



**Morgan Stanley**  
Emerging Companies  
Conference

# Agenda

1. CSG Limited Overview  
Denis Mackenzie, Managing Director
2. 2011 Overview  
Denis Mackenzie, Managing Director
3. Technology Solutions Overview  
Julie-Ann Kerin, Group General Manager
4. Market Trends  
Julie-Ann Kerin, Group General Manager
5. Summary  
Julie-Ann Kerin, Group General Manager





# CSG Overview

## CSG Overview

- Established in 1988 in Darwin, listed on the ASX in 2007
- Full service ICT company with end to end capability to deliver integrated Technology Solutions and services
- Strong track record of success in delivering large complex projects on budget and on time
- Customers ranging from large blue chip organisations and government to SMEs
- Achieved strong growth since listing – however the current year has been very challenging
- FY11 has been about integrating our Print Business into 5 new states and integrating our two IT businesses into one division
- Employ over 1,500 staff across Australia and New Zealand



Australian Government  
Australian Taxation Office

RIO  
TINTO



CommonwealthBank



Government  
of South Australia



Mercedes-Benz



# CSG operates two divisions - focusing on annuity revenue

## Technology Solutions

- IT infrastructure outsourcing
- Focus on service optimisation and cost reduction
- Entrenched and leading provider of IT services to NT and SA Governments
- Significant federal government and corporate contracts in other States
- Current contracts in NT, ACT, SA, and VIC
- Systems integration, implementation and consulting group
- **No. 1 Oracle Partner**
- **Largest MS Dynamics partner in APAC**
- Working on major and technology projects
- Focus on building annuity business and multi-year contracts
- Narrow and deep capability
- Repeatable and replicable solutions

## Print Services

### AUSTRALIA

- Canon and Fuji Xerox Dealer
- Canon acquisition to expand into geographies outside NT and QLD
- Growth driven by print volume gains and shift to colour
- FY11 year of consolidation – growth to come
- Managed Print Services is coming to Australia and CSG well positioned

### NEW ZEALAND

- Consists of Konica Minolta Business Solutions (KMBS) and Leasing Solutions Limited (LSL)
- Exclusive distributor of Konica Minolta MFDs in New Zealand
- Significant value in franchise and exclusive access to product in NZ
- Strong history and brand in NZ
- Successful leasing business with very low default rates

## 2011 Overview

No change to guidance position communicated to the market on 28<sup>th</sup> March 2011

As reported, a number of challenges have faced CSG in 2011:

- Canon acquisition
  - effort required to integrate new locations and implement new processes and procedures
  - impact of large Capex and working capital - in receivables, stock, toner in field, 150 new staff
- FXA legal action and consequential business disruption
- Brisbane and Toowoomba flood impact
- Christchurch earthquake impact
- Delay in Technology Solutions infrastructure services contracts commencing



# 2011 was a challenging year – some things CSG got right and wrong

## 2011 Got Right

- Strategic decision to grow Print in new geographies in Australia – medium to long term growth
- Delivered on Ultranet project – one of the largest IT projects in Australia and a great reference site
- Continued to organically grow IT business in Eastern States

## 2011 Got Wrong

- Underestimated working capital in Canon acquisition
- Integration of Print business more protracted and difficult than anticipated – partly as a result of unforeseen events (FXA court case and natural disasters)
- Delays in commencement of infrastructure contracts



## 2011 has set the foundation

### Print Australia

- Now an established national business
- Sales force in place and achieving momentum in 4<sup>th</sup> quarter – more is needed
- MIF decline stopped – looking for growth FY12

### Print NZ

- Colourisation volume on track – revenue growth to come
- Increasing sales coverage across all sectors

### Technology Solutions

- Infrastructure services contracts performing to expectations
- Number of large deals won within the applications business
- ATO contract still to start – CSG doing well
- Integration complete





