

Results and Outlook Presentation Full Year 2015

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Financial Performance Full Year 2015	<ul style="list-style-type: none"> Revenue of \$224.3m representing 13% growth (pcp) Underlying EBITDA of \$33.5m before non-recurring costs¹ of \$1.0m and LTIP expense of \$4.0m representing 15% growth (pcp) Underlying NPAT before customer contract amortisation of \$21.3m representing 12% growth (pcp)
Divisional Update	<ul style="list-style-type: none"> Business Solutions revenue growth of 10% (pcp) Successful first year of Samsung relationship – attach rate of non print technology was 10% in 2H FY15 in Australia Enterprise Solutions revenue growth of 28% (pcp) CSG Finance book increased by 30% to \$210m
New Products	<ul style="list-style-type: none"> A number of new products to be launched in 1H FY16. The new CSG product suite has been developed to deliver a single source technology solution to its customers across Business Solutions and Enterprise Solutions Executed an agreement with HP to be a foundation partner for CSG's cloud platform in the region
Acquisition Overview	<ul style="list-style-type: none"> CSG has signed an agreement to acquire CodeBlue for NZ\$5.0m in cash and an additional NZ\$2.7m in contingent cash payments and further earn out consideration² CodeBlue is a leader in the SME market in New Zealand providing IT managed services to customers with up to 300 employees (founded in 2004 and based in Auckland) CodeBlue provides an attractive platform to support the CSG strategy in Australia and New Zealand
Outlook & Growth Opportunities	<ul style="list-style-type: none"> Forecast FY16 underlying EBITDA (excluding LTIP) to be in the range of \$38m - \$42m Final un-franked dividend declared of 5 cents per share. CSG to maintain 9 cents per share dividend in FY16
Equity Raising Overview	<ul style="list-style-type: none"> CSG to raise at least \$30 million in equity to fund the acquisition of CodeBlue and to pursue near-term growth opportunities Equity raising via underwritten institutional placement and non-underwritten share purchase plan (SPP) to be offered to eligible shareholders (SPP proceeds may be scaled back depending on demand)

1. Comprises Cinglevue legal costs (\$300k); stamp duty on CFAL assets (\$340k) and transaction advisory costs (\$360k)

2. The earn out consideration is based on FY17 financial performance. The earn out comprises a cash and scrip component and the total consideration (including cash and contingent cash payments) is capped at NZ\$15m



More than you expect.

Performance Highlights



- ✓ Revenue of \$224.3m representing 13% growth (pcp)
- ✓ Reported EBITDA of \$28.5m representing 20% growth (pcp)
- ✓ Underlying EBITDA of \$33.5m before non-recurring costs of \$1.0m¹ and LTIP expense of \$4.0m representing 15% growth (pcp)
- ✓ Reported NPAT of \$14.3m representing 18% growth (pcp)
- ✓ Underlying NPAT before customer contract amortisation of \$21.3m representing 12% growth (pcp)
- ✓ Full year un-franked dividend declared of 5 cents per share
- ✓ Finance Solutions receivables of \$210.0m (closing), representing 30% growth (pcp)
- ✓ Closing cash balance of \$24.8m (including restricted cash of \$13.9m), \$9.4m corporate debt

Notes

1. Comprises Cinglevue legal costs (\$300k); stamp duty on CFAL assets (\$340k) and transaction advisory costs (\$360k)



Growth

- Revenue increased by 13%
- Underlying EBITDA increased by 15%
- CSG Finance book increased by 30%
- Non print sales represented more than 8.5% of equipment sales revenue in Australia in 2H FY15
- Successful first year of Samsung relationship
- Invested resources in delivery and support capabilities for new technology product offerings
- Executed on growth objectives for Enterprise business



Customers & People

- Introduced in the field NPS score with rollout of new IT platform (NPS¹ of 58)
- New business sales in Business Solutions was 15% of revenue
- Gained momentum with sales of Boardroom as a Service
- Completed deployment of Print as a Service for two major Universities
- Won three major print as a service contracts during FY15 two in 1H and one in 2H. Total contract value in excess of \$40 million over 5 years
- Attach rate of non print technology was 10% in 2H FY15 in Australia
- Survey conducted with non KMP members of the LTI scheme—100% of members highly valued the scheme



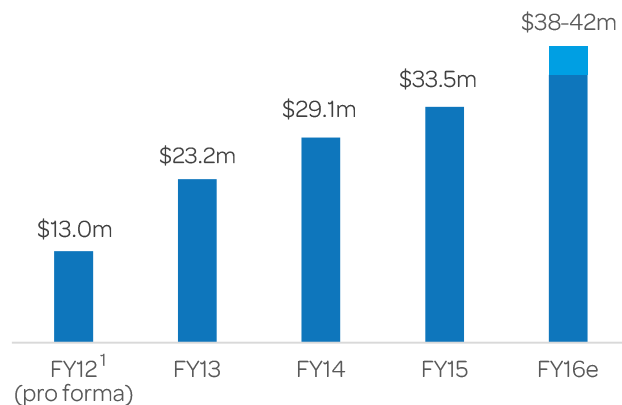
Innovation

- Creation of “Customer Hub” integrated with the Salesforce.com platform and customer care teams (replaced >100 legacy systems)
- Prepared to execute our “one bill, one partner, one cloud” strategy
- Executed partnership with HP to be foundation partner for CSG’s Cloud platform in the region (HP Helion)
- Executed partnership with a leading SME cloud telephony company in North America (8x8)
- Launched partnerships with MyRepublic in New Zealand to provide low cost high speed data services
- Recruited key resources to ensure delivery of Technology as a Service platforms

