

2015
2016
ANNUAL REPORT



More than you expect.





More than you expect.

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One Partner. One Bill. One Cloud.

Business Solutions

Everything as a Service underpinned by a single billing, service and finance relationship



Print as a Service

Print as a service solutions that include equipment, parts, consumables and service for a single monthly operating expense.



CSG Total Office

Complete end-user technology bundle including desktop computer, cloud telephony, storage and support for a fixed monthly price.



Communications as a Service

CSG's cloud telephony solution powered by 8x8.



Desktop as a Service

Desktop computer, storage and support solutions.



Boardroom as a Service

Full boardroom package combining Samsung digital display technology with cloud conferencing.



Display as a Service

Large format, cloud displays and desktop monitors.

Enterprise Solutions

Industry centric, cloud-first Managed IT solutions



Private Cloud Platform

Secure, Australian data centre services and on-demand infrastructure for critical business applications.



CSG Marketplace

Simplifying procurement. One place to subscribe, track, manage and view all of your technology services.



Managed Print

Cloud delivered Enterprise Print and Document Management.



End-User Computing

The office that moves with you. Continuous communications and services.



Display Solutions

Intelligent display solutions to improve customer/client engagement.



Cloud Communications

Unlocking your business potential with integrated Cloud Contact Centre and Business Phone Solutions.

Customer Case Study

Global Contact Centre Implementation

Solutions

- ✓ Global Contact Centre implementation in 6 countries
- ✓ 6 call centres mirrored across countries using Virtual Contact Centre and Virtual Office
- ✓ London, Sydney, San Francisco, Toronto, Hong Kong and Auckland
- ✓ 24x7 availability with no downtime between time zones
- ✓ Implemented in 7 weeks with no interruption to service
- ✓ Meets stringent security requirements of financial services business

Benefits to OFX

- ✓ Ability to link multiple call centres in global locations to create a single virtual call centre
- ✓ 24x7 availability and ability to answer calls from anywhere in any time zone
- ✓ 99.99% uptime
- ✓ Cost savings
- ✓ Decreased call waiting times and increased customer satisfaction
- ✓ More transactions per agent taken per day

Brexit Case Study

- ✓ OFX had a 50% increase in calls in the week leading up to Brexit and an 80% increase in calls on the day of Brexit
- ✓ Handled the huge volume of calls with a slight decrease in abandonment rate by 1%
- ✓ Due to the flexibility of Virtual Contact Centre Solution and uptime the customer was able to deal with this huge volume of calls with no service interruption
- ✓ Call volumes remained about 25% to 35% higher for the following two weeks, with no increase in abandoned calls

“With offices and customers all over the world, we needed a communications partner that could scale with our rapid growth and ‘follow the sun service model’ without incurring expensive call charges and maintenance fees.”

Adam Smith, Chief Operating Officer, OFX



New Partnerships

CSG is proud to be working with some new and exciting partners



OneView Healthcare

CSG and OneView will work together to provide innovative technology solutions to the healthcare sector in Australia and New Zealand.

Together we will deliver world leading patient engagement and clinical workflow technology solutions that will make healthcare facilities in Australia and New Zealand more efficient and revolutionise the patient experience.

Oneview Healthcare's innovative Patient Engagement and Clinical Workflow Solution seamlessly integrates a hospital's IT system onto one high performance technology platform. It provides point-of-care access to those systems across all end user devices, including bedside terminal, TV, tablet and smart phone.

Through its services and applications, which include treatment education for patients, entertainment and interactive patient care services, OneView enables hospitals to optimise patient engagement, clinical outcomes and workflow efficiencies - revolutionising the patient experience.

The partnership bolsters CSG's capability in the healthcare segment in line with our strategy to expand our portfolio of non-print products and services.



CodyLive

CSG and CodyLive are partnering with outdoor digital interactive displays to provide the ultimate onsite real estate marketing solutions.

Our Display as a Service business is a major component of our new technology offering and we are delighted to be working with Cody Live in this space.

Cody Live is revolutionising the way real estate is marketed onsite. Cody Live digital boards replace traditional printed real estate signage and enable interactive content and stylish high resolution images and video to present properties in the best possible light.

The display units are stylish, state of the art and provide agents and vendors with a flexible and professional way to market properties





Message from the Chairman



Dear Fellow Shareholders

On behalf of the Directors of CSG Limited, it is with great pleasure that I present CSG's Annual Report for the year ended 30 June 2016.

The highlight for the year was CSG's successful launch of its full suite of global best-of-breed Technology as a Service solutions and our 'One Partner. One Bill. One Cloud' proposition for Small to Medium Enterprises (SMEs).

We are excited at the initial reaction to the SME technology solutions. Our confidence in the value proposition led us to launch a complimentary channel of direct sales people across Melbourne, Sydney and Brisbane. This sales channel will sell Technology as a Service only to new, non-CSG SME customers. As the restraint following the sale of our technology solutions business to NEC expired, FY2016 represented the first year that CSG re-entered the enterprise IT Services sector in Australia. We saw particularly strong momentum in cloud communications solutions where we have partnered with 8x8 Inc. In our traditional print business,

our low market share and unique product & service delivery model allowed us to win new business, despite it being a mature and competitive marketplace. CSG will continue to look to disrupt the traditional sales model in this sector.

From a capital management perspective, in the past year, we again delivered on our objective to return a minimum of \$25 million per annum to shareholders, by way of dividend payments totalling 9 cents per share. The Board has announced its intention to maintain capital return at this level by way of dividend and or buy back of shares over the next year.

In FY2016, we raised \$40.2 million of new equity through an institutional placement and a Share Purchase Plan eligible to all shareholders. The funds raised have been partly used to fund two acquisitions that were completed during FY2016: CodeBlue, a New Zealand-based Managed Services business acquired by CSG in September 2015; and PrintSync, a Western Australian-based print solutions business acquired in May 2016.

Over the past year we spent considerable time implementing a new Long Term Incentive Plan ('LTIP'). This is an equity-based incentive compensation plan that aligns financial incentives for our CEO, Group Executives and key Senior Management with a pragmatic proxy of future changes to shareholder value. Performance hurdles for the new plan include both Total Shareholder Return and Earnings Per Share targets as at August 2017 and each successive year through to August 2020. The

new LTIP will be instrumental in aligning, motivating and rewarding CSG staff to deliver on our growth objectives and they will be extremely well rewarded assuming outstanding long-term performance levels. For 100% of the LTIP to be achieved, management need to grow Earnings per Share at 20% per annum and Total Shareholder Return at 25% per annum. Thank you for your support of this program: shareholders overwhelmingly approved the plan at our annual meeting of shareholders in November 2015, with shareholders in attendance voting 98.6% in favour of the plan.

We would like to thank you for your loyalty and ongoing support as shareholders. I would also like to thank our Managing Director & Chief Executive Officer, Julie-Ann Kerin, my fellow Board members and the entire CSG team for their entrepreneurial drive, initiative, effort and commitment to CSG being a growing provider of technology services in Australia and New Zealand.

I am confident that under the leadership of Julie-Ann and her executive management team, CSG will execute against its ambitious growth plan and deliver earnings growth in FY2017 and beyond.

Thank you for joining us on this exciting journey.

A handwritten signature in purple ink, which appears to read "S. Anstice". The signature is fluid and cursive.

Stephen Anstice

Managing Director's Report



Dear Shareholders

The 2016 financial year has been a successful year for CSG and I am delighted with the progress we have made against our strategic objectives. We achieved solid financial performance, improved profitability, continued to successfully implement key strategic initiatives and laid a strong foundation for our future.

This financial year has been a transition year for CSG and our business continues to successfully evolve into a Technology as a Service provider across both our Business Solutions and Enterprise Solutions divisions. As the restraint following the sale of our technology solutions business to NEC expired in July 2015, we began to prove our execution capability in the technology sector and established good references to further grow our sales in FY17 and beyond.

The financial results were pleasing with all business divisions achieving growth, with particularly strong performance in technology sales across Business Solutions and Enterprise Solutions. Key highlights from the results include a 10% increase in revenue to \$246.6 million, 14% growth in underlying EBITDA to \$38.1 million and 20% growth in underlying NPAT to \$25.6 million. We also reported a 24% growth in our lease receivables book to \$261 million.

OPERATIONAL PERFORMANCE

This year, we successfully executed our strategy to transform CSG into a Technology as a Service provider, with 34% of equipment revenue in Business Solutions Australia derived from technology sales. Across the group, technology equipment revenue grew to 20% of total equipment revenue. We continued to sell technology products and services to our existing customer base, adding 307 new customers with an average equipment deal size of \$62,000.

A key highlight of our success in technology sales for the year was the growth in our Display as a Service offering. This drove large transactions across retail, health care and the real estate vertical markets and has led to us establishing a dedicated sales team for this sector. The notable success we have had in technology sales in Business Solutions demonstrates the capability of our Master Agent channel to successfully sell a diversified product suite to the Small to Medium Enterprise customer. Encouraged by this success, in FY17 we will launch a complementary, direct technology-only sales force in Australia to increase our market penetration, accelerate the sale of our technology bundles and capitalise on our unique value proposition and first mover advantage in our Technology as a Service model.

FY2016 was the first year that CSG re-entered the enterprise managed IT services space. The Enterprise Solutions division in Australia achieved revenue growth of 30% (pcp) through the addition of new Managed Print customers, including a major University and further growth in Queensland education.

Enterprise Solutions won its first Communications as a Service contract in Australia with a global financial services company with a Total Contract Value ("TCV") of \$2.5m over 5 years. This division is also conducting three large pilot solutions for a major retailer, major infrastructure provider and a global mining services business, with a total opportunity of more than 10,000 seats across these customers. Enterprise Solutions also had success selling our Display as a Service offering, partnering with OneView Healthcare for display solutions at a major Australian hospital.

In September 2015, we completed the acquisition of CodeBlue, a New Zealand-based Managed Services business. In May 2016, we acquired PrintSync, a Western Australian-based Canon print solutions business with five offices in the region. The PrintSync acquisition will add approximately 1,200 customers to our Western Australian business and will allow us to sell the compelling range of CSG technology products into this customer base. In line with our previously stated strategy, we will continue to look for bolt-on acquisitions which add either a complimentary customer base or capability to our business.

PRODUCTS AND PARTNERSHIPS

In FY2016, our full suite of Technology as a Service products were released providing customers with an integrated desktop and communication solution including cloud storage, core applications and technical support from CSG. We believe the value proposition for Small to Medium Enterprises is compelling – our customers can source multiple products and solutions from one partner, with one simple monthly bill and access to the latest, best-in-class technology with no capital outlay.

Momentum in our newly launched partnership with 8x8, Inc. has built throughout the half and CSG has now implemented over 1,000 8x8 virtual office seats. 8x8 is one of the fastest growing, leading providers of cloud based unified communications based out of the US. We are pleased with the early success we have had with 8x8 in the Australian market and we look forward to leveraging our relationship with 8x8 and adding value to our customers with their products and solutions.

PEOPLE

We recognise that our people and their diversity are critical to our success. As a growing technology business, employing and retaining the best talent is a key priority and we will continue to invest in the knowledge and skills of our people as our portfolio of solutions expand. I am excited by CSG offering increased career opportunities to our staff as the business continues to grow.

Once again in FY2016, we issued \$1,000 worth of shares to every

employee participating in the Staff Share Incentive Plan. We are pleased with the uptake in the Staff Share Incentive Plan, which is seen to be a key driver in aligning staff performance to the business objectives.

This year, I am pleased to share that we welcome Andrew Eastick to the CSG Executive Team as Chief Operations Executive. Andrew has an extensive background in the express freight & logistics industry. He has held a variety of senior operational & general management roles and worked at three of the leading organisations in the sector including Mayne Nickless, TNT Express and Toll Group. More recently, Andrew has spent the last six years at Toll IPEC as the General Manager of Network Strategy.

We have made significant progress this year and I am energised by the year ahead. There is still some way to go but my leadership team and I are committed to delivering significant growth over the medium to long term.

I would like to take this opportunity to thank my fellow Board members at CSG. The commitment to working with management to achieve our objectives for all stakeholders is unwavering.

I am grateful to you, our shareholders, for your steadfast support and I am looking forward to sharing in this exciting journey.



Julie-Ann Kerin

Our Board



Mr. Stephen Anstice
BA (Economics), Grad. Dip. (SAI)

Non-Executive Chairman
Member, Audit and Risk Committee
Member, Nomination and
Remuneration Committee

Stephen Anstice has over 20 years' experience in the communications industry. Until June 2013, Mr. Anstice was CEO of IPMG Pty Ltd ("IPMG"), a print, digital and marketing communications business. Mr. Anstice also has an extensive background in investment banking. He is currently a Non-Executive Director of IPMG, Audant Investments Limited and The Song Company Limited.

