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Australian Stock Exchange
Company Announcements Office

CSG (ASX: CSV) Half-year Results for Release to Market

Highlights include:

- Revenue growth of 45% to \$85.0 million
- EBITDA growth of 50% to \$21.4 million
- Net profit after tax (NPAT) growth of 36% to \$11.1 million
- Key acquisitions open up large Federal Government tender opportunities

IT Services company CSG Limited (ASX: CSV) today announced its half-year results to the market, including net profit after tax of \$11.1 million, representing 36% growth over the previous corresponding period.

Profit growth was produced from a revenue increase of 45%, to \$85.0 million for the half. This was the result of organic growth through additional significant tender wins, and recent acquisitions.

Earnings per share growth was also strong at 33 % (to 6.4 cents per share), and the company declared a dividend of 2 cents per share to be paid on 30 March 2009.

CSG CEO Denis Mackenzie commented "we're really pleased we can announce such a strong result, particularly given the tough economic times we're currently operating in. This result really supports our strategy of pursuing growth through multi-year contracted revenue."

Interest bearing debt was reported at \$57.4 million at the end of the half, with additional bank guarantees of \$8.7 million leaving the company well inside the total facility limit of \$82.5 million. Mackenzie commented "the business has strong cashflows, so we have significant potential to pay this down over the coming months. We're currently planning for net debt to continue at around 1x annual EBITDA in the short term"

Two acquisitions completed during the half saw CSG move into the Canberra market. Said Mackenzie "buying ATI and Commander in Canberra have been truly company changing events. These two businesses give us the ability to bid for significant federal government contracts in both traditional infrastructure outsourcing and in managed print, an area I believe we'll see significant potential in over the coming years.

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The other acquisition completed during the half gives CSG access to a number of tender opportunities in the education space for both the Managed and Enterprise Services businesses.

Commenting on the outlook for the second half of the year Mackenzie was positive. "I believe CSG is in a strong position, despite the current economic outlook. A large portion of our revenue and profit is locked-in through multi-year outsourcing contracts, while the remainder of the business has strong potential to be optimised for the type of conditions we're likely to see. Both our Print and Application services divisions are currently heavily focused on enabling clients to reduce their total cost of ownership of devices, services and software, and this is showing great results given the focus many companies currently have on reducing capital and project expenditure."

"For the second half we expect continuing solid performance, from these opportunities, as well as the full year effect of acquisitions completed in the first half, however, wider economic conditions remain uncertain and it is difficult to predict exact levels of growth at this time. Based on current trading and the first half result, we are confident that the second half will be another record."

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