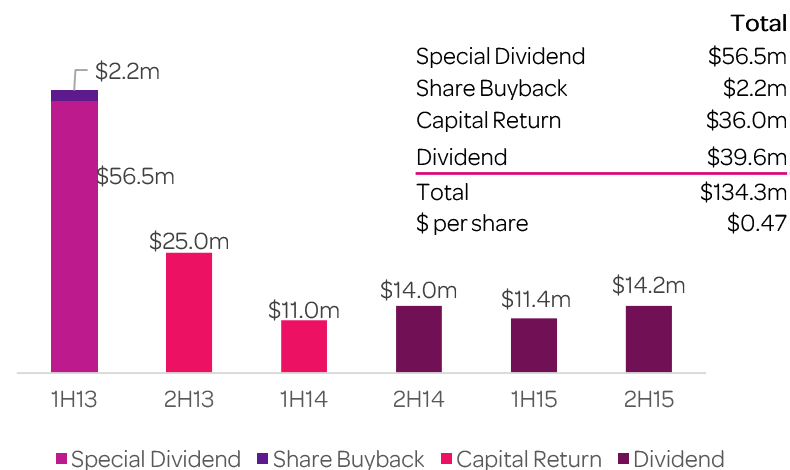
1: Net Promoter Score (NPS) is a method of measuring customer loyalty. To calculate NPS, customers are categorised as “Promoters”, “Passives” or “Detractors” based on how likely they would be to recommend CSG to a friend or colleague. The percentage of Detractors is then subtracted from the percentage of Promoters

Strong underlying EBITDA growth

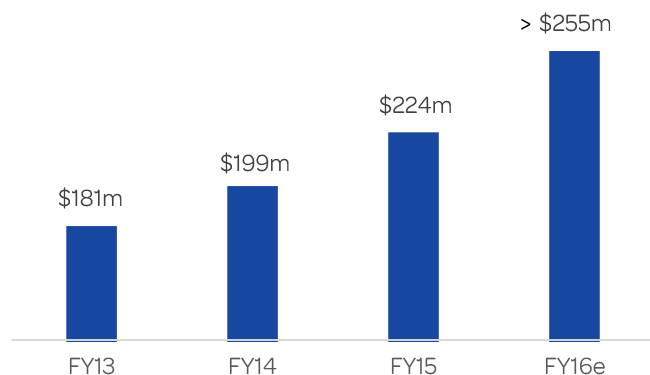
37% CAGR (FY12-FY15)



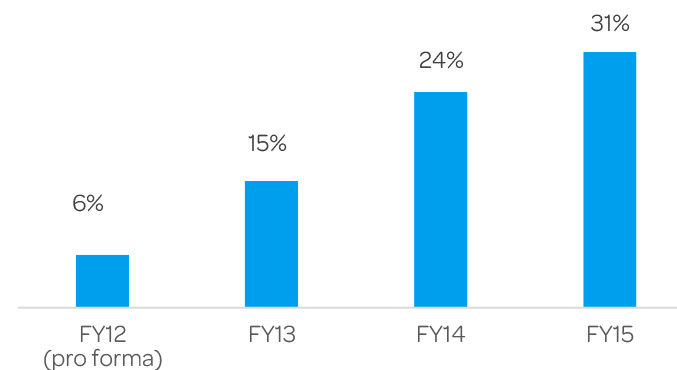
Returns to shareholders



Solid revenue growth



Increasing return on equity (excl. goodwill & customer contracts²)



1. FY12 pro forma is calculated excluding the impact of the Technology Business and its sale and applying a normalised corporate overhead cost of \$5m

2. Relates to acquisitions prior to 2012



More than you expect.

Results Detail



	FY2015 \$m	FY2014 \$m	
Revenue	224.3	199.3	▲ 13%
Underlying EBITDA	33.5	29.1	▲ 15%
Non-recurring costs	(1.0)	(2.6)	
LTIP	(4.0)	(2.8)	
EBITDA	28.5	23.7	▲ 20%
Depreciation & amortisation	(4.5)	(5.2)	
Net interest (expense)/income	(1.3)	(0.7)	
Profit before tax	22.6	17.8	▲ 27%
Income tax	(8.3)	(5.7)	
NPAT	14.3	12.1	▲ 18%
Underlying NPAT before customer contract amortisation	21.3	19.0	▲ 12%

RESULTS OVERVIEW

- Revenue growth of 13% on FY2014
- Underlying EBITDA of \$33.5m or 15% growth on FY2014
- Continued improvement in underlying EBITDA margin to 14.9% (FY14: 14.6%)
- Costs excluded from Underlying EBITDA are:
 - \$4.0m for LTIP/Employee Share Plan (non cash expense)
 - \$1.0m¹ in legal, stamp duty and transactional advisory costs
- Depreciation and amortisation includes \$2.3m of customer contract amortisation

Notes

1. Comprises Cinglevue legal costs (\$300k); stamp duty on CFAL assets (\$340k) and transaction advisory costs (\$360k)

	June 15 \$m	June 14 \$m
Assets		
Cash	24.8	27.3
Receivables	25.8	23.1
Lease receivables	210.0	161.5
Inventory	41.6	41.0
Goodwill & intangibles	193.2	191.0
Other	9.9	10.3
Total Assets	505.2	454.2
Liabilities		
Trade & other payables	43.2	42.8
Borrowings	10.1	0.7
Lease receivable debt	187.8	139.4
Other	10.4	6.3
Total Liabilities	251.5	189.2
Contributed equity	166.5	161.0
Retained earnings & reserves	87.2	104.0
Total Equity	253.7	265.0

RESULTS OVERVIEW

- Cash balance of \$24.8m (\$13.9m is restricted)
- \$9.4m of corporate debt
- Leasing receivables grew by 30% (FY14 \$161.5m) due to continued success in converting sales in the Australian business
- Lease book advance rate increased to 89% from 86% due to continued refinement of finance facilities

	FY2015 \$m	FY2014 \$m
Opening cash	27.3	40.0
Net cash flow (from)/to business	28.6	20.5
Net interest and tax paid	(6.1)	(7.4)
Operating cash flows	22.5	13.1
Net investment in lease book	7.7	(4.1)
Capex	(5.1)	(4.4)
Proceeds/(payments) for business	(11.5)	(8.0)
Investing cash flows	(8.9)	(16.5)
Shareholder distributions	(25.0)	(11.1)
Movement in debt	9.4	(0.1)
Financing cash flows	(15.6)	(11.2)
Other	(0.5)	1.9
Closing cash	24.8	27.3