Mr. Anstice has a Bachelor of Arts (Economics) from Macquarie University and a Graduate Diploma from the Securities Institute of Australia.

Appointed 20 August 2014
Appointed Chairman 15 February 2016



Mr. Thomas Cowan
B.Com (Hons)

Non-Executive Director
Former Non-Executive Chairman
Member, Audit and Risk Committee
Chairman, Nomination and
Remuneration Committee

Tom Cowan is a partner of TDM Asset Management, a Sydney based private investment firm. TDM Asset Management invests in public and private companies globally. Mr. Cowan has over 15 years of financial markets experience, including roles in corporate finance and investment banking at Investec Wentworth and KPMG Australia. He has a Bachelor of Commerce (Honours – Class 1) from the University of Sydney.

Mr. Cowan is currently a Non-Executive Director of Baby Bunting Group Limited.

Appointed 8 February 2012
Appointed Chairman 15 August 2012
Ceased Chairman 15 February 2016
Appointed Chairman of
Nomination and Remuneration
Committee 15 February 2016



Ms. Julie-Ann Kerin
AICD

Managing Director

Since Julie-Ann Kerin was appointed as Chief Executive Officer and Managing Director of CSG in 2012, she has established a proven track record of delivering strong growth and significant return to shareholders.

Under Ms. Kerin's leadership, CSG successfully completed the transaction of the sale of the former Technology Solutions Division to NEC Australia in 2012, for \$227.5 million and subsequently returned \$130 million to shareholders over the following three years.

Prior to Ms. Kerin's appointment as CEO, she was the Group-General Manager of the former Technology Solutions division for five years, and achieved revenue growth from \$9m to \$183m.

She has more than 20 years' experience as a senior executive managing both private and public companies across the information technology sector. Prior to joining CSG, Ms. Kerin was responsible for the global management of operations and staff across Asia, the United States, Australia and Europe for a number of organisations. She has also held roles with IT companies Actuate, Haht Commerce, Genasys Inc and Computer Power. Ms. Kerin is a member of the Australian Institute of Company Directors.

Appointed 1 February 2012



Ms. Robin Low

B.Com, FCA, GAICD

Non-Executive Director
Chairman, Audit and Risk Committee

Robin Low was formerly a partner at PricewaterhouseCoopers for over 17 years and has extensive experience in assurance and risk management, particularly in the financial services area.

She is currently a Non-Executive Director of AUB Group Limited, IPH Limited and Appen Limited. Ms. Low is also a member of the Audit and Assurance Standards Board and on the board of a number of not-for-profit organisations including Sydney Medical School Foundation, Public Education Foundation and Primary Ethics.

Ms. Low has a Bachelor of Commerce from The University of New South Wales, is a Fellow of the Institute of Chartered Accountants in Australia and is a Graduate Member of the Australian Institute of Company Directors

Appointed 20 August 2014



Mr. Mark Phillips

B. Com (Hons), M. Com, FAICD

Non-Executive Director
Member, Audit and Risk Committee
Member, Nomination and
Remuneration Committee

Mark Phillips has substantial experience in banking and asset leasing. Mr. Phillips worked at the Commonwealth Bank of Australia for 20 years in various roles involving asset finance, securities and trading markets, property lending and government finance.

Mr. Phillips was formerly Managing Director of Record Investments Limited (Record) and Keybridge Capital Ltd. While Managing Director at Record, the market capitalisation grew from approximately \$100 million to over \$1.5 billion.

Mr. Phillips is currently a Non-Executive Director of General Reinsurance Australia Limited and General Reinsurance Life Australia Limited (a Berkshire Hathaway company) and a Chairman of Cancer Council (NSW).

Mr. Phillips was formerly a Non-Executive Director of Interlink Roads Ltd and ASB Bank Limited in New Zealand.

Mr. Phillips has a Bachelor of Commerce and a Masters of Commerce from the University of New South Wales and is a Fellow of the Australian Institute of Company Directors.

Appointed 20 August 2014

Our Executive Team



Neil Lynch

Chief Financial Officer

Neil Lynch was appointed Chief Financial Officer of CSG in 2012. In the role, Mr. Lynch has been responsible for the merging of CSG Finance in Australia and New Zealand.

Mr. Lynch came to CSG after an 11 year career at Virgin Blue Airlines. As a foundation employee at Virgin Australia, Neil was involved in the development of all aspects of the finance team through several roles with the most recent being General Manager of Finance. Prior to Virgin Australia, Mr. Lynch worked in a variety of finance roles in both private practice and large corporate organisations. Neil is a Chartered Accountant with degrees in both Commerce and Economics from the University of Queensland.



Stephen Birrell

Chief Enterprise Solutions Executive

Stephen Birrell is a proven business leader with over 25 years' experience in the Information Technology, aerospace and Government sectors. His career has included senior executive roles with leading organisations in Australia, the United States, Asia and Europe, including The Boeing Company, BAE Systems and Honeywell Space and Aviation.

Prior to joining CSG in June 2013, Mr. Birrell was the General Manager of NEC Australia's Strategic Business Unit, accountable for achieving strategic growth objectives and business expansion in Asia and the Middle East. Mr. Birrell is a former Officer in the Royal Australian Air Force.



Declan Ramsay

Chief Business Solutions Executive

Declan Ramsay has more than 25 years' experience within the print sector. He has been with CSG since 2006, when he managed and controlled the Xerox Business Centre key accounts as the Major Account Manager before becoming the Brisbane Sales Manager in July 2007, followed by the Queensland General Manager position. In February 2012, Declan was appointed to the role of Regional General Manager for Northern Territory and Queensland. In July 2012, Mr. Ramsay was appointed as the Executive General Manager of CSG Business Solutions Australia. Mr. Ramsay has a strong background in sales and management of highly professional and motivated teams covering all facets of Small to Medium Enterprises including sales, service, financing and marketing.



Warwick Beban

Country Manager, New Zealand

Warwick Beban has been the Executive General Manager of CSG Business Solutions in New Zealand since 2007. With over 15 years' experience in the Document Technology business, Mr. Beban started working with Ubix Document Technology in 1991. During his 10-year career with Ubix he was ultimately promoted to Southern Regional Manager, responsible for the company's operation in the lower North Island and South Island. After five years with Telecom New Zealand as Head of Business and Corporate for Telecom Mobile, Mr. Beban re-joined Konica Minolta as General Manager.

Warwick has a Bachelor of Science Degree and Masters of Science with First Class Honours from Massey University.



Mark Thomas

Chief People Executive

Mark Thomas joined CSG in September 2015 and has over 30 years' experience in commercially focused human resource roles. Mr. Thomas has worked in blue chip and private companies across financial, professional and business services as well as the oil industry. Prior to joining CSG, Mark was the Global Human Capital Leader for Aurecon, responsible for a workforce of 7,500 people across 20 countries.

His significant international experience includes seven years based in London leading a global HR function. Mark holds a Bachelor of Business.



Andrew Eastick

Chief Operations Executive

Andrew is the most recent addition to the Executive Team having joined CSG in October 2016, following 35 years' experience in the Express Freight & Logistics Industry.

Mr. Eastick has held a variety of senior operational & general management roles and worked his way up through three of the leading organisations in the sector – Mayne Nickless, TNT Express and the Toll Group. After completing 22 years of service with TNT Express, culminating in holding the position of Southern Regional Director from 2005 until 2009, Andrew has spent the last six years at Toll IPEC as the General Manager of Network Strategy. The principal responsibilities of that role included the design and execution of operational processes, control of the fleet & materials handling assets, supplier management & procurement, a property portfolio of 60 facilities and the successful design, development & commissioning of two world class freight sorting facilities in Sydney and Melbourne.

Andrew has also served as a Member of the Executive Council at the Victorian Transport Association since 2001.





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Financial Report

Corporate Governance Statement

The Board of CSG Limited (CSG, Board or Company) is committed to protecting shareholders' interests and keeping investors fully informed about the performance of the Company. In doing so, it seeks to ensure the future sustainability of the organisation and create long term value for its shareholders. The Board have established the following processes to protect the interests and assets of shareholders and to ensure high standards of integrity and governance.

In undertaking these responsibilities, the Board has adopted a formal:

- Board Charter
- Audit and Risk Management Committee Charter
- Nomination and Remuneration Committee Charter
- Code of Conduct for Directors and Officers

Further, the Board has also adopted or issued revised policies with respect to:

- Independence and Conflicts of Interest
- Risk Management
- Board Performance Evaluation
- CEO Performance Evaluation
- Continuous Disclosure and External Communications
- Share Trading
- Remuneration
- Diversity

Copies of these charters and policies are available to shareholders on the Company's website (www.csg.com.au/investors) or on request. These documents are not intended to be an exhaustive list of all corporate governance practices in place at CSG.

This Corporate Governance Statement outlines the Company's practices for the year-ended 30 June 2016 and as at the date of this Annual Report. It is referenced against the latest Corporate Governance Principles and Recommendations (3rd Edition)

issued by the ASX Corporate Governance Council, which took effect from 1 July 2014 (Principles and Recommendations). There are eight principles prescribed by the Council and these are reported against below.

Principal 1: Lay solid foundations for management and oversight

1.1 The Board

The Directors of the Company are accountable to shareholders and other stakeholders for the proper management of the business and affairs of the Company. The Board fulfils these obligations by delegating certain business development responsibilities to the Chief Executive Officer (CEO), but retains the following responsibilities as set out in the Board Charter:

- agreeing with the CEO the annual cycle and process for review of strategic plans, including which stakeholders are to be involved and how;
- ensuring that the whole Board is directly involved in the strategic planning and review processes;
- ensuring that strategy development includes proper consideration by the Board and management of associated risks and opportunities;
- ensuring that all approved strategic plans include clear and measurable financial and other objectives;
- requiring that business plans and budgets are prepared and provided to the Board to support the agreed strategic plans;
- monitoring and reviewing the performance of the Company against the agreed strategic plans and goals;
- developing key Company policy; and

- monitoring and evaluating the Executive Management Team's performance.

The Board is responsible for the development of appropriate internal controls to monitor and supervise the implementation of agreed strategies, policies, and the financial and other performance of the Company against approved strategies, budgets and delegations.

The Board delegates responsibility for day-to-day management of the Company to the CEO. The Company has adopted a Delegated Authorities Policy which establishes delegations and approval levels throughout the business. The CEO is responsible for executing the delegations contained in the policy, but must consult the Board on matters that are noted as requiring specific Board approval or are of a sensitive, extraordinary or strategic nature.

The Board has also adopted a CEO Evaluation Policy and a Remuneration Policy to govern the process for evaluating the employees of the Company, including the performance of the CEO and the Executive Management Team.

For the 2016 financial year, the Board measured the CEO and Executive Management Team against an approved corporate scorecard and, where applicable, divisional scorecards. The outcomes of this process are set out in the Remuneration Report.

1.2 Appointment of Directors

In accordance with recommended practice, the Company undertakes a series of character, security and financial checks prior to appointing a candidate to the Board.

The Company also ensures shareholders are provided with all material information in its possession relevant to a decision on whether to elect or re-elect a Director. This is provided by a variety of means, including Director information contained in this Annual Report, the Company website and in the Notice of

Meeting relating to the election or re-election of a Director.

During the financial year, one (1) Director resigned, resulting in a Board of five (5), consisting of four (4) Non-Executive Directors and the CEO.

1.3 Appointment Terms

Each Director and all members of the Executive Management Team have in place written agreements specifying the terms of their engagement, including their roles and responsibilities. Any variations to their initial appointment agreements are also appropriately documented.

Employment agreements for the CEO and Executive Management Team are for unlimited periods but may be terminated by written notice by either party. Details of notice periods relating to these agreements are outlined in the Remuneration Report.

A procedure is also in place for each Director to have the right to seek independent professional advice, at the Company's expense, subject to prior approval from the Chairman.

1.4 Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and its Committees.

The qualifications and experience of the Company Secretary is set out in the Directors' Report.

