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Stock Exchange Announcement

ITC Company CSG Limited (ASX: CSV) has signed an agreement to acquire the Infrastructure Managed Services business of Commander, a leading tier 2 IT Services business in Australia.

The acquisition includes Commander's/Volante's Group 8 and Department of Finance managed services contracts in Canberra. The acquisition does not include the IPEX or Commander IT hardware business nor does it include the Telecoms business.

The contracts transferring to CSG generate annualised revenues of approximately \$60m. They add over 220 staff to CSG's managed services business, primarily in Canberra but also in South Australia, Victoria, Queensland and the Northern Territory. The Contracts and staff which form the bulk of this acquisition are of strategic importance to CSG for renewing and growing the contractual revenue in Canberra and South Australia.

Commenting on the acquisition, CSG Ltd CEO, Denis Mackenzie said "This acquisition goes to the core of CSG's strategic aim to grow long term contracted annuity revenue. The purchase doubles the size of our Managed Services business and catapults CSG into the Canberra and South Australian government markets in Managed Services.

CSG is very happy with the agreement reached with the receivers of Commander and this deal allows for the accelerated return of the initial purchase price whilst giving CSG the opportunity to win more contracts in Canberra and South Australia. There are a number of contracts that expire in June 2009 and CSG is confident that several of them will be renewed with the current customers given the solid relationships the people in the business have with the customers and the excellent performance of Commander/Volante under these contracts."

Mackenzie added, "We are excited by the opportunity this acquisition brings to renewing long term contracts with 7 Federal Government agencies in Canberra and the ability to bid for South Australian Government agency business under the existing panel contract. While this is not guaranteed, the risk to CSG is low given the accelerated cash return of the upfront purchase price."

“Coupled with our recent acquisition of CingleVue this is one of the most exciting acquisitions that we have ever made. The annuity revenue, multi-year contract opportunities this brings to our Managed Services business is significant being well over \$300m in existing tender opportunities.”

CSG expects to conclude the sale process by Friday 31 October on the satisfaction of pre-conditions in the contract signed late yesterday. Both the vendors and CSG are confident these pre-conditions will be met.

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