RESULTS OVERVIEW

- Solid cash flow conversion at 90% of Underlying EBITDA to ungeared pre-tax cash flow¹
- Capital expenditure of \$5.1m due to increased requirements to fund the development of the new products and implementation of new systems
- Full year dividend of 5 cents per share (Interim dividend of 4 cents per share)
- Dividend will be unfranked due to New Zealand earnings and tax profile of Australian leasing business
- Total payments to shareholders of \$134m in the past 3 years

Notes

1. Includes \$1.0 of cash non-recurring costs and \$0.2 of payroll tax (included in LTIP expense)

2. Cash non-recurring costs comprise Cinglevue legal costs (\$300k); stamp duty on CFAL assets (\$340k) and transaction advisory costs (\$360k)



More than you expect.

Divisional Update



- ✓ Revenue growth of 10% (pcp)
- ✓ Business Solutions Australia revenue growth of 19% (pcp)
- ✓ Business Solutions New Zealand growth of 5% (pcp)
- ✓ New business sales were 15% of revenue
- ✓ Average equipment sales of non-print product was approx. \$32k in revenue per customer in 2H FY15
- ✓ Attach rate of non-print technology was 10% in 2H FY15 in Australia
- ✓ Commenced sales of subscription software and hardware with 'Boardroom as a Service' (includes CSG conferencing software)
- ✓ NPS¹ score in the field of 58
- ✓ 38% revenue growth in the Victorian operation
- ✓ Growth driven in Australia because of technology as a service sales and continued acquisition of new customers
- ✓ Excellent support from key partners including Canon in Australia and Konica Minolta in New Zealand
- ✓ Benefits of new internal technology platform to come in FY16

1: Net Promoter Score (NPS) is a method of measuring customer loyalty. To calculate NPS, customers are categorised as "Promoters", "Passives" or "Detractors" based on how likely they would be to recommend CSG to a friend or colleague. The percentage of Detractors is then subtracted from the percentage of Promoters

Solutions Profile delivered by CSG

- 40 customer locations
- 6 x 55" Samsung Digital Wall Panels
- 1 x 55" Samsung LED TV
- 7 x Boardroom as a Service (55" and 75")
- 30 x NEC Telephony Handsets and Support
- CSG Conferencing - 3 Concurrent Meetings
- 11 x Magic Info Premium S Content Management Software
- 13 x 24 month Platinum Care Packs

The Requirement

- The customer required a state of the art technology & communication solution to give a competitive advantage in the market
- Customer was tired of dealing with multiple suppliers and having inconsistency of brands across locations - wasting time and money
- Single monthly payment

The Value Proposition

- CSG could deliver and support a cross section of non-print products from multiple brands
- Customer valued CSG's ability to support all stores across Australia and New Zealand

The Benefits

- State of the art technology solutions to give a competitive edge in the market
- Time and money savings from dealing with one supplier and receiving one bill
- Improved efficiency with one supplier to support all equipment across multiple locations
- A full communications suite for a simple monthly price

- Won three major Print as a Service contracts during FY15—two in 1H and one in 2H. Total contract value in excess of \$40 million over 5 years
- Completed the deployment of Print as a Service contracts for the University of Sydney and Victoria University during 2H
- Enterprise Solutions revenue growth (pcp) of 28%
- \$285m TCV (total contract value) in Australian Enterprise Solutions pipeline for FY16
- New Zealand continued to deliver innovative print solutions to Auckland City Council, Bay of Plenty District Health Board and the education market
- Continued to deploy Queensland Department of Education and Training contract:
 - Monthly print volume increased by 175% (pcp) to more than 4.5 million prints per month
- Added key resources to team to commence targeting the IT managed services sector – focus on mid tier customers and education
- Responsible for the creation and delivery of the CSG cloud platform and key partnership arrangements with 8 x 8, Samsung and HP

OUR CUSTOMERS



NEW TECHNOLOGY PARTNERS



- Lease receivables book increased by 30% to \$210.0m (\$161.5 FY14)
- Finance Solutions division continues to convert 95% of customers to CSG Finance products
- Strong growth in the lease book has come at lower margin - improvement expected in the future as the Australian book matures
- Improved ROE as finance facilities continued to be refined
- Executed an agreement for the acquisition of the balance of CSG contracts from CFAL (\$10m)
- Future growth from financing new product offerings

	FY13		FY14		FY15	
	H1	H2	H1	H2	H1	H2
Closing Receivables (A\$m)	101.6	115.5	138.8	161.5	188.6	210.0
Growth (%)			37%	40%	36%	30%
PBT (A\$m)	3.5	3.1	4.5	4.5	4.5	5.0
Return on Equity (ROE)	54%	35%	43%	48%	37%	47%
Bad Debt (%)	< 0.50%	< 0.50%	< 0.50%	< 0.50%	< 0.50%	< 0.50%

Calculated for Australia and New Zealand including credit enhancement




















More than you expect.