1.5 Diversity

The Company embraces a Diversity Policy which, consistent with its organisational values and strategic goals, focuses upon gender, ethnicity/culture, disability and flexibility as key levers linked to building a high performing and sustainable organisation. Key principles include:

- facilitating equal employment opportunities based on relative ability, performance and potential;
- building and maintaining an inclusive work environment by taking action against inappropriate workplace and business behaviour (including discrimination, harassment, bullying, victimisation and vilification);
- fostering a diverse workforce by developing an environment of mutual respect, dignity and openness to others;
- seeking to ensure that the

Company's business practices, systems and processes do not prevent people from diverse backgrounds having equality of opportunity within the Company;

- developing flexible work practices to meet the differing needs of our employees at different stages of their life cycle in the context of business requirements;
- attracting and retaining a skilled and diverse workforce;
- attracting and retaining a Board whose composition reflects a diversity of backgrounds, knowledge, experience and abilities; and
- improving the quality of decision-making, productivity and teamwork to meet the relevant requirements of local legislation and the Board and shareholders.

The Company captures a range of indicators for purposes of assessing progress against its policy and for government reporting purposes. At a high level these include:

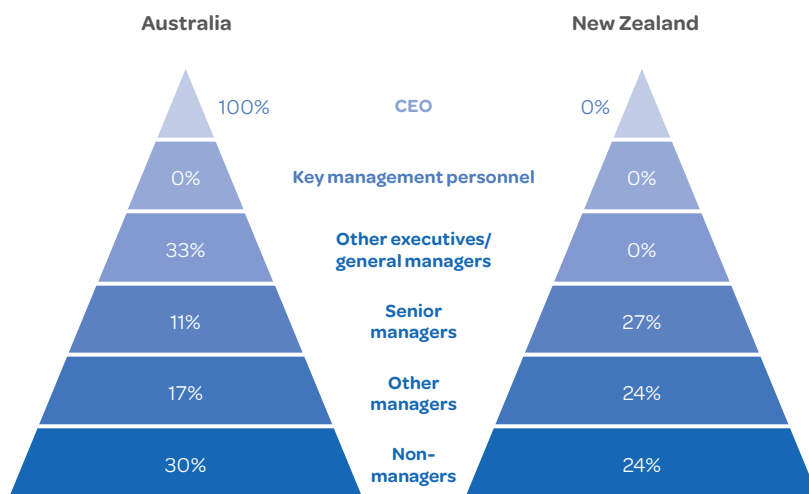
- composition of the Board by gender (currently 40% are female);
- composition of the workforce between full time and part time;
- salary comparisons based on gender; and
- policy development and implementation

Key Indicators	Outcome 2016
Percentage of women in the Executive Management Team and other senior management ⁽¹⁾	23% are female
Percentage of women employed by CSG	25% are female
Complete a diversity audit by 30 June each year	Completed

⁽¹⁾ Under the Diversity Policy, the definition of senior executive positions includes all Executives at CEO level (Level 5), the Executive Management Team (Level 4) and Senior Management (Level 3) as set out in the Company's Remuneration Policy.

The company assessment of gender diversity objectives under the policy are reviewed annually. Below is a summary of the Company's key diversity indicators and gender composition as at May 2016:

Gender Composition of the Workforce (Women):



Gender Composition of Manager level and above: 20.8% are female and 79.2% are male

Gender Composition of workforce overall: 27.9% are female and 72.1% are male.

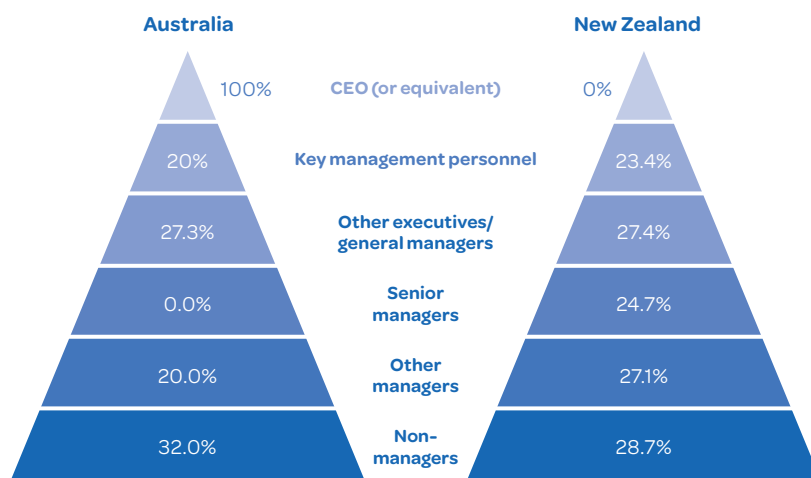
Gender Composition of of Manager level and above: 18.6% are female and 81.4% are male

Gender Composition of workforce overall: 23.7% are female and 76.3% are male.

Compliance:

The Company is a 'relevant employer' for the purposes of the Australia Workplace Gender Equality Act. Our latest report was lodged in May 2016 with the Workplace Gender Equality Agency and can be viewed on their website at www.wgea.gov.au. This Agency complies industry based data for comparison purposes in the form of Gender Equality Indicators. One such indicator used to measure performance is a gender comparison within the Computer System Design and Related Services Industry. This graphic, based on 2014/2015 data, provided the following comparison:

The Company's Diversity Policy and Code of Conduct can be found at www.csg.com.au/investors.

2014/15 Benchmark 1.1: Gender Composition of the Workforce (Women – Australia)

The 2015/16 comparison group benchmark will be released in November 2016.

1.6 Non-Executive Director Evaluation

The Board has adopted a policy in relation to its performance evaluation. The Board carried out a performance evaluation during the 2015 financial year using a self-evaluation questionnaire. The Chairman communicates regularly with Directors individually and collectively on the functioning of the Board and seeks feedback on his own performance as part of these discussions. A standing item is included on the agenda at the end of each Board meeting to encourage Directors to provide regular feedback on the conduct of Board meetings or any other Board business to assist in the continual improvement of Board processes.

The next formal evaluation process will be conducted in the first half of the 2017 financial year. The evaluation will focus on:

- the role of the Board within the business;
- Board composition, skills and application;
- Board procedures and practices; and
- Board culture and behaviour.

1.7 CEO and Executive Evaluations

The Remuneration and Nomination Committee undertakes the process of performance reviews for the CEO and the Executive Management Team as provided under the Remuneration Policy. These reviews are assessed against KPIs set at the start of the financial year and which are both financial and non-financial in nature. Further details of these assessments, including outcomes, can be found in the Remuneration Report

Principle 2: Structure the Board to add value

2.1 Nomination and Remuneration Committee

Following Mr Philip Bullock's resignation during the financial year, the Nomination and Remuneration Committee is chaired by Non-Executive Director, Mr Thomas Cowan. Mr Cowan would not be considered independent due to his partnership in a fund manager which is a substantial security holder in the Company. The Board believe that Mr Cowan's experience as a Non-Executive Director of the Company together with his qualifications and close alignment with security holders make him the most appropriate Director to be Chair of the Nomination and Remuneration Committee. The Board also has an Independence and Conflicts of Interest Policy to manage any potential conflicts arising from the shareholding.

The Nomination and Remuneration Committee operates under a formal charter that clearly sets out its role, responsibilities, composition, structure, membership requirements and the procedures for inviting non-Committee members to attend meetings.

The names of the members of this Committee and their attendance at Committee meetings is set out in the Directors' Report.

The role of this Committee is to support the Board in fulfilling its statutory and fiduciary responsibilities, including

ensuring that there are appropriate processes for items such as Board renewal and succession, assessment of performance and new Director induction and identifying appropriate industry and education programs.

The Nomination and Remuneration Committee Charter is available at www.csg.com.au/investors.

2.2 Board Skills Matrix

The Board has ultimate responsibility for the oversight and review of the management, administration and governance of the Company. Accordingly, the Board has identified the following matrix which it believes captures the key skills and diversity attributes which the Board, as a whole, requires to deliver against its objectives. The Board regularly reviews these attributes and believes it presently possesses this blend of skills and diversity attributes:

- Governance
- Strategy
- Mergers and Acquisitions
- Accounting and Financial
- Banking and finance leasing
- Technology industry experience and expertise
- Customer Service and Delivery
- Risk Management
- Capital Management and Investor Relations

The Directors therefore believe the Board collectively has the necessary skill set to ensure an appropriate and diverse mix of backgrounds,

expertise, experience and qualifications to effectively advise and set the Company's strategic direction and govern on behalf of shareholders.

2.3 Composition of the Board

At the commencement of the 2016 financial year, the Board consisted of six (6) Directors. Mr Philip Bullock, an independent Non-Executive Director, resigned during the year.

The Board currently consists of five (5) Directors, including three (3) independent Non-Executive Directors, one (1) Non-Executive Director and one (1) Executive Director, being the Managing Director and CEO. As a result, the Board consists of a majority of independent Non-Executive Directors.

During the financial year, Mr Stephen Anstice, an independent Non-Executive Director, was appointed as Chairman, replacing Mr Thomas Cowan in that role.

The skills, experience and appointment date of each Director are set out in the Directors' Report.

2.4 Director Independence

Based on the applicable Principles and Recommendations guidelines, to be independent a Director should be a Non Executive and:

- not be a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- not have, within the last three (3) years, been employed in an Executive capacity by the Company or another company within the Group, or been a Director after ceasing to hold any such employment;
- not be a partner, principal or senior employee of a provider of material professional services to a company in the Group;
- not been within the last three (3) years, in a material business relationship (e.g. as a supplier or customer) to a company within the Group, or an officer of, or otherwise associated with, someone with such a relationship;
- not have a material contractual relationship with the Company or another Group company other than as a Director;
- not have close family ties with any person who falls within any of the categories described above; or

- not been a Director of the Company for such period that his or her independence may have been compromised.

During the 2016 financial year, Messrs Stephen Anstice and Mark Phillips and Ms Robin Low were considered by the Board to be independent Non-Executive Directors. As previously noted, Mr Thomas Cowan is not considered independent. The CEO is an Executive Director.

2.5 Chairman Independence

The Chairman, Mr Stephen Anstice, is an independent Non-Executive Director.

2.6 Director Induction and Professional Development

The Nomination and Remuneration Committee has responsibility under its charter for the oversight of the induction of new Directors and on-going professional development. The Committee work with management to introduce a Director to CSG, including its policies and procedures. A program is specifically developed based on the individual Non-Executive Director's role within the Board. The Board skills and previous experiences are considered in developing an appropriate induction program.

Board members are encouraged and assisted to visit CSG work sites, and Board meetings are rotated to various locations as part of this program. Where appropriate, expert advisers, in conjunction with internal expertise, undertake presentations at Board meetings addressing specific elements of the Company's business.

Principle 3: Act Ethically and Responsibly

The Company has developed a Code of Conduct to guide, in particular, the Directors, the CEO, Chief Financial Officer (CFO) and other members of the Executive Management Team in respect of ethical behaviour. The Code of Conduct is designed to maintain confidence in the Company's integrity and the responsibility and accountability of all individuals within the Company for reporting unlawful and unethical practices.

The Code of Conduct addresses such areas as:

- standard of behaviour;
- interests of legitimate stakeholders;
- conflicts of interest;
- use of information or position;
- use of Company property;
- confidentiality;
- fair trading;
- compliance with the law;
- whistle blowing; and
- political contributions and activities.

The Company's Code of Conduct can be found at www.csg.com.au/investors

Principle 4: Safeguard Integrity in Corporate Reporting

4.1 Board Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee which is chaired by independent Non-Executive Director, Ms Robin Low, and operates under a formal charter that clearly sets out the Committee's roles, responsibilities, composition, structure, membership requirements and the procedures for inviting non-Committee members to attend meetings. The Board has not established a separate risk management committee, as the Board has determined that these matters are appropriately addressed by the Audit and Risk Management Committee or the full Board.

The names of the members of the Audit and Risk Management Committee and their attendance at Committee meetings are set out in the Directors' Report.

During the 2016 financial year, the Audit and Risk Management Committee:

- consisted only of Non-Executive Directors;
- had a majority of independent Directors;
- was chaired by an independent chair, who is not the Chairman of the Board; and
- had at least three (3) members.

The Audit and Risk Management Committee provide an independent review of:

- the effectiveness of the accounting and internal control systems and management reporting, which are designed to safeguard Company assets;
- the integrity and reliability of information prepared for use by the Board, including financial information;
- the accounting policies adopted by the Company;
- the quality of the external audit function;
- external auditor's performance and independence as well as considering such matters as replacing the external auditor where and when necessary;
- risk profile and mitigation plans;
- the Company's exposure to significant risks, strategic and operational improvements in risk management planning and implementation; and
- the insurance renewal process, including the appointment of an insurance broker and review of policies.

The charter for the Audit and Risk Management Committee can be found at www.csg.com.au/investors.

4.2 Assurances

The Board receives assurances from the CEO and CFO that the annual declaration provided in accordance with section 295A of the Corporations Act 2001 (Cth) is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received these assurances for the 2016 financial year.