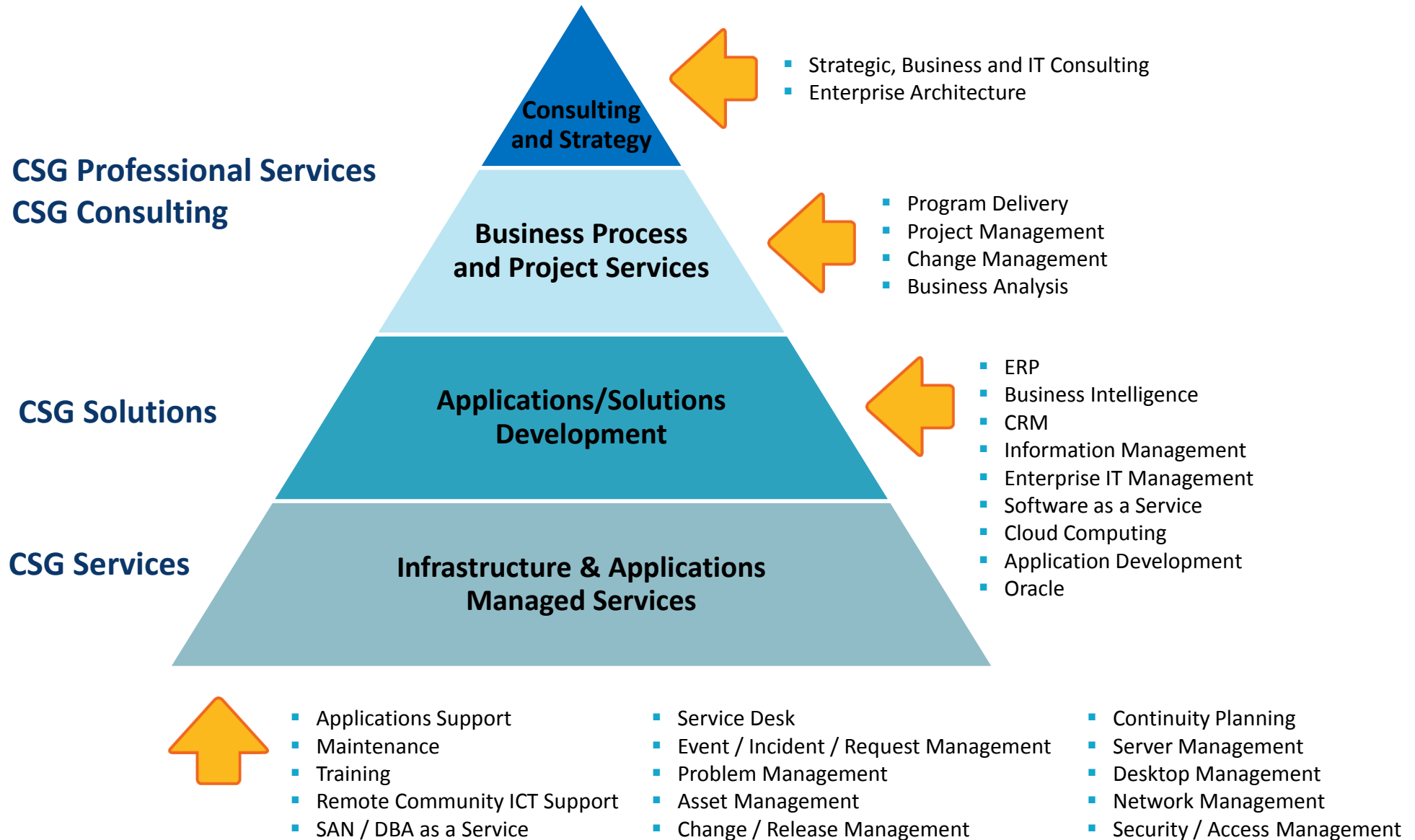
**CSG  
Technology  
Solutions**

# Technology Solutions Background

- Division came together through acquisition in addition to existing NT business - Power Business Systems, Change Corporation, Bexton, Anadex, Delexian, Commander, Aaromba Systems
- Approximately 750 employees nationally
- Customers spanning from Tier 1 through to Tier 3
  - Managed Services – SA, ACT, NT, VIC
  - Applications and Professional Services – NSW, QLD, VIC, SA, WA
  - Consulting – ACT, VIC, WA, NSW
- Integration of divisions and acquisitions completed by June 30, 2011
- Revenue streams come from:
  - Annuity Contracts (NT Government)
  - Multi-Year Contracts (Ultrahnet)
  - Transactional Business (applications and Managed Services projects)
- Main vendor partnerships – Oracle, Microsoft, HP, Cisco