New Products



CSG has developed a unique product suite to deliver a single source technology solution to its customers across Business Solutions and Enterprise Solutions

Technology as a Service	Hardware	Software	1H FY15	2H FY15	FY16	FY17
Print / imaging	 Various	 Imaging				
Boardroom (display + conferencing)	 Display	 Conferencing				
Communications		 VOIP				
Desktop	 Notebook, desktop display	 Smartphone, tablets	 CSG SecureDevice (supported by HP)			
Cloud management		 				
Business applications		SME accounting SME ERP Business apps				

Customers will be able to subscribe to technology services and manage their IT on a single platform

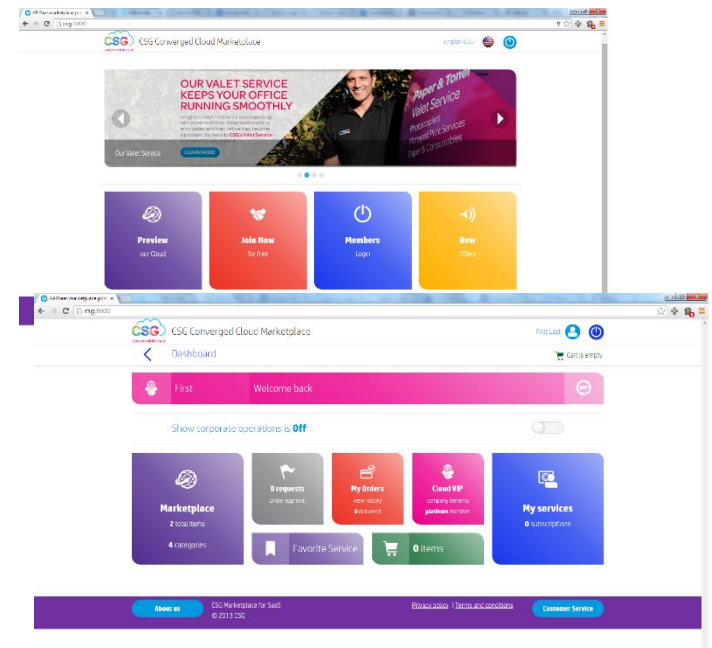
Key features

- Self service access for customers to browse, request and approve new CSG services (conferencing, communications, business applications, data management) and technology equipment (desktop, laptop, tablets, boardroom display)
- CSG's software services provisioned to customers over the CSG cloud (powered by HP Helion)

Customer proposition

- Provides a number of significant benefits to CSG customers
 - > one invoice to replace multiple vendors
 - > predictable monthly subscription payments
 - > no large capital outlay – equipment fully financed by CSG
 - > easily scalable in line with customers' needs
 - > single point of technical support (Level 1 / 2)

CSG CUSTOMER MARKETPLACE



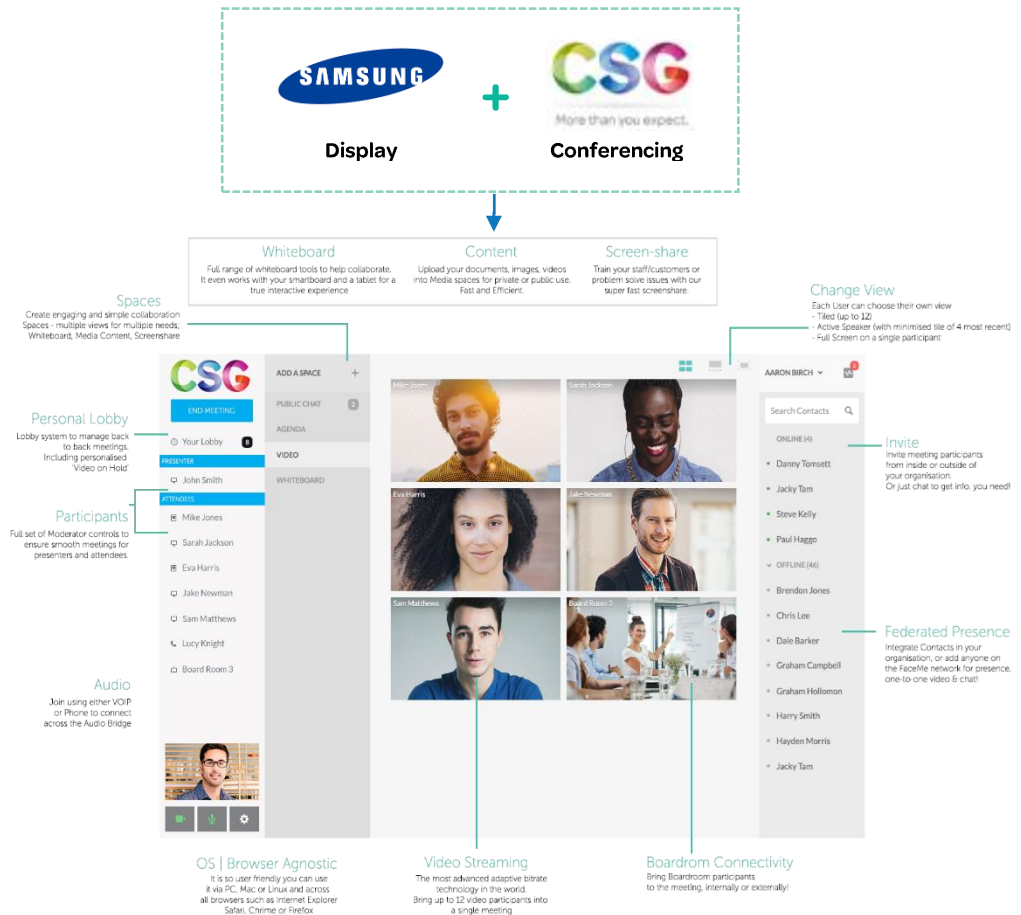
Customised solution that provides a full boardroom experience with embedded CSG conferencing for a fixed price per month

Key features

- Samsung 55 or 75 inch interactive, touch screen smart display with Windows embedded desktop
- CSG Conferencing (configured with the display)—cloud based virtual conferencing

Customer proposition

- Easy to use conferencing and display solution—1 click / press to use (no download)
- Scalable for small and large customers—customers pay per number of required concurrent meetings
- Supported by existing CSG technical team



