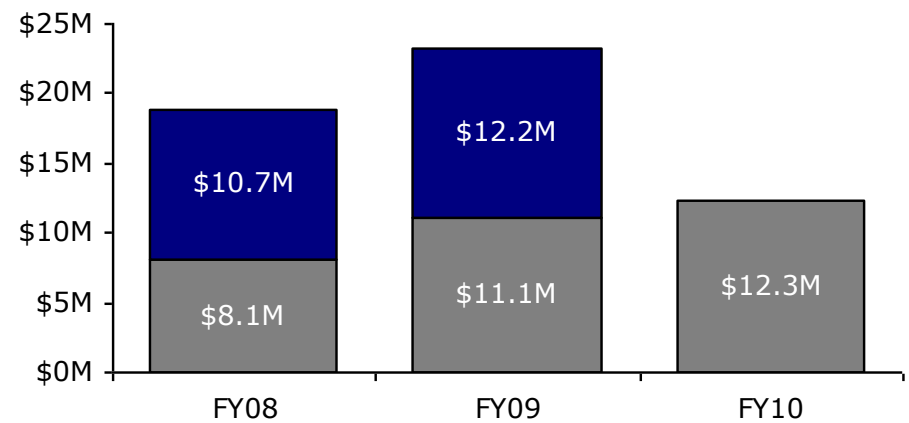


Growth vs PCP

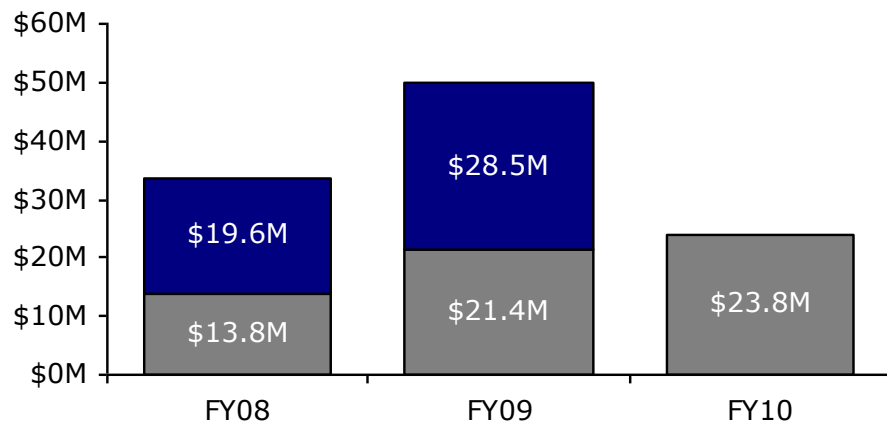
Revenue



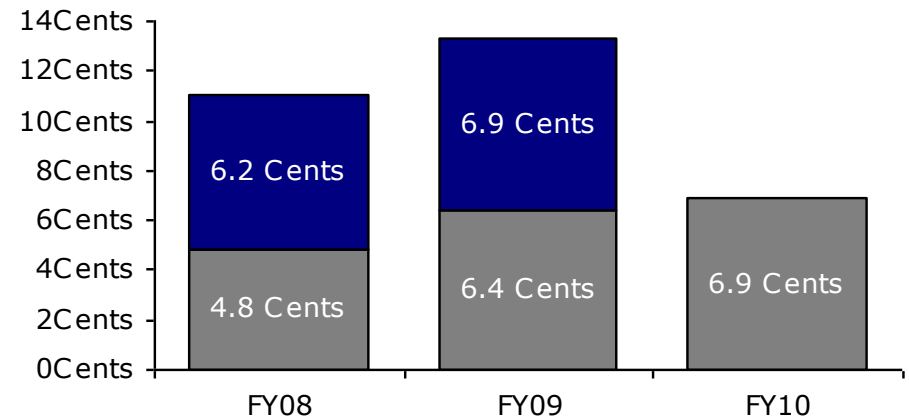
Net Profit After Tax



EBITDA



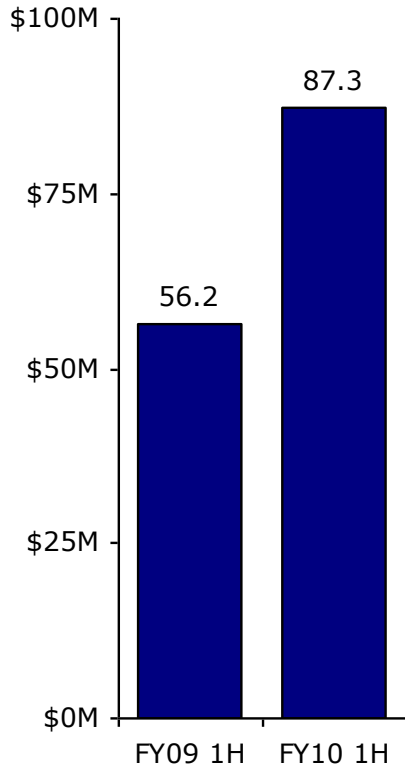
EPS



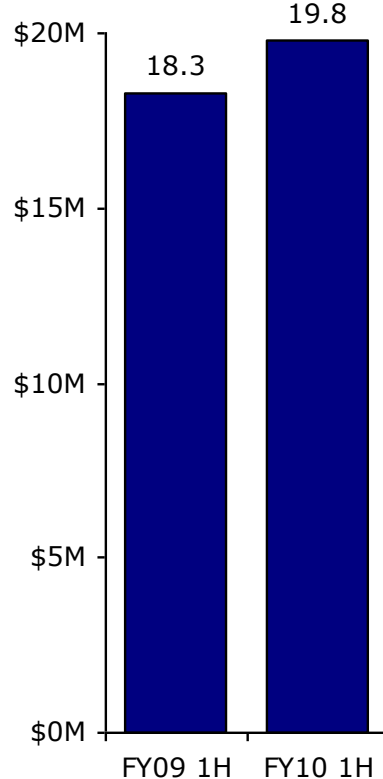
IT Services showed large increase in revenue due to contract wins