# TS has end to end capability from strategic consulting down to the infrastructure layer





# Market Trends

# Enterprises are moving towards acquisition of access rather than IT assets

	Go To Market: Asset	Go To Market: Service	Go To Market: Emerging
What is sold	<ul style="list-style-type: none"> <li>• Simple products sold as an asset or license</li> <li>• Simple solutions</li> <li>• Complex solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Simple products sold as an asset or a <b>service</b></li> <li>• Simple solutions sold as a project or a fixed price subscription</li> <li>• Complex solutions</li> </ul>	<p>As before plus:</p> <ul style="list-style-type: none"> <li>• <b>Software as a Service</b></li> <li>• <b>Intellectual property</b></li> <li>• <b>Co-developed products and services</b></li> <li>• Technology as a service</li> <li>• Free products</li> </ul>
To whom	<ul style="list-style-type: none"> <li>• Mostly end users</li> <li>• Some OEMs</li> <li>• Segmented by size and maybe key vertical focus</li> </ul>	<ul style="list-style-type: none"> <li>• End Users</li> <li>• OEMs</li> <li>• <b>ISVs</b></li> <li>• Vertical industry focus</li> </ul>	<p>As before (but <b>fewer customers</b>) plus:</p> <ul style="list-style-type: none"> <li>• xSPs (<b>Service Providers who own the backroom platforms</b> and devices (BP outsource providers))</li> </ul>
How	<ul style="list-style-type: none"> <li>• Direct sales</li> <li>• Indirect sales channel partners</li> <li>• Sell to and sell through</li> </ul>	<ul style="list-style-type: none"> <li>• Direct sales (face-face, telesales, web)</li> <li>• Indirect sales channel partners via 2 or 3 tier distributors</li> <li>• <b>Alliance partners</b></li> <li>• Sell to, sell through, <b>sell with</b></li> </ul>	<ul style="list-style-type: none"> <li>• Direct and indirect sales channels</li> <li>• Through a value network (includes vertical industry associations)</li> <li>• Sell to, sell through, <b>sell with, sell embedded</b>, give away</li> </ul>



# Education Department - Collaboration and Replication

- Good example of the concept of collaboration with customer
- Largest education sector IT contract in 2009 - \$65m
- Solution manages communication and collaboration between all teachers, students and parents
- Four year contract to deliver and support the solution
- CSG responsible for solution design, build and deployment and ongoing support including application hosting & support, disaster recovery and help desk services
- World first to have such high level of functionality
- Delivered on time and on budget
- CSG providing end to end technology solutions and services
- Replicable and repeatable solution for the education industry