CSG's industry leading cloud telephony and unified communications solution

Key features

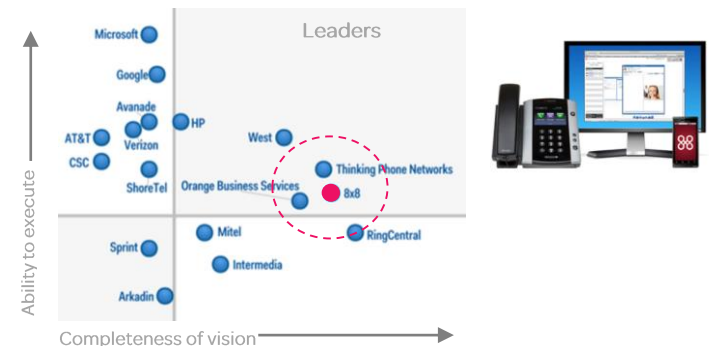
- Integrated VoIP phone service, call recording, voicemail, messaging and auto attendant
- Customers provided with one number to be reached at their desk handset, laptop, tablet and smartphones
- Powered by 8x8 (NASDAQ listed company with over 40,000 customers and revenue growth of 25% p.a.)—industry leader according to Gartner; #1 provider of unified communications as a service in North America according to Infonetics Research

Customer proposition

- Fixed price per month at a substantially lower cost than traditional communications service providers
- Integrated offering with single telephone number available on handset, desktop, mobile and tablets
- Ease of implementation and fully supported by CSG's technical support team

CSG Communications (8x8)	SME	Enterprise
Unlimited calling	✓	✓
Mobile apps: Android, iPhone, iPad	✓	✓
Auto attendant	✓	✓
Online call management	✓	✓
Voicemail to email notification	✓	✓
Business /sms texting	✓	✓
Sales force, NetSuite, Zendesk integrations	✓	✓
Web Conferencing with Video		✓
Call recording / internet faxing		✓

Gartner magic quadrant



Integrated desktop and communication package to provide employees with all their IT needs for a fixed price per month

Key features

- Packaged desktop, notebook, cloud storage and installed software (Microsoft Office suite)
- CSG desktop support with remote monitoring & support capability—including CSG's patch management service
- CSG Secure Device service also available. Mobile device management that protects corporate information while providing freedom for employees to use their own device
- Packaged desktop fully integrated with Communications (8x8)

Customer proposition

- Single sourced, integrated desktop and communication package to provide employees with all their IT needs for a fixed price per month
- No capital outlay required —all new hardware financed by CSG and data managed in the cloud
- Technology and software fully supported by single CSG technical support team

Desktop as a Service

Single billing and finance relationship

Desktop		Notebook, 24" monitor, keyboard and mouse
Cloud storage		Online file storage
Software		Office 365 and Exchange Email
Communications		Desk phone, direct phone number, unlimited calls
Technical support		



CSG's Cloud management platform takes away the IT management burden so customers can focus on running their business

Key features

- Locally hosted and managed with access to > 20 data centres globally
- Built on market tested HP Helion virtual private cloud (global leading platform; ~40% of Fortune 100 companies run on the HP Cloud)
- Fully managed and maintained by CSG

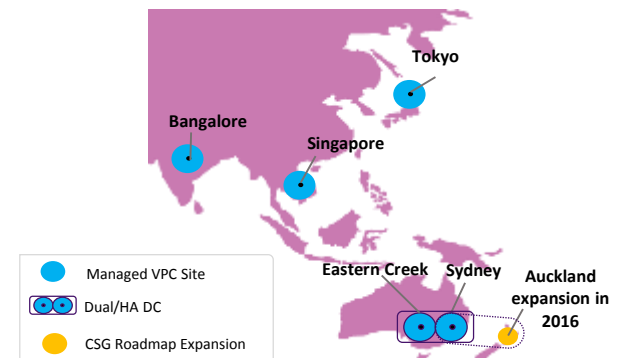
Customer proposition

- Flexible, secure and fully managed cloud infrastructure based locally
- Easily accessible through the CSG marketplace
- Simple pricing, no uplifts for usage billed monthly
- Scale services up or down on-demand as needs of customers change

CSG Cloud partner



HP Helion platform in APAC





More than you expect.

New products: Business Solutions

“Be the most innovative, affordable and enterprising single source provider of business solutions to deliver incremental profits to our customer's bottom line. Make every CSG customer a lifetime customer.”

CSG's full-spectrum product offering provides a clear value proposition to its broad SME customer base. We create genuine value for our customers by providing a one-stop total business solutions offering – saving the customer their most valued assets: time and money.

Typical SME without CSG's offering

- Up to 15 suppliers, each with separate billing, leasing and service relationships
 - Office supplies
 - Computers, laptops and tablets
 - Equipment finance
 - Multi function printers
 - Large format displays
 - Mobile handset
 - Telephone system
 - Cloud storage



CSG customer





CSG as a single provider for all business technology needs:

- Centralised ordering for all business technology
- Single billing relationship
- National service team
- Single equipment finance relationship

Resulting in time savings, improved cash flow management and increased peace of mind

Indicative growth achievable for a Business Solutions customer by increasing 'wallet share' via the sale of additional business technology services

Potential Business solutions customer with 10 employees

Technology as a Service	Vendor	Licenses	Customer spend \$ per month	Additional CSG non-print revenue	
				Equipment (transactional)	Service + software (annuity)
Print / imaging		1 x MFD	\$400 per month (print only)		
Boardroom (display + conferencing)		1 x Display 1 x Subscription	<div> <div>\$2,400+ per month (print + new products) (equipment + software + service)</div> </div>	+	+
Communications		10 x Subscriptions		\$40,000	\$15,000 p.a.
Desktop		10 x Subscriptions			

Underpinned by a single billing, service and finance relationship

Indicative growth achievable in Business Solutions by increasing 'wallet share' of current customer base via the sale of additional business technology services.