IT Services

Revenue



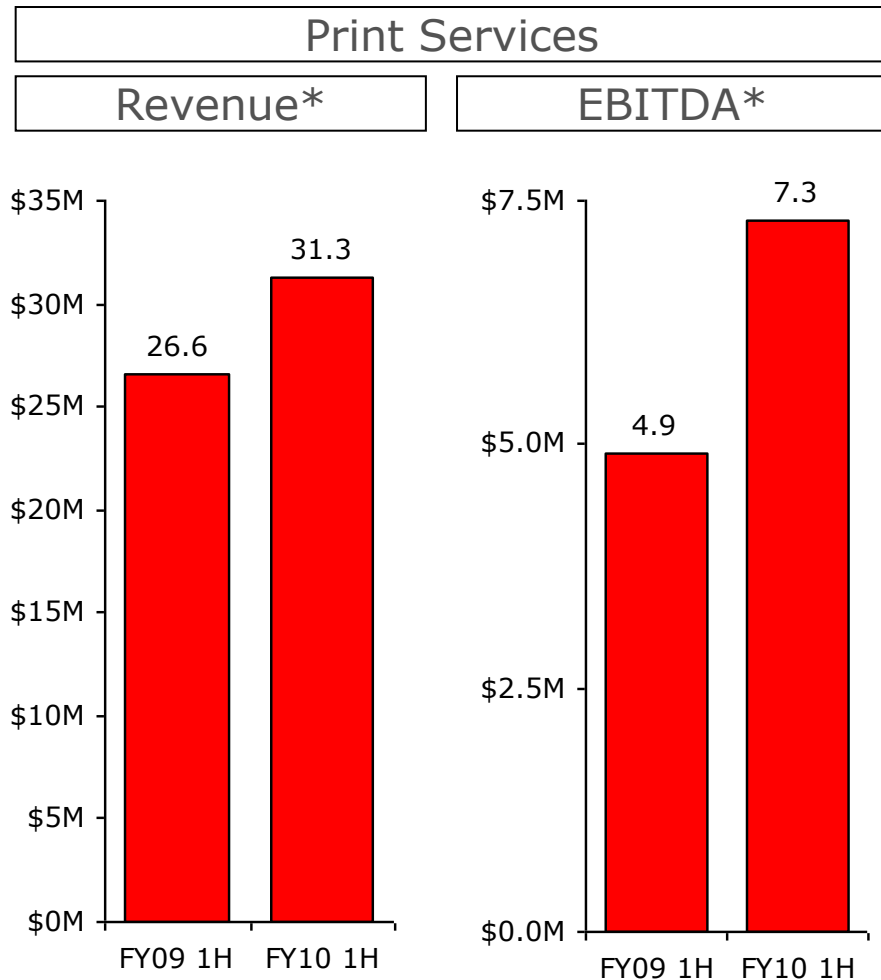
EBITDA



Highlights

- New revenue at lower margin
- Significant one-off software pass-through at lower cost
- Continuing to focus on large tier-1 and government wins
- Developing capabilities in major east-coast markets (Sydney / Melbourne / Brisbane / Adelaide)

Strong uplift vs PCP in Print Services



Highlights

- Business continues strong and profitable transition to colour
- Total number of pages under management also continuing to grow
- Significant focus continuing on Managed Print Services; first major contract win announced soon
- Returning to aggressively pursuing market share
- Shift from short-term profit to long-term growth