4.3 External Auditor

The external Auditor attends the Annual General Meeting and is available to answer shareholders' questions raised at the Annual General Meeting concerning the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted and auditor independence.

Principle 5: Make timely and balanced disclosure

The Board recognises that the Company, as a publicly listed entity, has an obligation to make timely and balanced disclosure in accordance with the requirements of the ASX Listing Rules and the Corporations Act 2001 (Cth). The Board is also of the view that an appropriately informed shareholder base, and market in general, is essential to an efficient market for the Company's securities. The Board is committed to ensuring that shareholders and the market have timely and balanced disclosure of matters concerning the Company.

The Company has adopted a formal Continuous Disclosure and External Communications Policy to ensure compliance with its continuous disclosure requirements and to allow the market to be appropriately informed of the Company's strategy and performance.

Amongst other matters, this policy requires the immediate notification to the ASX of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities as prescribed under ASX Listing Rule 3.1, except where such information is not required to be disclosed in accordance with the exception provisions of the Listing Rules.

A copy of the policy can be found at www.csg.com.au/investors.

Principle 6: Respect the rights of shareholders

6.1 Communication with Shareholders

The Board recognises that shareholders are the beneficial owners of the Company and respects their rights, and will continually seek ways to assist shareholders in the exercise of those rights.

In accordance with its communication strategy, the Company's website (www.csg.com.au) is considered to be the primary means to provide information to all stakeholders. The website enables information regarding CSG to be accessed in a clear and readable manner, including under the Investors tab:

- biographies of Directors and the Executive Management Team;
- corporate governance charters and policies;
- all announcements and releases to the ASX;
- copies of presentations to shareholders, institutional investors, brokers and analysts;
- any media or other releases;
- all notices of meetings and explanatory material;
- current and prior Annual Reports and similar documents; and
- any other relevant information concerning non-confidential activities of the Company including new business developments.

The Board also recognises that, as owners of the Company, the shareholders may best contribute to the Company's growth, value and prosperity if they are informed. In accordance with the Company's Continuous Disclosure and External Communications Policy, the Board seeks to empower shareholders by:

- communicating effectively with shareholders through periodic disclosure and market briefings;
- enabling shareholders access to balanced and understandable information about the Company, its operations and proposals; and
- assisting shareholders participation in general meetings.

All shareholders are entitled to receive a hard copy of the Company's annual reports upon request. All relevant announcements made to the market are made available on the Company's website after they have been released to the ASX.

6.2 Investor Relations Program

In addition to the Company website, there is a dedicated Investor Relations page contained within the Annual Report which provides shareholders with Company contact details and key dates.

Shareholders can contact the Company by mail at Level 1, 357 Collins Street, Melbourne Victoria 3000 or by email at investor@csg.com.au.

6.3 Participation in Meetings

The Board is committed to assisting shareholders participation in meetings. In particular, the Company requests that a representative of the Company's external auditor be present at all Annual General Meetings and that shareholders have adequate opportunity to ask questions of the auditor at that meeting concerning the audit, preparation and content of the auditor's report.

The next Annual General Meeting of the Company is scheduled for 17 November 2016 in Sydney.

Results of the meeting and any presentations given will be released to the ASX and subsequently available on the Company's website.

6.4 Electronic Communications

The Company has a dedicated investor enquiry email address (investor@csg.com.au). This provides a means by which shareholders and other interested parties can contact the Company and seek information or raise specific questions.

The Company also encourages shareholders to register their email addresses at any time with its Share Registry, Computershare Investor Services Pty Limited, to benefit from the range of communications and services they can provide electronically.

In addition, as a listed company, shareholders can also visit the ASX website (www.asx.com.au) and obtain information, including the current share price, under the ASX code "csg".

Principle 7: Recognise and manage risk

7.1 Responsibility for Risk

The Company is committed to managing its risks in a consistent and practical manner. Effective risk management is directly focussed on the achievement of organisational objectives and helps ensure the business delivers on its strategic goals in alliance with its vision and values.

The Board carries overall responsibility to all stakeholders for the identification, assessment, management and monitoring of the risks faced by the Company and is assisted in this process by the Audit and Risk Management Committee.

7.2 Review Risk Management Framework

The Company has adopted a formal Risk Management Policy which aims to ensure that the Board implements appropriate risk management policies and procedures in order to protect the assets and undertakings of the Company. The approach to risk management and the effectiveness of its implementation is based on, as a minimum, the Australian and New Zealand Standards AS/NZS 31000:2009.

The Board has previously adopted a risk management guideline which is designed to provide a high level overview of key steps within the Company's risk management process and to provide the tools to facilitate risk management across the organisation. The framework enables the identification and documentation of risk across the business by requiring management to:

1. identify the risk;
2. assign the risk to a category;
3. assess the likelihood of a risk;
4. assess the consequences of a risk;
5. apply the risk to the risk matrix; and
6. monitor, review, communicate and consult on the risk.

The Company's risk management process was reviewed in November 2015.

7.3 Internal Audit Function

The Company has not formally adopted an internal audit function at this time. Processes as identified under the Risk Management Policy are undertaken by management and the outcomes of the process are reported to the Audit and Risk Management Committee, capturing key changes, movements and trends since the last report.

7.4 Economic, Environmental and Social Sustainability Risk

The Board, in their Directors' Report, has identified key risks that require management and adoption of mitigation strategies, where it assesses the inherent risks to be unacceptable.

From an environmental perspective, the Company does not require any specific licences to operate the business. Nevertheless, the Company takes a proactive approach in minimising its environmental footprint and seeks to operate its businesses in a sustainable way.

In terms of its social obligations, CSG employs approximately 700 people across its operations in Australia and New Zealand. It monitors the health and well-being of its employees and reports to the Board any serious matters of concern. Under the direction of its People and Culture team, the Company has conducted staff surveys and seeks opportunities to support and assist its employees. An employee assistance program is available to all employees which provides a means by which employees can obtain confidential and independent advice through access to qualified counsellors on a range of work-related or personal issues.

Principal 8: Remunerate fairly and responsibly

8.1 Nomination and Remuneration Committee

The Board's primary remuneration objectives are to motivate Directors and management to pursue the long-term growth and success of the Company within an appropriate control framework and to demonstrate a clear relationship between key Executive performance and remuneration. The Board believes that it is in the interest of all stakeholders in the Company for there to be in place a Remuneration Policy that attracts and retains talented and motivated Directors, managers and employees so as to encourage enhanced performance of the Company.

As noted previously, the Board has an established Nomination and Remuneration Committee that:

- consists of a majority of independent Directors; and
- has three (3) members.

As previously noted, whilst Mr Thomas Cowan, the Chair of the Nomination and Remuneration Committee, is not considered independent (as defined in the Principles and Recommendations), the Board believes that his experience, qualifications and close alignment with security holders make him an appropriate Chairman of the Committee.

Please refer to the Directors' Report for membership and attendance details.

The Committee is responsible for the following, amongst other matters:

- nominating, as required, candidates for the Board to consider for Board membership;
- nominating, as required, candidates for the role of CEO and setting criteria for their appointment and termination;
- setting criteria for Board membership, skill requirements and, subject to the Company's constitution, number of Directors comprising the Board;
- the provision of a Directors' induction and education programme;
- reviewing and making

recommendations to the Board on appropriate remuneration for the Directors, the CEO and the Executive Management Team;

- ensuring that remuneration levels take into account risks involved, demands and time requirements of each role and relevant industry and related benchmarks;
- developing and recommending to the Board remuneration incentive programs such as bonus schemes and company share schemes; and
- developing, maintaining and monitoring appropriate remuneration policies and procedures.

8.2 Remuneration Policy

The Company has adopted a Remuneration Policy, the objective of which is to ensure the reward for performance is competitive and appropriate for the results delivered. The Remuneration Policy details a framework for remuneration to be paid across the Company, from employees to senior executives, including Non-Executive Directors. The Nomination and Remuneration Committee is responsible for developing, maintaining and monitoring the policy.

A copy of the policy is available at www.csg.com.au/investors.

Remuneration paid to Non-Executive Directors is clearly distinguished from that of Executive Directors and senior executives. Please refer to the Remuneration Report for details of remuneration for all Directors and Key Management Personnel.

Whilst it is not mandatory for Non-Executive Directors to hold CSG shares, all current Directors do so and their shareholdings are disclosed via the ASX and the Remuneration Report.

8.3 Equity Based Remuneration

As detailed in the Remuneration Policy, the Company believes equity based remuneration is a critical component in achieving the long term objectives of the Company. To this end it offers a Long Term Incentive Plan (LTIP) to the CEO and certain members of the Executive Management and senior management teams. Details of this LTIP are provided in the Remuneration Report.

In addition, the Company utilises Tax Exempt Share Plans to motivate and encourage performance across the Company generally. Under these plans, eligible employees can be offered the

opportunity to apply for an allocation of \$1,000 worth of CSG shares, subject to the rules that apply under these plans.

To govern these equity opportunities and holdings, the Company has a Share Trading Policy which contains processes to be followed and guides Directors, the CEO, the Executive Management Team and employees on any equities they hold or wish to hold in the Company. A summary of this policy being:

Share Trading Policy

The Company has adopted a formal Share Trading Policy, which applies to Directors, the Company Secretary, all senior executives, Key Management Personnel and employees of the Company and their associates (Officers).

An Officer may not deal in any of the Company's securities at any time if they have Inside Information.

Subject to this restriction, an Officer may trade in securities at any time apart from certain blackout periods, namely:

- in the period between the close of a financial period and the business day after the announcement of results for that period;
- in the five (5) business days prior to and the business day following the Annual General Meeting;
- throughout any price setting period for the dividend reinvestment plan if operable; or
- at any other time the Company nominates.

If they do wish to trade, employees of a senior level must obtain clearance under the policy prior to trading.

All Officers must advise the Company Secretary in writing of the details of completed transactions within specified timeframes following each transaction. Under this policy, participants in equity based plans offered by the Company are not permitted to utilise mechanisms to limit the risk associated with that plan.

The Company Secretary must maintain a register of securities transactions.

The Company must comply with its obligations to notify the ASX in writing of any changes in the holdings of securities or interest in securities by Directors.

Investor Relations

ASX Listing

CSG Limited is listed on the Australian Securities Exchange (ASX) under the trading code "CSV". Find us on the ASX website (asx.com.au) under "CSV".

Shareholder Communications

We are committed to delivering a high level of service to all security holders. Our contact details are:

CSG Limited

Investor Relations
Level 1, 357 Collins Street
Melbourne VIC 3000

Phone: +61 7 3840 1234

Fax: +61 7 3840 1222

Investor@csg.com.au

www.csg.com.au

Annual General Meetings

We hold Annual General Meetings where security holders are able to vote on a range of matters including Non-Executive Director elections, the Remuneration Report and CSG's Financial Report. These meetings also provide security holders with the opportunity to meet the Board and key members of the Executive Management Team.

Our next Annual General Meeting is currently scheduled to be held on Thursday, 17 November 2016 at 1:00pm (AEDT) at The Westin Sydney, 1 Martin Place, Sydney NSW 2000.

Share Registry

If you have queries relating to your security holding or wish to update your personal or payment details, please contact the Share Registry.

CSG Limited

C/- Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001

Phone: +61 1300 850 505

Fax: +61 3 9473 2500

www.computershare.com

Key Dates

Our current key dates are:

Annual General Meeting

Thursday, 17 November 2016

1HY17 Results

Monday, 20 February 2017*

FY17 Results

Friday, 18 August 2017*

**These dates are subject to change without notice.*

The Directors present their report together with the financial report of the consolidated entity consisting of CSG Limited ("CSG" or "the Company") and its subsidiaries ("CSG Group"), for the financial year ended 30 June 2016 and Auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

1. Directors

The qualifications, experience and special responsibilities of each person who has been a Director of the Company at any time during or since the end of the financial year is provided below, together with details of the Company Secretary as at the year end.

Mr. Stephen Anstice

BA (Economics), Grad. Dip. (SAI)

Non-Executive Chairman
Member, Audit and Risk Committee
Member, Nomination and Remuneration Committee

Stephen Anstice has over 20 years' experience in the communications industry. Until June 2013, Mr. Anstice was CEO of IPMG Pty Ltd ("IPMG"), a print, digital and marketing communications business. Mr. Anstice also has an extensive background in investment banking. He is currently a Non-Executive Director of IPMG, Audant Investments Limited and The Song Company Limited.