Indicative additional annual equipment revenue (\$m):

		Penetration of print deals with non-print product				
		5.0%	10.0%	15.0%	20.0%	25.0%
Average non-print equipment revenue per customer	\$15,000	\$3.0m	\$6.0m	\$9.0m	\$12.0m	\$15.0m
	\$20,000	\$4.0m	\$8.0m	\$12.0m	\$16.0m	\$20.0m
	\$25,000	\$5.0m	\$10.0m	\$15.0m	\$20.0m	\$25.0m
	\$30,000	\$6.0m	\$12.0m	\$18.0m	\$24.0m	\$30.0m
	\$35,000	\$7.0m	\$14.0m	\$21.0m	\$28.0m	\$35.0m
	\$40,000	\$8.0m	\$16.0m	\$24.0m	\$32.0m	\$40.0m

Indicative additional annual service & software revenue (\$m):

		Penetration of print deals with non-print technology as a service				
		5.0%	10.0%	15.0%	20.0%	25.0%
Average non-print service & software revenue per customer	\$5,000	\$1.0m	\$2.0m	\$3.0m	\$4.0m	\$5.0m
	\$10,000	\$2.0m	\$4.0m	\$6.0m	\$8.0m	\$10.0m
	\$15,000	\$3.0m	\$6.0m	\$9.0m	\$12.0m	\$15.0m
	\$20,000	\$4.0m	\$8.0m	\$12.0m	\$16.0m	\$20.0m
	\$25,000	\$5.0m	\$10.0m	\$15.0m	\$20.0m	\$25.0m
	\$30,000	\$6.0m	\$12.0m	\$18.0m	\$24.0m	\$30.0m



More than you expect.

New products: Enterprise Solutions

"To be the most innovative partner in managed technology solutions to reduce cost and increase productivity for enterprise and government."

National service and sales team



CSG is the only print and business technology provider with truly national capability

ASX listed



ASX reporting and regulatory standards appeals to Government and Government related entities

Financing capability



CSG's internal financing capability provides customers with greater flexibility and fast tracked approval

Brand agnostic (Australia)



Ability to sell, install, service and repair all major brands ensures the optimal customised offering can be delivered to all customers

Strong relationship with Konica Minolta in NZ



Ability to leverage Konica Minolta's strong brand presence and significant market share in NZ






Scale with flexibility



CSG has the ability to service customers of all sizes, and the flexibility to service a broad range of customer types

Indicative growth achievable for a Enterprise Solutions customer by increasing 'wallet share' via the sale of additional business technology services

Potential Enterprise Solutions customer

Technology as a Service	Vendor	Product	\$ Per Year	Total contract value
Print / imaging		1,000 x MFD	<div><div>\$4m p.a. (Print only)</div><div>↓</div><div>\$12m p.a. (Print + New Products) (equipment + software + service)</div><div><i>=\$8m p.a. extra spend</i></div></div>	\$16m (total contract value)
Boardroom (display + conferencing)		100 x Display 100 x Subscription		\$48m (total contract value)
Communications		5,000x Subscriptions		
Desktop		5,000x Subscriptions		
Cloud management		1 X Virtual Data Centre		
Underpinned by a single billing, service and finance relationship				

Note: Pricing is for illustrative purposes only and does not necessarily reflect actual pricing

Indicative total contract value growth achievable in Enterprise Solutions

Indicative revenue (p.a. \$m):

		Close Rate					
		5%	10%	15%	20%	25%	30%
Value of Pipeline (TCV)	\$100m	\$1.3m	\$2.5m	\$3.8m	\$5.0m	\$6.3m	\$7.5m
	\$200m	\$2.5m	\$5.0m	\$7.5m	\$10.0m	\$12.5m	\$15.0m
	\$300m	\$3.8m	\$7.5m	\$11.3m	\$15.0m	\$18.8m	\$22.5m
	\$400m	\$5.0m	\$10.0m	\$15.0m	\$20.0m	\$25.0m	\$30.0m
	\$500m	\$6.3m	\$12.5m	\$18.8m	\$25.0m	\$31.3m	\$37.5m



More than you expect.

Acquisition Overview

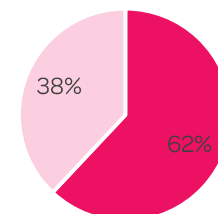
CodeBlue provides an attractive platform to support the CSG strategy in Australia and New Zealand

- CodeBlue is a leader in the SME market providing IT managed services to customers with up to 300 employees –founded in 2004 and based in Auckland
- CodeBlue owns 100% of the Auckland and, as a condition precedent will own 100% of the Wellington branch. In addition, CodeBlue has licensed its business model to 7 other branches in New Zealand
- Comprises ~350 customers (~6,700 seats) currently on recurring revenue service contracts and 141 staff (including 92 engineers) across the network (owned and licensed)
- CodeBlue provides workstation, server (on and off premise) and support through a centralised service desk and network operations centre in Auckland
- CSG has signed an agreement to acquire CodeBlue for NZ\$5.0m in cash and an additional NZ\$2.7m in contingent cash payments. The acquisition also includes an earn out based on FY17 financial performance. The earn out comprises a cash and scrip component and the total consideration (including cash and contingent cash payments) is capped at NZ\$15m
- Key principals each have more than 20 years of IT industry experience across major IT services companies in the New Zealand market and will become key players in the execution of CSG's strategies
- Earn out consideration under purchase agreement is subject to the principals continued participation in the business

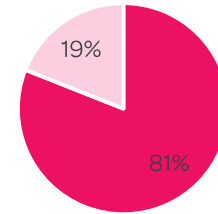
ABOUT CODE BLUE

Auckland / Wellington (100% owned)

FY Revenue



FY Gross margin (\$)



■ Services - Managed services / IT projects ■ Product sales

CodeBlue Branch locations (New Zealand)



CodeBlue will provide all IT support for CSG technology customers in New Zealand and also Australia (excluding Enterprise Solutions customers)

Rationale for acquiring CodeBlue

- Complementary, high quality IT managed services provider with a strong focus on customer service
- Expertise in delivering IT support capabilities through its existing scalable business systems. CSG plans to leverage this expertise across Australia and New Zealand
- 350 contracted IT customers in New Zealand — some of which are currently using cloud-based products and others which will transition over time
- New Zealand based management team experienced in delivering IT managed services and migrating customers to cloud-based products

Integration with CSG

- CodeBlue will leverage its intellectual property, existing investment in IT systems, processes and reporting to develop and manage all IT support for CSG technology customers in Australia and New Zealand

Potential synergies

- 1 CodeBlue will provide the ongoing support service delivery unit for CSG technology customers
- 2 Customer initial cloud migration and implementation projects undertaken by CodeBlue
- 3 Potential to sell CSG product suite to CodeBlue's 350 customers
- 4 Facilitate CodeBlue customers equipment purchases using CSG financing



More than you expect.