* Excludes impact of KMBS / LSL Acquisition



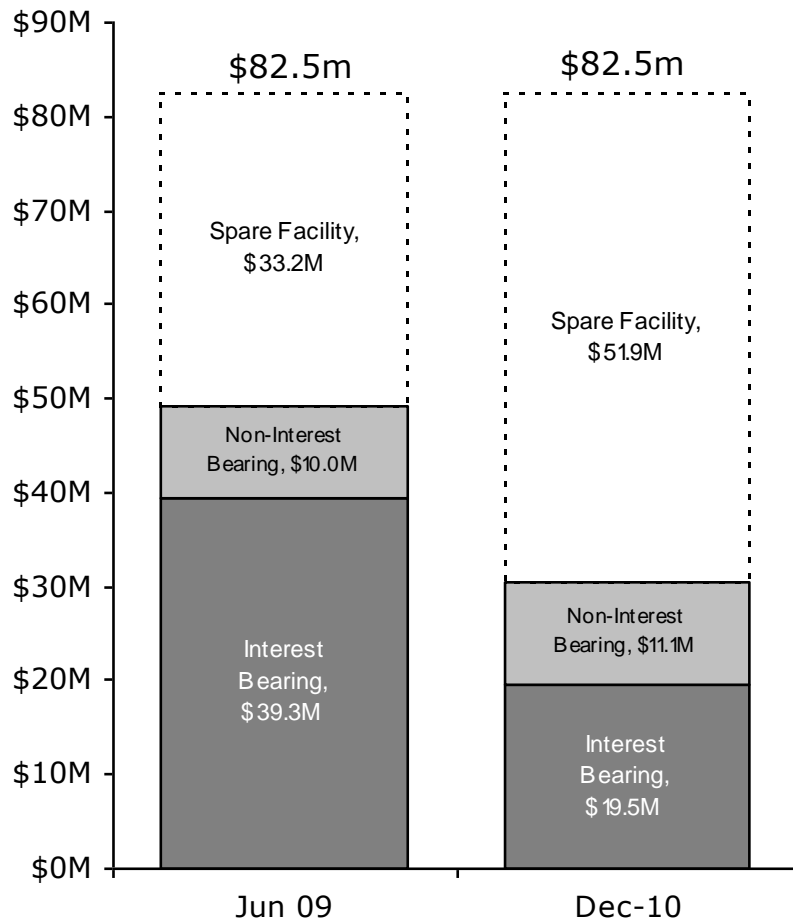
Balance Sheet comparative

	31 Dec 2009	30 June 2009	Variance
Current Assets	\$ 50.7 M	\$ 54.8 M	-7%
Non-Current Assets	\$ 151.6 M	\$ 135.3M	+12%
<i>Intangibles</i>	<i>\$ 125.8 M</i>	<i>\$ 111.0 M</i>	+13%
<i>PP&E</i>	<i>\$ 21.8 M</i>	<i>\$ 20.7 M</i>	+5%
Total Assets	\$ 202.2 M	\$ 190.1 M	+6%
Current Liabilities	\$ 30.2 M	\$ 58.1 M	-48%
Non-current liabilities	\$ 37.0 M	\$ 46.2 M	-20%
<i>Long term borrowings</i>	<i>\$ 19.5 M</i>	<i>\$ 39.2 M</i>	-50%
Total Liabilities	\$ 67.1 M	\$ 104.3 M	-35%
Total Equity	\$ 135.1 M	\$ 85.8 M	+57%

Cashflow

Cash at 1 July 09	\$ 3.8 M	
Operating Cashflow	\$ 13.8 M	PCP Operating Cashflow of \$6.6m
Acquisitions	- \$ 7.4 M	
PP&E, Licenses & other Intangibles	- \$ 13.7M	Includes assets purchased relating to customer contracts
Borrowings	- \$ 19.9 M	
Net proceeds from capital raising	\$ 40.9 M	
Deposits Paid	-\$ 4.2 M	
Dividend Paid	- \$ 4.4 M	
Cash at 31 December 09	\$ 8.8 M	

Debt



Key points on debt reduction

- Debt reduction includes first tranche of equity placement
- Will increase significantly in second half, with settlement of KMBS / LSL transactions
- CSG target for efficient balance sheet with debt up to 2x EBITDA