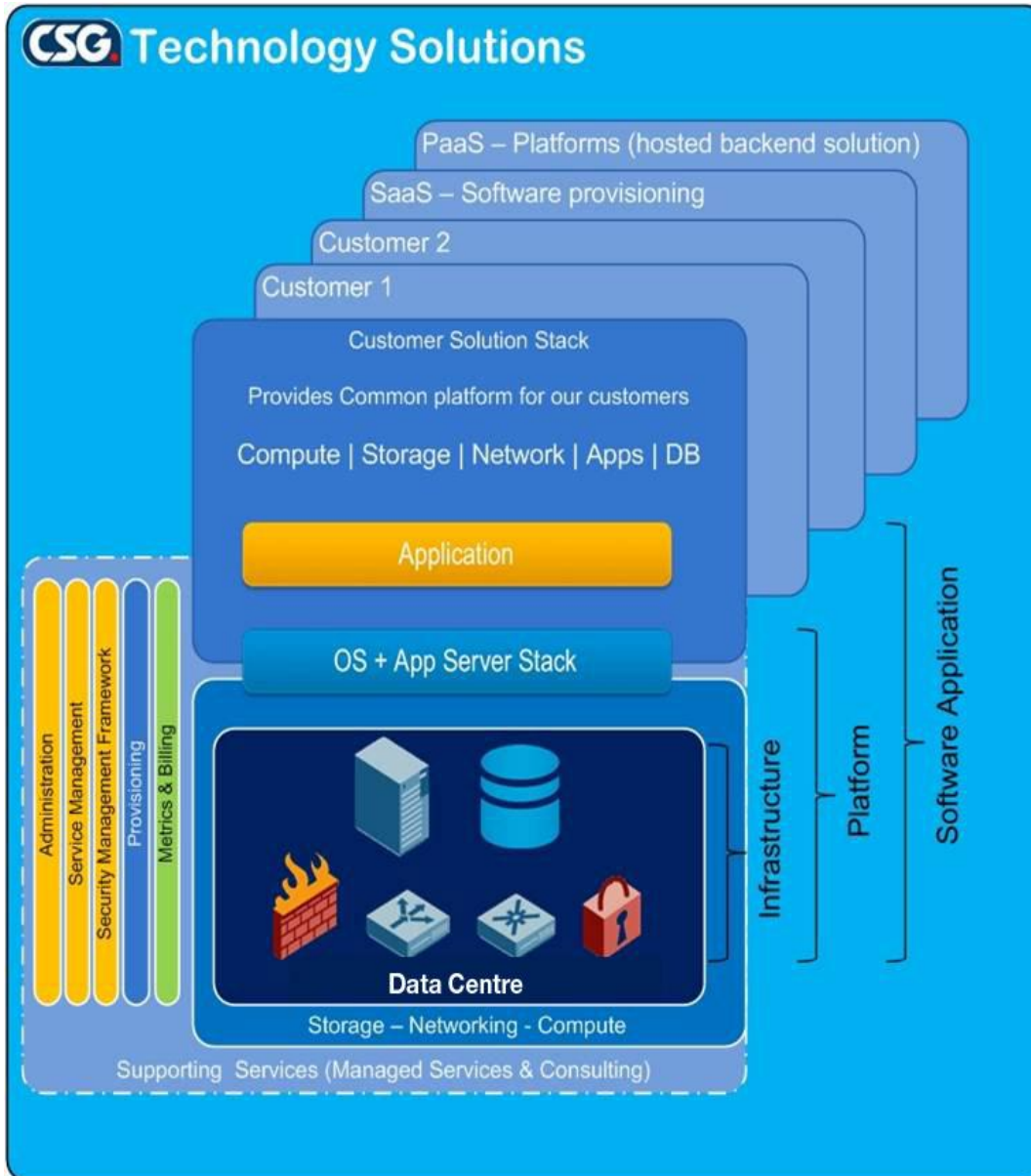
# Top CIO Priorities

Rank	Priority	CSG
1	Cloud Computing	Y
2	Web 2.0	Y
3	Virtualisation	Y
4	Mobility	Y
5	Business Intelligence	Y
6	Data and Document Storage Management	Y
7	Networking Voice and Data	N
8	Service Orientated Architecture	Y
9	IT Management	Y
10	Enterprise Applications (ERP, CRM, SCM)	Y

- Good synergy between CSG's capability and top priorities for CIOs
- Our areas of technology expertise are in line with top industry trends and growth areas
- We have a strategy that addresses 9 of the Top 10 CIO priorities