Outlook and Growth Opportunities

FY15 Achieved

- ✓ Successfully grow non-print sales (Samsung relationship)
- ✓ Automated processes across the business as a result of the new IT platform
- ✓ Achieve growth through the success of the Enterprise Solutions team
- ✓ Continue to grow the CSG finance book
- ✓ Restraint in New Zealand complete and successful acquisition of IT managed provider (to complete in FY16)
- ✓ Recruit IT Managed Services skilled staff into the Enterprise business

FY16

- Grow Business Solutions division by becoming a leading technology as a service provider
- Grow Enterprise Solutions business as an IT Managed Services provider to government, education and enterprises in all regions
- Seek out other growth opportunities for potential “bolt on” acquisitions
- Look for more partnerships with innovative cloud vendors for cloud marketplace including business applications
- Continue to develop CustomerHub platform to deliver premium customer service
- Successfully integrate CodeBlue to create a single platform for excellent customer support for ‘Technology as a Service’ products

FY17 and Beyond

- Develop new channels and partnerships for Cloud marketplace via a private label model
 - Enterprise partners
 - Other print partners
 - Strategic partners
- Explore new geographic territories
- Continue to build Enterprise IT business pipeline
- Launch Cloud based business application suite in CSG Cloud marketplace
- Continue to improve customer interaction through online experience and self service
- Develop deep vertical market opportunities around display solutions and cloud software platform



- Forecast FY2016 underlying EBITDA (excluding LTIP) to be in the range of \$38m - \$42m. This represents 13% to 25% growth on FY15.
- Targeting revenue of greater than \$255m. This represents more than 14% growth on FY15
- Capital expenditure to be in the range of \$3.5m-4.5m
- Maintain 9 cents per share dividend



More than you expect.

Equity Raising Overview

CSG to raise at least \$30 million in equity to fund the acquisition of CodeBlue and to pursue near-term growth opportunities

Structure

- \$30 million underwritten institutional placement
- Share purchase plan (SPP) to be offered to eligible shareholders
- New shares issued at \$1.42 per share, implying a 7.5% discount to the closing price on 14 August adjusted for the dividend
- Total of 21.1 million shares to be issued via the institutional placement. New shares will rank equally with existing shares. New shares will not be entitled to CSG's full year dividend of 5 cent per share

Use of proceeds

- Proceeds from the equity raising will be used to fund the acquisition of CodeBlue and to pursue near-term growth opportunities
- Pro forma 30 June 2015 net cash of \$38 million (including \$13.9m of restricted cash)—assuming \$30 million equity raise and post acquisition of CodeBlue¹

Share purchase plan

- SPP enabling eligible shareholders to apply for up to \$15,000 of new shares at the placement price and will be conducted subsequent to the Placement
- SPP proceeds may be scaled back depending on demand
- The SPP will be open to eligible Australian and New Zealand resident shareholders on the CSG register as at Friday 14 August 2015 who are eligible to participate under the terms of the SPP
- Detail of the SPP will be sent to eligible shareholders in the near future

Note 1. Assumes CodeBlue cash consideration and contingent cash payments (NZ\$7.7m) at 0.90 NZD:AUD and before equity raising transaction costs

Placement	Time & date
Trading halt, Announcement, Institutional Bookbuild	Monday, 17 August 2015
Bookbuild opens	Monday, 17 August 2015
Existing shares recommence trading	Tuesday, 18 August 2015
Existing shares trading ex-dividend	Thursday, 20 August 2015
Placement settlement date	Friday, 21 August 2015
New shares allotted and commence trading	Monday, 24 August 2015
Share purchase plan	Detail, including timetable, of the SPP will be sent to shareholders in the near future

Notes

1. All times and dates in this presentation refer to Australian Eastern Standard Time (AEST). The timetable above is subject to change without notice. CSG Limited reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the Australian Securities Exchange Listing Rules and other applicable laws

Risk	Summary
Competition risks	<p>There are a number of organisations which compete both directly and indirectly with CSG in the printing and business technology solutions sectors. Whilst CSG is the largest independent supplier of print and technology solutions in Australia, some of its competitors may have or may develop competitive advantages over CSG and may be larger on an international or regional basis and have greater access to capital or other resources. The market share of CSG's competitors may increase or decrease as a result of various factors such as securing major new contracts, developing new technologies and adopting pricing strategies specifically designed to gain market share. These competitive actions may reduce the prices that CSG is able to charge for its products and services, or reduce CSG's activity levels, both of which would negatively impact the financial performance of CSG and could materially affect CSG's financial performance or cash flows.</p>
Customer risks	<p>CSG's products and services are subject to changes in customers' preferences and practices, and therefore market share and pricing competitiveness may vary depending on the popularity of CSG's products and services.</p>
Strategic relationships	<p>CSG has developed a number of strategic relationships with third parties, and there is a risk that a change in such relationships (including, for example, the counter-party seeking to terminate the relevant agreement) will require CSG to seek alternative alliances, or to operate independently in certain future transactions. The result of this could adversely affect CSG's future operational or financial performance.</p>
Reliance on key personnel	<p>CSG is reliant on retaining and attracting quality senior executives and other employees. The responsibility of overseeing day-to-day operations and the management of CSG is concentrated amongst a small number of key employees. Some of those employees have been instrumental in the operation of CSG and its relationships with third parties, and the loss of the services of any of CSG's key employees or the inability to attract new qualified personnel, could adversely affect CSG's operations. There can be no guarantee that key personnel will remain with CSG in the future.</p>
Technology and innovation	<p>As CSG operates in the technology industry, it relies in certain respects on the continued development of marketable technologies. There is a risk that the rate of such advancements will slow, which may negatively affect CSG's profitability. Alternatively, there is a risk that a general technological development will involve costs which are disproportionate to previous generation technologies. In the event that CSG seeks to adopt or sell such technologies, its financial performance may be adversely affected. In addition, an inability to optimise the full value of innovation opportunities in services, products, processes and commercial solutions may impact CSG's future growth.</p>
Re-entering the technology solutions market	<p>As part of the sale of its Technology Solutions business to NEC Australia in 2012, CSG agreed not to conduct a technology solutions business for up to 3 years post-completion in Australia and 2 years post-completion in New Zealand. Given that CSG is now re-entering parts of the technology solutions market, execution of the new strategy in this market may require significant management, financial or personnel resources beyond that which is currently budgeted for or expected by management.</p>