Agenda

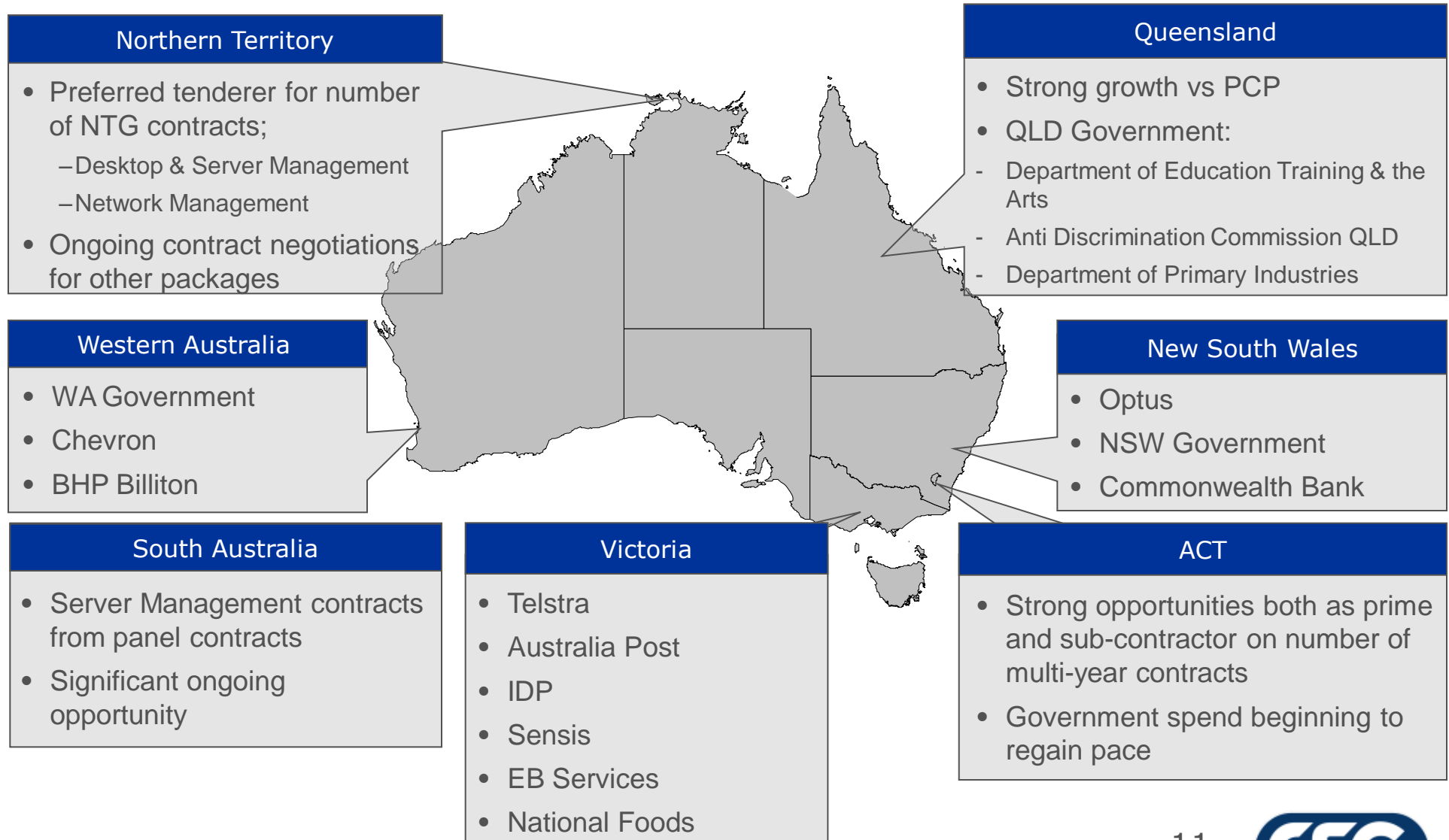
- Financial Update

- Business Review & Outlook

CSG continues to focus on three key levers to drive business performance

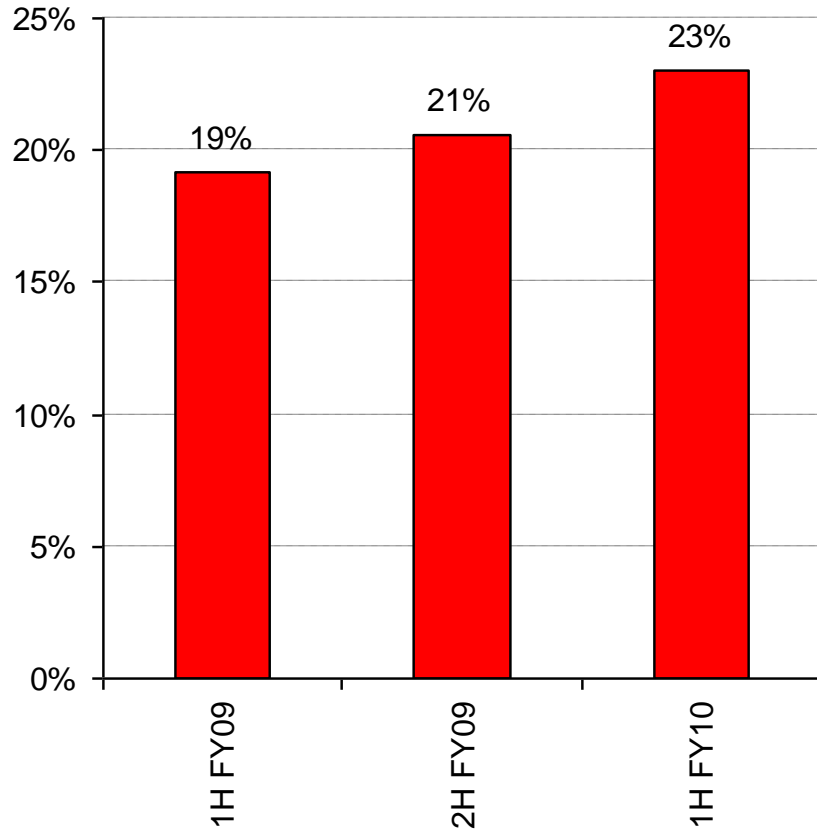
	Organic Growth	Leverage / Synergies	Acquisitive Growth
Strategy	<ul style="list-style-type: none"> Continue to aggressively target multi-year, annuity contracts Continue to grow business in new geographies Seek to expand both the scope and scale of existing client relationships 	<ul style="list-style-type: none"> Leverage across divisions to enable cross-sell opportunities Provide integrated end-to-end solutions for clients Deliver seamless, high quality customer service across divisions 	<ul style="list-style-type: none"> Purchase companies in industries core to CSG Target companies with long-term annuity revenues Perform rigorous due diligence and be prepared to say no
Outlook	<ul style="list-style-type: none"> Very strong pipeline of opportunities across both divisions Increasing federal government demand; well placed for many state govt. opportunities Drive east-coast growth 	<ul style="list-style-type: none"> Continue to focus on improving cross-selling ability between divisions Drive 'One CSG' collaborative staff culture Continue to build internal processes 	<ul style="list-style-type: none"> Short Term: small 'bolt-on' acquisitions with strong strategic rationale only Medium / Long Term: Continue to look for opportunities, particularly where they have high levels of annuity