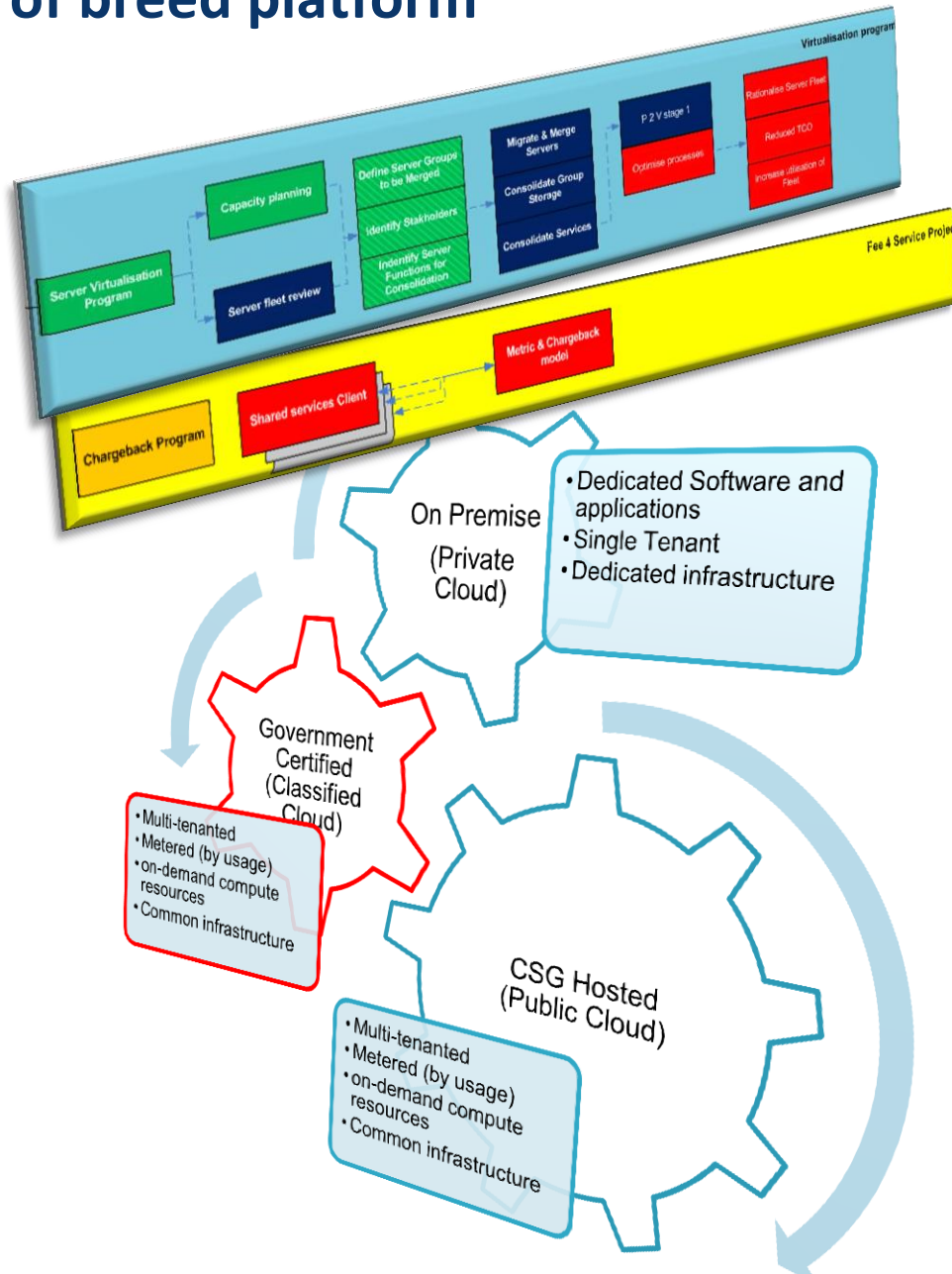
# CSG Cloud – Tailored Hosting Solutions on CSG’s fully managed best of breed platform



- CSG’s ‘Cloud’ combines Enterprise Services and Managed Services to offer a unique, bespoke and fully managed cloud solution for business
- Offers all three tiers of cloud computing (infrastructure, platform and software as a service)
- Solutions range from a single specialised application, right through to entire backend solutions encompassing whole environments
- Multi-tenanted platform to provide Enterprise Class hosting at a fraction of the cost