Risk	Summary
Capital and operating costs	CSG's future financial performance is dependent, to a certain extent, on the level of capital expenditure that is required to maintain its assets. Any significant unforeseen increase in the capital and operating costs associated with CSG's operations would impact its future cash flow and profitability.
Business interruption	CSG is susceptible to having its business interrupted by factors including the failure of critical technologies or equipment (such as computer systems and back-up servers), interruption to supplies, loss or destruction of assets by fire or disruptions caused by industrial action. CSG has adopted policies and procedures in relation to business interruption, which seek to set out strategies for avoiding and minimising interruption and restoring business to normal. However, the existence of such policies and procedures does not guarantee that interruption and loss to CSG will not occur. Furthermore, while CSG maintains policies of insurance in respect of insurable risks, and for amounts that it considers reasonable, there can be no certainty that such losses will be able to be claimed under or covered by the relevant insurance policies.
Exchange rates	Currently, CSG's earnings are denominated in either Australian dollars or New Zealand dollars, whilst its expenses are predominantly denominated in Australian dollars, New Zealand dollars, and U.S. dollars. As a result, changes in foreign currency exchange rates may adversely affect the financial performance or position of CSG.
Financing risks	<p>There are a number of factors which may impact CSG's ability to secure new, or renew its current, debt facilities in the future, some of which are outside of the control of CSG, its Directors and its employees. There is also a risk that CSG may not be able to renew its existing debt facilities on terms which are equal to more favourable than those which currently apply. An inability of CSG to renew all of its debt facilities as required, or the inability to renew them on no less favourable terms, may affect CSG's financial performance and position in the future. Whilst it is not currently anticipated, should CSG be unable to satisfy the conditions of draw down under its debt facilities, CSG will need to source funding from alternative sources, including equity.</p> <p>CSG provides equipment rental and lease products in Australia and New Zealand. This business is sensitive to the availability and cost of funding, and should there be any future disruptions in the credit markets or changes in the procurement of credit, there could be a reduction in the availability of funding or an increase in the cost of funding, which could adversely affect the future financial performance or position of CSG.</p>
Litigation	CSG may become the subject of litigation associated with contractual disputes, personal injury, intellectual property disputes, customer claims, employee claims, taxation and regulatory claims. Any successful claim against CSG may adversely impact its future financial performance or position as well as its reputation and brand.

Risk	Summary
Acquisition related risks	The announced acquisition includes a number of conditions precedent and termination provisions. In the event that the announced acquisition does not proceed, the entire amount of equity raised will be used to pursue near-term growth opportunities. Assuming the announced acquisition does proceed, there is a risk that the operational assumptions on which the agreement was entered does not materialise. In the future, CSG may acquire or make strategic investments in complementary businesses, or enter into strategic relationships with third parties in order to enhance its business. Any future acquisitions or new relationships may require CSG to obtain additional equity or debt financing, resulting in additional dilution of ownership for shareholders, increased leverage and potentially higher debt obligations compared to equity.
General economic conditions	Adverse changes in economic conditions including economic growth rates, interest rates, employment levels, consumer demand, consumer and business sentiment, market volatility, exchange rates, inflation rates, government policies, international economic conditions and employment rates amongst others are outside of CSG's control, and have the potential to have an adverse impact on the future operational and financial performance of CSG.
Regulatory and tax Risks	CSG is exposed to any changes in the regulatory conditions under which it operates in Australia and New Zealand. Such regulatory changes can include, but are not limited to, changes in tax laws and policies; accounting laws, policies, standards and practices; laws and regulations that may impact upon the operations and business practices of CSG and its management (including, for example, new finance or regulatory requirements in Australia or New Zealand which could impact on CSG's finance, rental and leasing business); and employment laws and regulations, including laws and regulations related to occupational health and safety. Any change in the current rate of company income tax in Australia and New Zealand may impact upon the financial performance and cash flows, ability to pay dividends and CSG's share price which in turn could impact shareholder returns. Any changes to the current rates of income tax applicable to individuals and trusts may also impact shareholder returns.
Share price movements	There are risks associated with any investment in a listed company on the ASX. The value of shares may rise above or below the current share price, depending on the operational and financial performance of CSG and a number of external factors over which CSG, its Directors nor its employees have any control. These external factors include economic conditions in Australia, New Zealand and overseas which may impact equity capital markets; changing investor sentiment in Australia, New Zealand and overseas share markets; changes in fiscal, monetary, regulatory or other government policies and developments and general conditions in the markets in which CSG proposes to operate and which may impact on the future value and pricing of CSG shares.
Liquidity and realisation risk	There may be few or many potential buyers or sellers of CSG Limited shares on the ASX at any given time. This may affect the volatility of the market price of CSG's shares, and may affect the prevailing market price at which shareholders are able to sell their CSG shares, which may be more or less than the implied share price.
Major shareholder risk	CSG currently has a number of substantial shareholders on its share register. There is a risk that these shareholders or other larger shareholders may sell their shares at a future date. This could cause the price of CSG shares to decline.

This document does not constitute an offer of new ordinary shares ("**New Shares**") of CSG Limited in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

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United Kingdom

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More than you expect.

Thank you