Organic Growth: Recent IT Services Wins

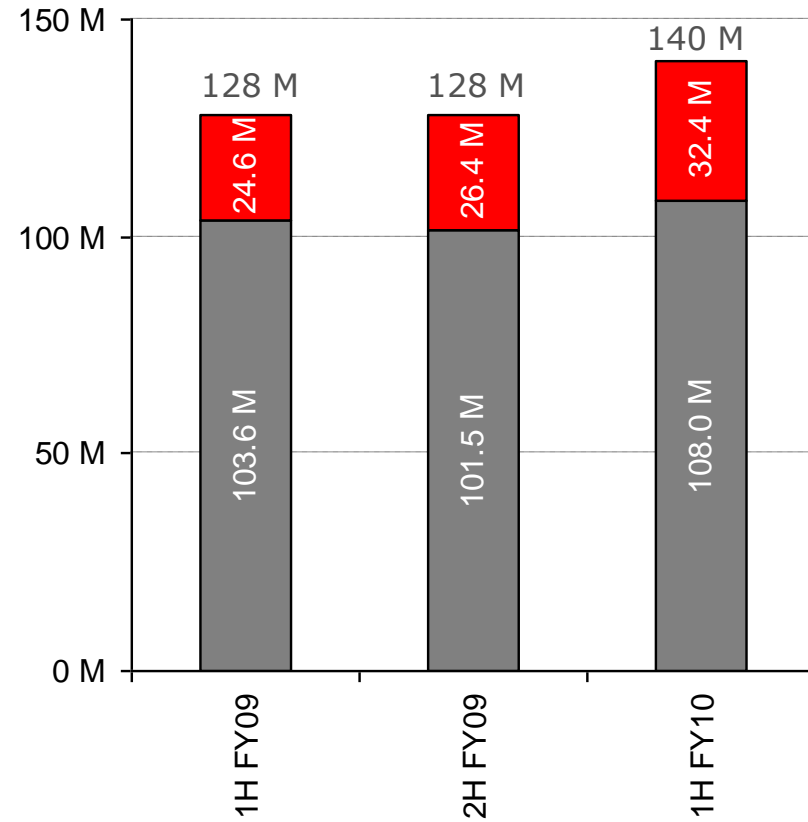


Print Services: churn to colour continuing

Colour Penetration



Total Prints Under Management



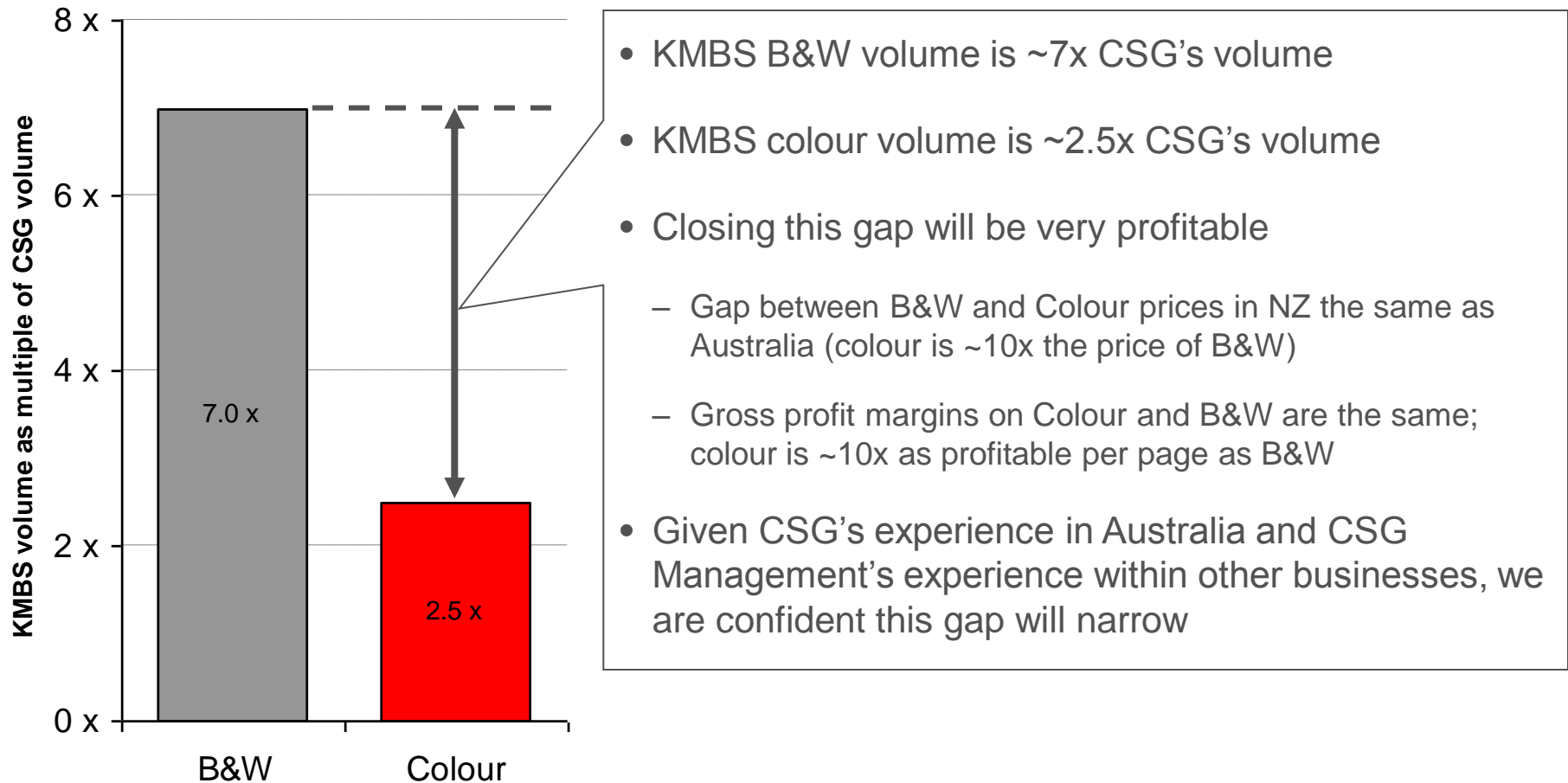
Large pipeline for IT services over next 12 months

Area	# Opportunities	Total Contract Value
State Government (excl Education)	19	~\$150m
Education	2	~\$150m
Federal Govt.	12	~\$700m
Corporate	13	~\$200m
Total	46	\$1,200m

Print Services Australian Business outlook

- Beginning to gain traction in Managed Print Services; recent major win in South-Eastern States
- Geographic expansion is key to developing this business in the medium-long term
- Tier-3 print salesforce will be an asset to enable future sales of other non-print product to SMEs
- Work commencing on best-practice sharing between Australian and New Zealand businesses; this goes both ways
- Churn to colour continuing in Australia & NZ