Mr. Anstice has a Bachelor of Arts (Economics) from Macquarie University and a Graduate Diploma from the Securities Institute of Australia

Appointed 20 August 2014
Appointed Chairman 15 February 2016

Mr. Thomas Cowan

B.Com (Hons)

Non-Executive Director
Former Non-Executive Chairman
Member, Audit and Risk Committee
Chairman, Nomination and Remuneration Committee

Tom Cowan is a partner of TDM Asset Management, a Sydney based private investment firm. TDM Asset Management invests in public and private companies globally. Mr. Cowan has over 15 years of financial markets experience, including roles in corporate finance and investment banking at Investec Wentworth and KPMG Australia. He has a Bachelor of Commerce (Honours – Class 1) from the University of Sydney.

Mr. Cowan is currently a Non-Executive Director of Baby Bunting Group Limited.

Appointed 8 February 2012
Appointed Chairman 15 August 2012
Ceased Chairman 15 February 2016
Appointed Chairman of Nomination and Remuneration Committee 15 February 2016

Ms. Julie-Ann Kerin

AICD

Managing Director

Since Julie-Ann Kerin was appointed as Chief Executive Officer and Managing Director of CSG in 2012, she has established a proven track record of delivering strong growth and significant return to shareholders.

Under Ms. Kerin's leadership, CSG successfully completed the transaction of the sale of the former Technology Solutions Division to NEC Australia in 2012, for \$227.5 million and subsequently returned \$130 million to shareholders over the following three years.

Prior to Ms. Kerin's appointment as CEO, she was the Group-General Manager of the former Technology Solutions division for five years, and achieved revenue growth from \$9m to \$183m.

She has more than 20 years' experience as a senior executive managing both private and public companies across the information technology sector. Prior to joining CSG, Ms. Kerin was responsible for the global management of operations and staff across Asia, the United States, Australia and Europe for a number of organisations. She has also held roles with IT companies Actuate, Haht Commerce, Genasys Inc and Computer Power. Ms. Kerin is a member of the Australian Institute of Company Directors.

Appointed 1 February 2012

Ms. Robin Low

B.Com, FCA, GAICD

Non-Executive Director
Chairman, Audit and Risk Committee

Robin Low was formerly a partner at PricewaterhouseCoopers for over 17 years and has extensive experience in assurance and risk management, particularly in the financial services area.

She is currently a Non-Executive Director of AUB Group Limited, IPH Limited and Appen Limited. Ms. Low is also a member of the Audit and Assurance Standards Board and on the board of a number of not-for-profit organisations including Sydney Medical School Foundation, Public Education Foundation and Primary Ethics.

Ms. Low has a Bachelor of Commerce from The University of New South Wales, is a Fellow of the Institute of Chartered Accountants in Australia and is a Graduate Member of the Australian Institute of Company Directors.

Appointed 20 August 2014

Mr. Mark Phillips

B. Com (Hons), M. Com, FAICD

Non-Executive Director
Member, Audit and Risk Committee
Member, Nomination and
Remuneration Committee

Mark Phillips has substantial experience in banking and asset leasing. Mr. Phillips worked at the Commonwealth Bank of Australia for 20 years in various roles involving asset finance, securities and trading markets, property lending and government finance.

Mr. Phillips was formerly Managing Director of Record Investments Limited (Record) and Keybridge Capital Ltd. While Managing Director at Record, the market capitalisation grew from approximately \$100 million to over \$1.5 billion.

Mr. Phillips is currently a Non-Executive Director of General Reinsurance Australia Limited and General Reinsurance Life Australia Limited (a Berkshire Hathaway company) and a Non-Executive Director of Cancer Council (NSW).

Mr. Phillips was formerly a Non-Executive Director of Interlink Roads Ltd and ASB Bank Limited in New Zealand.

Mr. Phillips has a Bachelor of Commerce and a Masters of Commerce from the University of New South Wales and is a Fellow of the Australian Institute of Company Directors.

Appointed 20 August 2014

Mr. Philip Bullock

BA, Dip Ed, MBA, GAICD

Non-Executive Director
Former Chairman, Nomination and
Remuneration Committee
Member, Audit and Risk Committee

Appointed a Director of CSG in August 2009, Mr. Bullock was formerly Vice President, Systems and Technology Group, IBM Asia Pacific, Shanghai, China. Prior to that position he was Managing Director of IBM Australia and New Zealand. His IBM career spanned almost 30 years in the Asia Pacific region.

Mr. Bullock is a Non-Executive Director of Perpetual Limited and Hills Limited, and was previously a Non-Executive Director of Healthscope Limited. Over the years he has served on a number of Federal Government bodies, most notably as the Chair of Skills Australia.

Appointed 1 August 2009

Ceased 19 November 2015

2. Company Secretary

Nicole Allder

LLB

Company Secretary

Nicole Allder has an extensive background in company secretariat, corporate governance and corporate restructuring for both private and ASX listed public groups. Ms. Allder joined CSG in December 2015, having previously held positions as Deputy Company Secretary and Legal Counsel at the Virgin Australia Group. Prior to that, Ms. Allder held the role of Legal Counsel at BHP Billiton.

Ms. Allder is a member of the Governance Institute of Australia and holds a Bachelor of Laws from Queensland University of Technology.

Appointed 1 December 2015

3. Directors' Meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director Name	Board Meeting		Audit & Risk Committee		Nomination & Remuneration Committee	
	Meetings Held ⁽ⁱ⁾	Meetings Attended	Meetings Held ⁽ⁱ⁾	Meetings Attended	Meetings Held ⁽ⁱ⁾	Meetings Attended
Current						
Mr. Stephen Anstice	17	17	5	5 ⁽ⁱⁱ⁾	5	5
Mr. Thomas Cowan	17	17	5	5	5	5
Mr. Mark Phillips	17	17	5	5	5	5 ⁽ⁱⁱⁱ⁾
Ms. Robin Low	17	17	5	5	-	-
Ms. Julie-Ann Kerin	17	17	5	5 ^(iv)	5	5 ^(iv)
Former						
Mr. Philip Bullock	7	7	3	3	3	3

(i) Number of meetings held during the time the Director held office or was a member of the relevant committee during the financial year.

(ii) Mr. Stephen Anstice attended three (3) meetings by invitation and two (2) meetings as a member.

(iii) Mr. Mark Phillips attended three (3) meetings by invitation and two (2) meetings as a member.

(iv) Ms. Julie-Ann Kerin attended by invitation.

In addition to the above meetings, the Directors' held two (2) meetings by circular resolution.

In addition to the above meetings, a committee of the Board comprising of Mr. Thomas Cowan, Ms. Robin Low and Ms. Julie-Ann Kerin met on two (2) occasions for the purposes of approving the 2015 Full Year Financial Statements and the 2016 Half Year Financial Statements.

4. Principal Activities

The principal activities of the CSG Group during the financial year were print and business technology solutions in Australia and New Zealand supported by in-house equipment financing.

There have been no significant changes in the nature of the activities of the CSG Group during the financial year.

5. Operating and Financial Review

1. Operations overview

CSG is a leading Technology as a Service provider in Australia and New Zealand, supported by an in-house equipment financing business.

CSG is the largest non-manufacturer of print and business technology solutions in the Australia and New Zealand market, and has a national sales and service footprint in both countries. CSG services more than 20,000 customers ranging from Small-to-Medium Enterprises ("SMEs"), through to large corporate, government and commercial customers. CSG has developed a unique product suite to deliver a single source technology solution to of all its customers, regardless of size.

In the Australian and New Zealand markets, CSG works closely with a number of major business partners (including Canon, Konica Minolta, Samsung, HP, 8x8 and FaceMe) to deliver a brand agnostic, end-to-end product and service offering which is unique. In New Zealand CSG is one of the largest suppliers of print and technology sales and services to SMEs, corporate and government customers following the acquisition of CodeBlue in FY2016.

A key differentiator for CSG is the breadth and quality of the service it provides to its customers in addition to a single monthly subscription billing relationship. Premium service combined with efficient financing and high quality technical advice

is paramount to the CSG value proposition. As the only listed company of size and scale that can provide sales, service and support access in Australia and New Zealand, CSG truly differentiates itself from the manufacturers, office supply and technology retailers, integrators, equipment finance providers and independent dealers, with whom it competes.

CSG currently employs approximately 700 staff in 38 locations across Australia and New Zealand. CSG has a commitment to diversity and recognising & rewarding its staff. CSG strives to achieve above industry standard benchmarks for workforce productivity, whilst delivering the highest level of staff satisfaction.

2. Review of Group Operations

CSG expanded its product and service offering in FY2016 to better meet the evolving needs of its customers. Increasing reliance on technology has resulted in SMEs and larger organisations alike to look for technology providers capable of delivering a single point of contact for their entire office technology needs. CSG's full-spectrum product offering delivers this, and gives a clear value proposition to its broad customer base. The Company creates genuine value for its customers by providing a one-stop total business solutions offering, saving the customer their most valued assets: time and money.

Key operational achievements for CSG in FY2016 included:

- First implementations of Total Office bundle (on a 60-month term) in Business Solutions, proving execution capability;
- Won a number of Communications as a Service contracts (8x8), sold in Australia and delivered globally;
- Significant success selling Display as a Service across retail, healthcare and real-estate vertical markets;
- First transaction in health vertical with Oneview Healthcare for Display solutions at a major Australian hospital;
- Commenced the roll-out of innovative, cloud-based Print as a Service contract at Monash University;

- Technology sales represented 34% of equipment sales in Business Solutions Australia and 20% of total group equipment sales in FY2016; and
- Achieved in the field Net Promoter Score¹ (NPS) score of 48.8

3. Review of Group Financial Performance²

The Board was pleased that the business again achieved solid growth in underlying EBITDA during the 2016 financial year. During the year, CSG delivered on a number of key initiatives that have now positioned CSG for continued revenue growth, as well as improved profitability over the medium term.

Key highlights from the results include:

- Total revenue increased by 10% to \$246.6m;
- Underlying EBITDA increased by 14% to \$38.1m;
- Reported NPAT increased by 27% to \$18.2m;
- Underlying NPAT before customer contract amortisation increased by 20% to \$25.6m; and
- Solid conversion of underlying EBITDA to operating cash flow (excluding the investment in lease receivables and non-recurring items) with conversion of greater than 100% in the second half and 70% over the year.

Operating Performance

The Board measures the performance of the business using Underlying EBITDA after taking into account all non-recurring or one off items. This is an unaudited measure which is reconciled to the audited Net Profit After Tax ("NPAT") in the table opposite.

a. Revenue

Group revenue grew by 10% to \$246.6m during FY2016. This was driven by:

- New customer sales growth in Australia and New Zealand. Revenue from newly acquired customers as a proportion of total revenue in Business Solutions was 24% across both regions;
- Strong uptake in technology products with technology sales representing 34% of total equipment sales in Business Solutions Australia in FY2016 (7% in FY2015);

¹ Net promoter score is a method of measuring customers' 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.

² Figures contained in the "Review of Group Financial Performance" are unaudited.

	FY16 \$m
Revenue from continuing operations	246.6
NPAT	18.2
Add Tax	7.1
Add Depreciation and Amortisation	6.1
Add Interest expense/ (income)	1.5
EBITDA	32.9
Add Non-recurring items	
1. LTIP/Employee Share Plan	1.9
2. Deferred consideration & legal	1.1
3. Stamp Duty on Acquisition	1.2
4. Transaction advisory costs	1.0
Underlying EBITDA	38.1

- Addition of new Managed Print and Communications as a Service contracts in Enterprise Solutions; and
- Finance Solutions revenue growth driven by growth of Lease Receivables by 24% to \$260.8m.

b. Expenses

Management has sustained tight controls over expenditures to deliver a slight increase in Underlying EBITDA margin from 14.9% to 15.5%. Key drivers of this improvement were:

- Total expenses (excluding depreciation and amortisation) grew by 9% year on year compared to a 10% increase in revenue;
- Non-COGS related costs (excluding share based payments) increased by 7% year on year compared to 10% growth in group revenue; and

Figures contained in the "Review of Group Financial Performance" are unaudited.

- Borrowing costs in Finance Solutions continues to benefit from the low interest rate environment in delivering 50% gross margin.

Customer contract amortisation has increased from \$2.3m in FY2015 to \$3.1m due to acquisitions completed during the year.