# CSG Cloud – Tailored Hosting Solutions on CSG’s fully managed best of breed platform



- Fully Flexible Tailored (bespoke) Application Solutions
  - Full range of Specialised Application development
    - Oracle Solutions
      - E-Business suite
      - Custom applications (Ultranet)
    - Microsoft
      - Server Hosting
      - Directory Services
      - Full suite of Applications
    - Entire backend environment hosting
  - Hosted on CSG’s platform
    - Uses World’s Leading Server solution
    - On-demand, ‘pay as you use’ service
    - 24/7 Mission-critical support
    - Best of Breed Toolsets
  - Fully managed ‘End-to-End’ Service
    - Private, Public and Hybrid cloud solutions
    - IaaS/PaaS/SaaS services to provide a true end to end ‘capability on demand’ offering
    - DR as a service
    - Guaranteed SLA’s
  - Transparent, usage based metering
    - per user or per use



# Major Education Provider– Hosted Solutions

- Four year contract TCV \$10million
- Deliver and support Oracle based Payroll and HR Management System
- Implement over next twelve months and provide support and full hosted managed services for remaining three years
- Replaces multiple existing HR and payroll applications
- Deliver significant economies of scale, improved efficiencies and better support this provider and its partners in managing their HR and Payroll function
- Reinforces our strategy to offer hosted solutions
- Confirms our position as a leading Oracle partner in Australia



# Top CIO Strategies 2010 – 2013

Strategy Expectations	Ranking of strategy priorities BU CIOs selected as one of their Top 5 priorities in 2010 and 2013	
Ranking	2010	2013
Delivering projects that enable business growth	1	1
Linking business and IT strategies and plans	2	4
Improving the IT / Business relationship	3	9
Expanding the use of information and intelligence in operations	4	2
Reducing IT Cost	5	11
Implementing IT process improvement	6	12
Improving IT governance	7	5
Developing or merging flexible infrastructure	8	3
Leading Enterprise change initiatives	9	7
Building business skills in IT	10	6

Source: Gartner 2010 (March)



# Global Oil and Gas Provider - Business Intelligence

- CSG is actively improving the business intelligence and reporting capability of the largest natural gas project in Australia
- CSG been providing BI services and solutions to this customer for the past 5 years
- CSG is a key partner heavily involved in the programme of work to move to a strategic business intelligence platform
- CSG has been involved in migrating to and supporting and maintaining the Business Objects Enterprise, defining and administering security for over 15000 users and delivering tactical reporting projects for Finance, Human Resources and other business units
- We provide a large number of resources across data governance, warehouse architecture, ETL architecture, BI administration, ETL development , report development and testing and business analysis



# Large Financial Institution– Enterprise wide collaboration

- Whole of bank Intranet implementation based on Microsoft SharePoint 2010
- Intranet enables self services for more than 35 000 employees and is being rolled out across 45 divisions and business units
- Provides dynamic and contemporary platform for collaboration and communication for all employees
- Utilises latest Microsoft technology such as SharePoint 2010 and FAST search
- Will replace multiple Intranet sites managed by different teams and provide consistency across the whole of the bank
- Key features of solution include integrated search, distributed content management, workflows, mobile friendly content , corporate directory, video distribution, news and other collaborative web 2.0 tools
- Bank has experienced increase in efficiency and user satisfaction
- Decreased costs through enabling employee self service
- Improved content quality and information and idea sharing through collaboration tools



# Electronic Patient Records Management System - Mobility Solution

- \$2.5million electronic patient care records project
- Developed an application for Apple iPads showcasing our development capability for mobile devices
- Removes current paper based records regarding incidents and treatments that get transferred to hospitals
- Exciting and innovative area of technology



# Government Budgeting Solution

- 7 year contract to develop and support this 600 user system
- System will provide improved efficiencies to the government in managing State fiscal resources including strategic planning, budget formulation, financial reporting and cash management
- Will deliver process improvements through automation, streamline business process, enable more integrated department and support improved partnerships between government agencies
- CSG has exclusive rights to this software specifically designed for central core budget management



## Summary

- Technology Solutions' business has a clear focus and direction
- Expanding operations on the East Coast
- Focus on annuity and multi-year revenue contracts
- Replicable private cloud solutions
- Deep expertise built around Centres of Excellence
- Close collaboration with vendor partners
- Strategic Tier 1 partnering
- Solid platform for growth



# Questions?