Significant potential for growth in colour in New Zealand



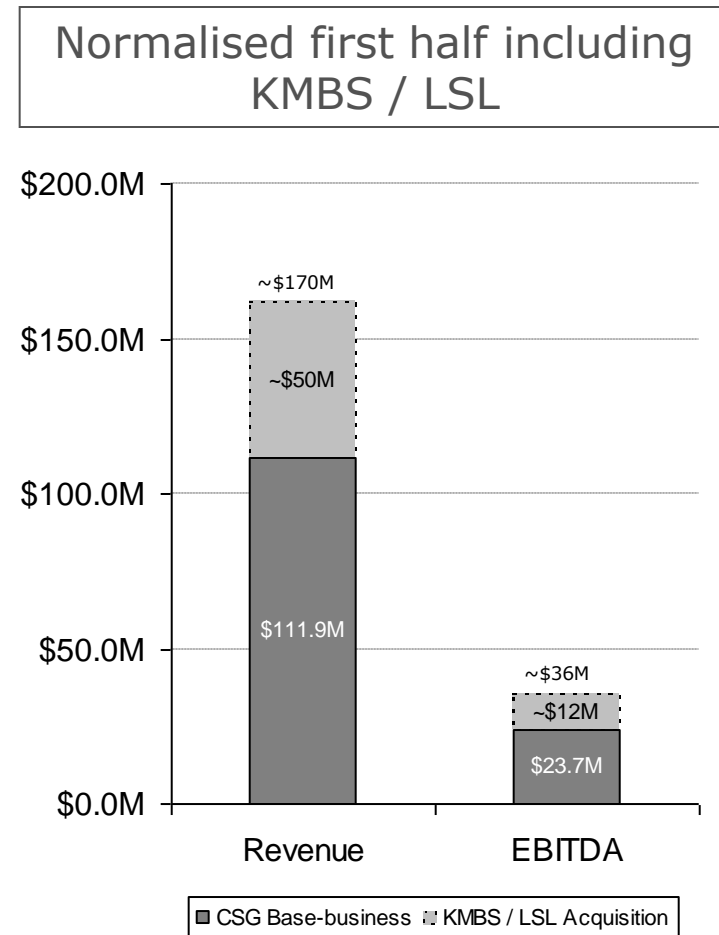
This business will drive substantial profit growth in the Print Services division in FY11 and beyond

Recent Acquisition: Konica Minolta Business Solutions & Leasing Solutions Limited

- Both transactions now complete
- Acquisition showed benefit of CSG operational model; autonomous business units relatively unaffected despite 'company changing' nature of transaction
- Financial impact from second half; NZ will contribute significantly
- CSG now has full operational control of business; significant effort currently underway to share best-practice across Australian and NZ Print Services businesses.
- No intention to integrate business; minimal operational risk
- EPS accretion forecast of 15-20% in FY11 from acquisition

In FY11, CSG will be approximately 2x the size of FY09

- CSG will be approximately 2x the size of FY09 by FY11
- Continues trend of doubling profit every two years
- Increasing focus on East coast of Australia; large opportunities emerging in this geography
- Aiming to develop all businesses to national presence
- Brand recognition and credibility improving rapidly in major markets
- Recognised as a true national end-to-end provider



CSG Outlook

- Financial impact from KMBS and LSL from 1 Jan 2010
 - Large cash and profit contributions expected
 - Business will be carrying more debt, but still well within covenants and internal targets of ~2x EBITDA; we want efficient use of our balance sheet
- Strong pipeline in IT Services business; winning our share of this will bring significant organic growth
- Print Services business performing well; expecting Australian business's second half to be larger than first
- Further acquisitions unlikely this financial year, other than potential for small strategic 'bolt-on' in IT Services
- Our second half will be larger than first half (in terms of NPAT) in the Australian business
- Well positioned for significant growth in FY11