	1H15	2H15	FY15	1H16	2H16	FY16
EBITDA (underlying)	15.4	18.1	33.5	17.3	20.8	38.1
Operating cash flow (reported)	(19.1)	(0.2)	(19.3)	(25.0)	(7.4)	(32.4)
+ tax paid	3.0	1.8	4.8	1.8	1.6	3.4
+ net interest paid	0.6	0.9	1.5	0.7	0.8	1.5
+ non-recurring cash items	0.2	1.0	1.2	2.2	1.7	3.9
+ change in lease receivables	27.1	14.7	41.8	26.1	24.1	50.2
<i>Ungeared pre-tax cash flow</i>	11.8	18.2	30.0	5.8	20.8	26.6
Profit to cash conversion	77%	102%	90%	34%	100%	70%

4. Review of Group Financial Position

CSG has a closing cash balance of \$14.5m, after dividend distributions of \$27.0m were made during the year. Included in closing cash balance is an amount of \$6.5m held in restricted cash accounts under the terms of the CSG Finance Solutions debt facilities (refer note 6).

Lease receivables in the Finance Solutions business have grown to \$260.8m (\$210.0m in FY2015) with 84% funded by associated debt (89% in FY2015). The majority of this growth has been due to the continued expansion of the Australian operations.

In the four years since the commencement of the Restructuring Plan in July 2012, total capital returned to Shareholders including the current final dividend is now \$177m (56 cents per share).

5. Divisional Review

a. Business Solutions

CSG Business Solutions provides the sales, support, service and financing of print and business technology equipment to more than 20,000 SME customers across Australia and New Zealand. CSG's scale, national presence and significant brand partnerships gives it the flexibility to service businesses of any size and in any location across Australia and New Zealand.

SMEs have traditionally relied on up to 15 separate suppliers for a variety of business and print equipment requirements, each with separate billing, leasing and service relationships.

CSG Business Solutions delivers significant time savings and improved cash flow management to customers through the provision of centralised ordering for all business technology through a single billing system and finance relationship. This offering is currently unique to the market in

Australia and New Zealand. The CSG "Technology as a Service" product suite is currently comprised of the following offerings:

- Print as a Service – Print solutions that include equipment, parts, consumables and service for a single monthly operating expense
- CSG Total Office – Complete end-user technology bundle including desktop computer, cloud telephony, storage and support for a fixed monthly price
- Communications as a Service – CSG's cloud telephony solution powered by 8x8
- Desktop as a Service – Desktop computer, storage and support solutions
- Boardroom as a Service – Full boardroom package combining Samsung digital display technology with cloud conferencing
- Display as a Service – Large format, cloud displays and desktop monitors

Through the CSG Marketplace, CSG customers are able to subscribe to technology services and manage their IT requirements on a single platform. The Marketplace provides 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).

Together, the CSG customer Marketplace and product suite provides a number of significant benefits to CSG Business Solutions customers:

- Multiple vendors replaced with one invoice;
- Predictable cash flow through monthly subscription payments;

- No large capital outlay – equipment fully financed by CSG;
- Proven best of breed technology;
- Easily scalable in line with customers' needs; and
- Single point of technical support (Level 1 / 2).

It is anticipated that earnings growth in FY2017 will be driven by a number of key initiatives, including:

- Further penetration of existing print customer base with technology products and services;
- Increased sales leads by improving online presence and marketing CSG Business Solutions as a full service IT organisation;
- Growth in Monthly Recurring Revenue through selling subscription based Technology bundles;
- Building on our success in display business by launching a dedicated display sales team;
- Launching a direct sales channel in Australia to target new, non-CSG customers and hence grow the customer base;
- Growing print market share by using technology products to penetrate other print vendors' customer bases;
- Leveraging the internal IT platform to deliver improved customer service, increased productivity in service and operations and focused marketing initiatives; and
- Leveraging the relationship and high quality profile and reputation of leading, global business partners including Canon, Konica Minolta, Samsung, 8x8 and HP.

b. Enterprise Solutions

CSG Enterprise Solutions provides managed services based print and technology solutions to enterprise, education and government customers in Australia and New Zealand. In Australia, CSG is the only national, brand agnostic provider of print solutions in the market, and in New Zealand, the Group operates a well-established and market leading business through its partnership with Konica Minolta. Following the sale of the Technology Solutions business to NEC in July 2012, the Enterprise Solutions business had been restrained from competing in the IT sector. That restraint ended on 3 July 2015 in Australia and FY2016 was the

first year of operations in the IT Services sector in Australia for Enterprise Solutions.

The same product suite that is the platform for the delivery of "Technology as a Service" in the Business Solutions business delivers a robust and scalable platform in enterprise for IT managed services. The Enterprise Solutions product suite is currently comprised of the following offerings:

- Private Cloud Platform – Secure, Australian data centre services & on-demand infrastructure for critical business applications
- CSG Marketplace – Simplified procurement solution with one place to subscribe, track, manage and view all of your technology services
- Managed Print – Cloud delivered enterprise print & document management
- End-User Computing – Desktop solutions that deliver mobile communications and end-user computing
- Display Solutions – Intelligent display solutions to improve customer/client engagement
- Cloud Communications – Integrated cloud contact centre & business phone solutions

During FY2016, CSG successfully leveraged a number of competitive advantages to grow the division in Australia and New Zealand. These include:

- Being the only print and business technology provider with a national service and sales team in Australia and New Zealand;
- Providing a level of assurance to government customers by being ASX listed and therefore compliant to ASX reporting and regulatory standards;
- Leveraging the expertise of an internal financing capability to develop innovative and flexible solutions for Enterprise customers;
- Possessing the ability to sell, install, service and repair all major multi-function device brands in Australia, and leverage Konica Minolta's strong support and presence in the New Zealand market; and
- Having the scale to be able to service customers of all sizes.

Enterprise Solutions made good progress in FY2016, adding a number of new Managed Print customers, including a major University and further growth in Queensland education. CSG also signed a partnership with Oneview Healthcare and installed solutions at a major Australian hospital. The Company also launched a Cloud Communications business and successfully deployed for several major customers.

It is anticipated that earnings growth will be driven in FY2017 by a number of key initiatives, including:

- Building on existing Enterprise Managed Print customer base to add additional managed services;
- Continuing focus on growing the cloud communications business including converting three pilots to long term agreements;
- Continuing to build Enterprise IT business pipeline with vertical market approach;
- Developing new channels and partnerships for Cloud Marketplace via a private label model;
- Developing deep vertical market opportunities around display solutions and cloud software platform; and
- Leveraging growth from government panels.

c. Finance Solutions

CSG Finance Solutions is a specialist service provider of lease and rental products for print and business technology assets sold and serviced by CSG in both Australia and New Zealand. The book is driven by 95% conversion of customers, including government, corporate and commercial businesses across both regions.

CSG's finance business is well managed with strong performance, driven by bad debts of less than 0.5% and strong returns on equity of 46% in 1H FY2016 and 44% in 2H FY2016. Overall, Leasing Receivables grew 24% to \$260.8m in FY2016.

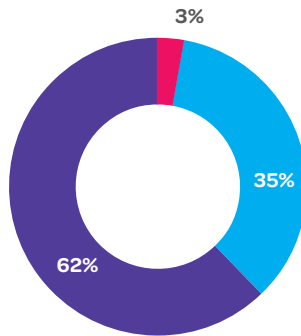
CSG Finance is a critical element in enabling the Business Solutions business to be able to deliver bundled “Technology as a Service” offerings and also to be able to finance the equipment component of large enterprise contracts. Growth targets for this division include:

- Continuing to support the current print business in both the existing customer and the targeting of new customers;
- Increasing penetration into Enterprise Solutions customer base; and
- Supporting the growth of the “Technology as a Service” product suite.

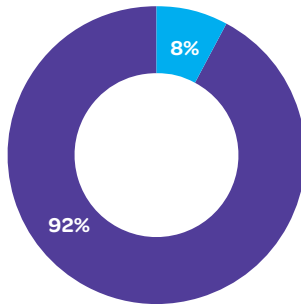
6. Market sizing

a. Print

The current market size for sales and service of multifunction devices in Australia and New Zealand is estimated at \$2.5 billion. CSG currently captures 8% of that market in Australia and New Zealand.



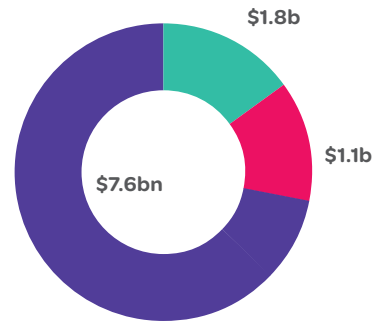
- Dealer sales
- Direct sales
- Distributor sales



- CSG
- Rest of market

b. Technology

The business-to-business technology products and service market is valued at \$10.5 billion. Management believe that, given the size of these markets, CSG is well positioned to capitalise on its growth strategies to establish itself as the market leading, end-to-end business technology provider.



- Computers and software
- Software as a Service
- Unified communications technology

1. Sources: IBISWorld Industry Report Computer and Software Retailing in Australia; Constellation Research Unified Communication Trends; Forrester Software-as-a-service in ANZ; IBISWorld Industry Report Stationary Goods Retailing; IDC

2. Sources: IBISWorld Industry Report Computer and Software Retailing in Australia; Constellation Research Unified Communication Trends; Forrester Software-as-a-service in ANZ; IBISWorld Industry Report Stationary Goods Retailing; IDC

7. Risk Management

Corporate Governance

The Board of CSG Limited believes that a strong corporate governance framework will underpin our growth in a company. CSG's corporate governance policies and practices are set out in the Corporate Governance Statement.

CSG has identified the following at risk areas and mitigating procedures:

Principal Risk Area – Innovation

Inability to optimise full value of innovation opportunities in services, products, processes and commercial solutions to support growth opportunities.

Risk Management Approach

CSG has a proactive growth strategy that combines leadership, partnerships and continual review.

Principal Risk Area – Foreign Exchange

Revenue from non-Australian operations is denominated primarily in New Zealand Dollars (NZD) and equipment purchases for New Zealand operations are primarily in US Dollars (USD). Fluctuations in foreign currency exchange rates may result in corresponding movements in revenues and earnings.

Risk Management Approach

Currency risk is hedged in accordance with treasury risk policy. The treasury risk policy aims to manage the impact of short-term fluctuations in CSG's earnings. Derivative financial instruments (forward exchange contracts and options) are used to hedge exposure to fluctuations in foreign exchange rates. Over the longer term, permanent changes in market rates will have an impact on earnings.

Principal Risk Area – Interest Rate

The CSG Group has both corporate and operational debt facilities. Movements in interest rates could have an adverse impact on cash flows and operating results.

Risk Management Approach

To minimise interest rate risk between the fixed rate assets and variable rate liabilities, management uses interest rate swaps to broadly match fixed rate assets to floating rate liabilities

Principal Risk Area – Availability of Debt

CSG's finance divisions in Australia and New Zealand provide rental and lease products to customers. These businesses are sensitive to credit cost and market liquidity. Should there be any disruptions in the credit markets or changes in the procurement of credit there could be a reduction in the availability of credit or an increase in the cost of sources of funding

Risk Management Approach

Credit indicators and market conditions are monitored on a regular basis by management. CSG has also recently completed the refinancing of the majority of facilities to extend their term. Refinement of the funding structure is an ongoing process. External expert advice is also sought to keep abreast of market developments.

Principal Risk Area – Key Suppliers

CSG's key suppliers are Canon, Konica Minolta, Samsung, 8x8 and HP who supply the majority of inventory. It is critical to maintain relationships

Risk Management Approach

CSG has maintained a long term relationship with a majority of these suppliers. These relationships are managed carefully by CSG's executive team and the Board through long term contracts under commercial terms.

Principal Risk Area – Key Personnel

CSG's continued success is highly dependent upon the efforts of the executive team and other key employees including sales professionals. The retention of these skilled personnel is critical.

Risk Management Approach

CSG has in place a Long Term Incentive Plan for executive personnel and other key management, including the key sales team, a key criterion for eligibility being continued employment.

There is a share based plan for all other employees across Australia and New Zealand.

Principal Risk Area – Competition

The Company's business is susceptible to competition in the markets in which the Company operates. Additionally, competitive pricing strategies and demands from high value clients seeking preferred supplier agreements, may impact on the Company's profit margins and profit share.

Risk Management Approach

The risk is mitigated by a large diversified client base with multi-year agreements in place reducing the impact of pricing strategies and demands from any one customer.

6. Remuneration Report

Dear Shareholder

On behalf of your Board, I am pleased to present CSG's 2016 Remuneration Report which sets out remuneration information for the Chief Executive Officer ("CEO"), the Group Executive, Non-Executive Directors and the broader employee group.

The Board recognises that the performance of CSG depends on the quality and motivation of its people, including both the Group Executives and the approximate 700 employees across Australia and New Zealand. CSG's remuneration strategy seeks to appropriately reward, incentivise and retain high performing employees at all levels.

Core to CSG's remuneration philosophy is a continued focus on creating a culture where executive, senior management and other employees' contributions are all aligned to the interests of shareholders. For Group Executives and Senior Management this is achieved via an equity based Long Term Incentive Plan and for general employees a Tax Exempt Share Plan. Both plans are linked to Company performance.

At the November 2012 Annual General Meeting, the shareholders approved a three stage multi-year Long Term Incentive Plan ("LTIP") for 2013-2015 for our key executives with hurdles based upon growth in the share price and vesting to occur on the second, third and fourth anniversary of the offer date. Given the continued strong performance of the Company over the life of this

plan we were pleased to advise that these executives exceeded the hurdles for Stage 2 (which vested on 30/11/15). Share price hurdles have also been achieved for Stage 3 (which vests on 30/11/16 subject to scheme rules). Since the inception of this Executive LTIP, shareholders have seen strong Total Shareholder Returns as outlined in Section 10.1.

Based upon the success of the 2013-2015 LTIP, shareholders approved a new LTIP for 2016-2020 at the Annual General Meeting in November 2015 to apply to the CEO, Group Executives and key Senior Management. Performance hurdles for the new plan include both Total Shareholder Return and Earnings Per Share targets as at August 2017 and each successive year through to August 2020. The vesting points are 2018, 2019 and 2020 respectively.

In 2012, the Board also introduced a Staff Incentive Share Plan for all employees, which offered eligible employees in Australia and New Zealand AUD \$1,000 worth of CSG shares on a tax free basis. These shares have been subsequently issued annually (subject to the satisfactory performance of the Company and Board approval). To date, we have issued approximately 1,113,000 shares to our employees and we are pleased to report that in FY 2016 over 95% of eligible employees participated in this plan.

The CEO and Group Executive, made the decision to forfeit all STI's for FY2016 given internal financial targets were not met. The Nominations and Remuneration Committee commends the

Executive for their decision and demonstrating their commitment to aligning their personal interests with those of shareholders.

Thank you for reviewing the 2016 Remuneration Report. The Board is confident that CSG's remuneration practices are well designed to help best drive outstanding employee and executive performance. It is this performance that is required to execute our business strategy and create sustainable shareholder value.

Yours sincerely



Tom Cowan

Chairman, Nomination and Remuneration Committee

This report covers the Key Management Personnel ("KMP") of CSG. KMP are employees with authority and responsibility for planning, directing and controlling the activities of large business units that can materially affect the performance of the CSG Group. As such the KMP as at 30 June 2016 are:

- all persons who have held the position of Director of CSG Limited during the financial year;
- Julie-Ann Kerin, CEO/Managing Director;
- Neil Lynch, Chief Financial Officer ("CFO");
- Stephen Birrell, Chief Enterprise Solutions Executive;
- Declan Ramsay, Chief Business Solutions Executive;
- Warwick Beban, Country Manager, New Zealand; and
- Mark Thomas, Chief People Executive.

7. Remuneration Governance

The policy for determining the nature and amount of remuneration of Directors and Group Executives is agreed by the Board. The Board has established a Nomination and Remuneration Committee ("N&R Committee"), which is responsible for the following:

- reviewing and recommending to the Board the appropriate remuneration of the CEO, members of the Group Executive and Non-Executive Directors;
- ensuring that remuneration levels take into account risks involved, demands and time requirements of each role and relevant industry and related benchmarks;
- developing and recommending to the Board remuneration incentive programs such as bonus schemes and group share schemes;
- developing, maintaining and monitoring appropriate remuneration policies and procedures;
- ensuring that the structure of Non-Executive and Executive Directors' remuneration is clearly distinguished;
- ensuring that equity based Group Executive remuneration is paid in accordance with thresholds set out in plans as disclosed or approved by shareholders; and
- reviewing and approving appropriate disclosures to be included in the Company's annual report regarding the N&R Committee, its activities and performance.

The Board obtains professional advice where necessary to ensure that the Company attracts and retains talented and motivated employees and Non-Executive Directors who can enhance company performance through their contributions and leadership.

8. Remuneration Objectives, Policy and Practice

The Board, with assistance from the N&R Committee, is ultimately responsible for ensuring that CSG's Remuneration Policy is consistent with the business strategy and performance, supporting increased shareholder wealth over the long term.

The objective of the Remuneration Policy is to ensure the reward for performance is competitive and appropriate for the results delivered.

The Remuneration Policy details a framework for remuneration to be paid across the Company, from employees to Group Executives, including Non-Executive Directors, which includes a mix of fixed and variable remuneration, and short-term and long-term performance based indicators.

Fixed remuneration

- Fixed remuneration is determined according to industry standards, relevant laws and regulations, labour market conditions and the profitability of the CSG business. It consists of base remuneration and superannuation. Base remuneration includes cash salary and any salary sacrifice items (e.g. motor vehicles).
- CSG provides employer superannuation contributions at Government legislated rates (2016: 9.5% in Australia and 3% in New Zealand), capped at the relevant concessional contribution limit unless part of a salary sacrifice election by the employee.
- The Board determines an appropriate level of fixed remuneration for the CEO and Group Executives, with recommendations from the N&R Committee.
- Fixed remuneration for the CEO and Group Executives effective 1 July 2016 has been capped for the period FY2016-FY2020 in recognition of their participation in the 2016-2020 LTI Plan.

Short-Term Incentives

For 2016 the Corporate Scorecard was based on the following targets:

Category	Target	Weighting
Financial (60%)	Achieve EBITDA Targets	25%
	Achieve revenue growth within target	10%
	Ensure cash targets are achieved	25%
Non-Financial (40%)	Successful integration of all acquisitions	15%
	Improve Net Promoter scoring for customer engagement	7.5%
	Implementation of Customer Hub across Australia & NZ	7.5%
	Achievement of NZ objectives	5%
	Board reporting	5%

To encourage and reward Management for extraordinary performance there is an overachievement attached to the EBITDA target that will result in that component being paid at the percentage of the overachievement multiplied by the KPI weighting.

Divisional Scorecards are established for Group Executives and Senior Managers which are linked to business performance, for which they are directly responsible. The STI payment is based on the following percentage framework:

CEO/MD & CFO:
100% Corporate Scorecard

Executive General Managers:
50% Corporate Scorecard/ 50% Divisional Scorecard

Senior Managers:
30% Corporate Scorecard/ 70% Divisional Scorecard.

From time to time, other entitlements in addition to the STI may be provided to Group Executives to reward performance that is considered exceptional in terms of shareholder return or Company performance. These entitlements are approved at the discretion of the N&R Committee.

Long-Term Incentives

- While STI rewards past performance, the Board considers it essential that the Group Executive and other Management (together the "Senior Executives") have reward incentives linked to longer-term Company performance and to value creation for shareholders.
- Following approval by the Shareholders at the 2012 Annual General Meeting, the CEO and Senior Executives were issued with performance rights under the 2013-2015 Executive LTIP (LTIP Issues 5,

6, 7 & 8). Each performance right represents an option to receive one ordinary share in the Company, subject to the satisfaction of the relevant vesting conditions. The share price hurdle for the final stage of this Plan has been met and will vest in November 2016 subject to scheme rules.

- At the 2015 Annual General Meeting, Shareholders approved a LTIP that is to apply to certain employees, including the CEO and Senior Executives. At that meeting, Shareholders also approved the issue of performance rights to the CEO under the LTIP for the period FY2016-2020. The Board is currently reviewing the specific details of the LTIP and proposed allocations for the Senior Executives for FY2016-2020. It is expected that this review will be finalised in early FY17, following which the performance rights will be offered to the CEO and Senior Executives. It is intended that the offers to the Senior Executives will be in accordance with the approval obtained from Shareholders for the issue of performance rights to the CEO, namely:

- Participants to be allocated performance rights that will convert to ordinary shares in the Company, subject to achievement of performance hurdles and vesting conditions;
- The performance hurdles will be based on a 50/50 weighting of Total Shareholder Return and Earnings per Share, and will be tested in August of 2017, 2018, 2019 and 2020; and

- Subject to the rules of the plan, the performance rights will vest in August 2018, August 2019 and August 2020.

- As appropriate, where employees are promoted or new Senior Executives are appointed they are offered participation in the LTIP after 12 months satisfactory service with the Company, consistent with the existing plan and with the same hurdles.
- It is expected that participants maintain a meaningful amount of Company equity, further linking the alignment of Executives to shareholder goals.
- During the 2015 year, the Company issued performance rights to certain Sales Agents. These performance rights have a vesting date of 1 July 2017, subject to continued service. These Sales Agents are a key component of the Company's sales force, and their commitment and retention is seen as critical to achieving the Company's future growth strategy.

Long Term Incentive Plans

Performance rights

Details regarding performance rights on issue during the year are listed in the table overleaf.

LTIP	Opening	Issued	Lapsed	Exercised	Closing
Issue 5	3,238,095	-	-	(1,904,762)	1,333,333
Issue 6	606,061	-	-	(606,061)	-
Issue 7	6,821,569	-	(204,000)	(3,848,662)	2,768,907
Issue 8	622,088	-	(466,333)	-	155,755
Total	11,287,813	-	(670,333)	(6,359,485)	4,257,995

Plan	Detail																				
LTIP 5	<p>The CEO was granted performance rights in the 2013 financial year under LTIP 5. The terms of the grant were:</p> <table border="1"> <thead> <tr> <th></th> <th>Share Price⁽¹⁾</th> <th>TSR CAGR</th> <th>Vesting Date</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>LTI Stage 1</td> <td>>\$0.75</td> <td>31.5%</td> <td>30/11/14</td> <td>30/11/15</td> </tr> <tr> <td>LTI Stage 2</td> <td>>\$1.05</td> <td>33.6%</td> <td>30/11/15</td> <td>30/11/16</td> </tr> <tr> <td>LTI Stage 3</td> <td>>\$1.50</td> <td>35.4%</td> <td>30/11/16</td> <td>30/11/17</td> </tr> </tbody> </table> <p>⁽¹⁾ Share price means the volume weighted average price of the Company's ordinary shares on the ASX for a period of 4 weeks plus any cash dividends paid or capital return from February 2013 onwards minus \$0.13.</p> <p>The structure of the LTIP was formulated in early 2012 upon appointment of the CEO, and was subsequently approved by the shareholders at the Annual General Meeting in November 2012. The Performance Rights have 2, 3 and 4 year vesting periods with vesting dates on the third and fourth anniversaries of the approval date remaining. LTIP 5 has a zero exercise price.</p>		Share Price ⁽¹⁾	TSR CAGR	Vesting Date	Expiry Date	LTI Stage 1	>\$0.75	31.5%	30/11/14	30/11/15	LTI Stage 2	>\$1.05	33.6%	30/11/15	30/11/16	LTI Stage 3	>\$1.50	35.4%	30/11/16	30/11/17
	Share Price ⁽¹⁾	TSR CAGR	Vesting Date	Expiry Date																	
LTI Stage 1	>\$0.75	31.5%	30/11/14	30/11/15																	
LTI Stage 2	>\$1.05	33.6%	30/11/15	30/11/16																	
LTI Stage 3	>\$1.50	35.4%	30/11/16	30/11/17																	
LTIP 6	<p>The CEO was granted performance rights in the 2013 financial year under LTIP 6 as part of a retention arrangement following the sale of the Technology Solutions business. The terms of the grant were:</p> <ul style="list-style-type: none"> issued on 28 June 2013 and the rights vest on 1 August 2015; the participant must be employed by the CSG Group throughout the retention period; and the expiry date for exercise of vested rights is 1 December 2015 <p>LTIP 6 has a zero exercise price.</p> <p>These performance rights vested on 1 August 2015 and the CEO was subsequently issued with 606,061 ordinary shares on 4 August 2015.</p>																				
LTIP 7	<p>Certain Group Executives and Senior Managers were granted performance rights in the 2013 financial year under LTIP 7. The terms of the grant were:</p> <table border="1"> <thead> <tr> <th></th> <th>Share Price⁽¹⁾</th> <th>TSR CAGR</th> <th>Vesting Date</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>LTI Stage 1</td> <td>>\$0.75</td> <td>31.5%</td> <td>30/11/14</td> <td>30/11/15</td> </tr> <tr> <td>LTI Stage 2</td> <td>>\$1.05</td> <td>33.6%</td> <td>30/11/15</td> <td>30/11/16</td> </tr> <tr> <td>LTI Stage 3</td> <td>>\$1.50</td> <td>35.4%</td> <td>30/11/16</td> <td>30/11/17</td> </tr> </tbody> </table> <p>⁽¹⁾ Share price means the volume weighted average price of the Company's ordinary shares on the ASX for a period of 4 weeks plus any cash dividends paid or capital return from February 2013 onwards minus \$0.13.</p> <p>The structure of the LTIP was formulated in early 2012 upon appointment of the CEO (together with LTIP 5 and 6), and was subsequently approved by the shareholders at the Annual General Meeting in November 2012. The Performance Rights have 2, 3 and 4 year vesting periods with vesting dates on the third and fourth anniversaries of the approval date remaining. LTIP 7 has a zero exercise price.</p> <p>During the year further issues were made under the plan as employees were promoted or new executives were appointed. These issues equated to the number that had lapsed during the year due to termination of employment.</p>		Share Price ⁽¹⁾	TSR CAGR	Vesting Date	Expiry Date	LTI Stage 1	>\$0.75	31.5%	30/11/14	30/11/15	LTI Stage 2	>\$1.05	33.6%	30/11/15	30/11/16	LTI Stage 3	>\$1.50	35.4%	30/11/16	30/11/17
	Share Price ⁽¹⁾	TSR CAGR	Vesting Date	Expiry Date																	
LTI Stage 1	>\$0.75	31.5%	30/11/14	30/11/15																	
LTI Stage 2	>\$1.05	33.6%	30/11/15	30/11/16																	
LTI Stage 3	>\$1.50	35.4%	30/11/16	30/11/17																	
LTIP 8	<p>Certain Group Executives and Senior Managers were granted performance rights in the 2015 financial year under LTIP 8. The terms of the grant were:</p> <table border="1"> <thead> <tr> <th></th> <th>Share Price⁽¹⁾</th> <th>TSR CAGR</th> <th>Vesting Date</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>LTI Stage 2</td> <td>>\$1.05</td> <td>33.6%</td> <td>30/11/15</td> <td>30/11/16</td> </tr> <tr> <td>LTI Stage 3</td> <td>>\$1.50</td> <td>35.4%</td> <td>30/11/16</td> <td>30/11/17</td> </tr> </tbody> </table> <p>⁽¹⁾ Share price means the volume weighted average price of the Company's ordinary shares on the ASX for a period of 4 weeks plus any cash dividends paid or capital return from February 2013 onwards minus \$0.13.</p> <p>The structure of the LTIP was based on that formulated in early 2012 upon appointment of the CEO, with some variation, as appropriate, to the testing period to reflect the Group Executives and Senior Managers start date or promotion.</p>		Share Price ⁽¹⁾	TSR CAGR	Vesting Date	Expiry Date	LTI Stage 2	>\$1.05	33.6%	30/11/15	30/11/16	LTI Stage 3	>\$1.50	35.4%	30/11/16	30/11/17					
	Share Price ⁽¹⁾	TSR CAGR	Vesting Date	Expiry Date																	
LTI Stage 2	>\$1.05	33.6%	30/11/15	30/11/16																	
LTI Stage 3	>\$1.50	35.4%	30/11/16	30/11/17																	

Staff Incentive Share Plans

There are two Staff Incentive Share Plans that were approved at the 2012 and 2015 Annual General Meetings to assist the Company to recruit, reward, retain and to generate increased engagement in its employees that are not part of the Executive LTIP. Both have been implemented and are listed below:

1. The CSG Tax Exempt Share Plan (Australia) ("AUS Tax Exempt Plan") in which eligible employees were offered up to AUD\$1,000 worth of ordinary shares in the Company on a tax free basis. These shares are held in a trust and are subject to a three year holding lock. No consideration is payable by participants for the grant of ordinary shares and there are no additional vesting conditions or forfeiture conditions in respect of the plan other than that required by law.
2. The CSG Tax Exempt Share Plan (New Zealand) ("NZ Tax Exempt Plan") in which eligible employees were offered up to (AUD)\$ 1,000 worth of ordinary shares in the company on a tax free basis. These shares are held in a trust and are subject to a three year holding lock. Nominal consideration (\$NZD1.00) was payable for the grant of ordinary shares and there are no additional vesting conditions or forfeiture conditions in respect of the plan other than that required by law.

The Board approved a further issue under the above Staff Incentive Share Plans in FY2016 in accordance with each Plan's rules.

9. Non-Executive Director Remuneration

The available remuneration pool for Non-Executive Directors, as approved at the 2014 Annual General Meeting, is \$600,000 (all inclusive). There is no intention to seek an increase at this year's Annual General Meeting.

The table below summarises the rates for the various roles. Key points to note are:

- The Chairman is paid an all-inclusive fee regardless of Committee positions;
- Board members are currently paid a base fee plus additional fees for each Committee Chair (see table below for fee structure); and
- Superannuation is paid as required on fees at the statutory rates (9.50% for the 2016 financial year).

Non-Executive Directors remuneration fees (inclusive of superannuation) effective from 1 July 2015 are set out below:

2015/16	Board	Audit and Risk Committee	Nomination & Remuneration Committee
Chairman	\$140,000	\$19,163	\$19,163
Member	\$71,175	-	-

10. Link to 2016 Financial Year Performance

10.1 Company Performance

The table below provides summary information on the Company's earnings and shareholder wealth for the current year and prior years:

	2016	2015	2014	2013	2012
Revenue (\$m)	246.6	224.3	199.3	184.6	202.8
Net profit/(loss) after tax (\$m)	18.2	14.3	12.1	8.7	(22.2)
Share price (\$)	1.49	1.60	1.03	0.94	0.79
Change in share price (\$)	(0.11)	0.57	0.09	0.15	(0.21)
Dividends paid (\$)	0.09	0.09	0.04	0.29	0.055
Total Shareholder Return (TSR)	(1%)	64%	14%	56%	(16%)
Earnings per Share (cents)	5.8	5.1	4.3	3.1	(7.9)

10.2 STI Outcomes

The CEO and Group Executive, made the decision to forfeit all STI's for FY2016 given internal financial targets were not met. The Nominations and Remuneration Committee commends the Executive for their decision and demonstrating their commitment to aligning their personal interests with those of shareholders.

10.3 LTI Outcomes

The movement in performance rights under previous LTIP during the year ended 30 June 2016 is summarised below:

LTIP	Opening	Issued	Lapsed	Exercised	Closing
Issue 5	3,238,095	-	-	(1,904,762)	1,333,333
Issue 6	606,061	-	-	(606,061)	-
Issue 7	6,821,569	-	(204,000)	(3,848,662)	2,768,907
Issue 8	622,088	-	(466,333)	-	155,755
Total	11,287,813	-	(670,333)	(6,359,485)	4,257,995

11. Remuneration Tables and Disclosures

11.1 Directors' Remuneration

	Cash, Salary and Fees	STI and Other Fees	Termination Payments	Post-employment Super	LTI	TOTAL	Performance Related %
2016							
<i>Non-Executive Directors</i>							
Mr. Thomas Cowan ⁽ⁱ⁾	121,377	-	-	-	-	121,377	-
Mr. Philip Bullock ⁽ⁱⁱ⁾	32,098	-	-	3,049	-	35,147	-
Mr. Mark Phillips	65,000	-	-	6,175	-	71,175	-
Mr. Stephen Anstice ⁽ⁱⁱⁱ⁾	92,716	-	-	8,808	-	101,524	-
Ms. Robin Low	82,500	-	-	7,838	-	90,338	-
Total	393,691	-	-	25,870	-	419,561	-
<i>Executive Directors</i>							
Ms. Julie-Ann Kerin	615,545	-	-	25,000	358,772	999,317	36%
Total	1,009,236	-	-	50,870	358,772	1,418,878	25%

(i) Resigned as Chairman on 15 February 2016. Remained Non-Executive Director

(ii) Resigned 19 November 2015

(iii) Appointed as Chairman on 15 February 2016

	Cash, Salary and Fees	STI and Other Fees	Termination Payments	Post-employment Super	LTI	TOTAL	Performance Related %
2015							
<i>Non-Executive Directors</i>							
Mr. Thomas Cowan ⁽ⁱ⁾	149,946	-	-	-	-	149,946	-
Mr. Philip Bullock	80,500	-	-	7,647	-	88,147	-
Mr. Ian Kew	27,926	-	-	2,653	-	30,579	-
Mr. Mark Phillips	52,278	-	-	4,966	-	57,244	-
Mr. Stephen Anstice	52,278	-	-	4,966	-	57,244	-
Ms. Robin Low	69,560	-	-	6,608	-	76,168	-
Total	432,488	-	-	26,840	-	459,328	-
<i>Executive Directors</i>							
Ms. Julie-Ann Kerin	590,510	199,400	-	25,000	867,893	1,682,803	63%
Total	1,022,998	199,400	-	51,840	867,893	2,142,131	50%

(i) Note: salary is inclusive of all entitlements.

11.2 Executive Group Remuneration

	Cash, Salary and Fees	STI	Termination Payments	Post-employment Super	LTI	Total	Performance Related %
2016							
Mr. Neil Lynch	367,435	-	-	19,177	138,825	525,437	26%
Mr. Mark Thomas ⁽ⁱ⁾	245,769	-	-	16,454	-	262,223	-
Mr. Warwick Beban	276,158	-	-	-	69,412	345,570	20%
Mr. Declan Ramsay	400,000	-	-	19,177	120,853	540,030	22%
Mr. Stephen Birrell	400,000	-	-	19,177	138,825	558,002	25%
Mr. Shailendra Singh ⁽ⁱⁱ⁾	51,054	-	97,514	2,820	-	151,388	-
Total	1,740,416	-	97,514	76,805	467,915	2,382,650	20%

(i) Commenced employment 7 September 2015

(ii) Ceased employment on 12 August 2015.

	Cash, Salary and Fees	STI	Termination Payments	Post-employment Super	LTI	Total	Performance Related %
2015							
Mr. Neil Lynch	314,225	149,550	-	18,780	347,157	829,712	60%
Mr. Duncan Powell ⁽ⁱ⁾	3,750	-	90,191	4,696	-	98,637	N/A
Mr. Warwick Beban	293,791	44,138	-	-	173,579	511,508	55%
Mr. Declan Ramsay	296,538	164,850	-	18,783	217,491	697,662	54%
Mr. Stephen Birrell	400,000	89,025	-	18,783	347,157	854,965	51%
Mr. Shailendra Singh ⁽ⁱⁱ⁾	200,026	37,387	-	11,583	99,691	348,687	39%
Total	1,508,330	484,950	90,191	72,625	1,185,075	3,341,171	50%

(i) Resigned 3 July 2014.

(ii) Commenced 10 December 2014. Ceased employment on 12 August 2015.

11.3 LTIP Issue 5, 6, 7 & 8 – Options & Performance Rights

All Performance Rights refer to rights over ordinary shares of CSG Limited, which are exercisable on a one-for-one basis under various plans. Performance rights are provided at no cost to the recipients. Non-Executive Directors are not entitled to participate in LTI plans.

	Date Granted	Balance at Beginning of Year	Granted in Year	Vested	Forfeited in Year	Balance at End of Year
2016						
Ms. Julie-Ann Kerin	28/6/2013	3,844,156	-	(2,510,823)	-	1,333,333
Mr. Neil Lynch	28/6/2013	1,295,238	-	(761,905)	-	533,333
Mr. Warwick Beban	28/6/2013	647,619	-	(380,952)	-	266,667
Mr. Declan Ramsay	28/6/2013 & 30/12/2014	744,762	-	(438,095)	-	306,667
Mr. Stephen Birrell	28/6/2013	1,295,238	-	(761,905)	-	533,333
Mr. Shailendra Singh ⁽ⁱ⁾	30/12/2014	433,000	-	-	(433,000)	-
Total		8,260,013	-	(4,853,680)	(433,000)	2,973,333

(i) Ceased employment 12 August 2015.

	Date Granted	Balance at Beginning of Year	Granted in Year	Vested	Forfeited in Year	Balance at End of Year
2015						
Ms. Julie-Ann Kerin	28/6/2013	5,177,489	-	(1,333,333)	-	3,844,156
Mr. Neil Lynch	28/6/2013	1,828,571	-	(533,333)	-	1,295,238
Mr. Duncan Powell ⁽ⁱ⁾	28/6/2013	1,828,571	-	(533,333)	(1,295,238)	-
Mr. Warwick Beban	28/6/2013	914,286	-	(266,667)	-	647,619
Mr. Declan Ramsay	28/6/2013 & 30/12/2014	914,286	97,143	(266,667)	-	744,762
Mr. Stephen Birrell	28/6/2013	1,828,571	-	(533,333)	-	1,295,238
Mr. Shailendra Singh ⁽ⁱ⁾	30/12/2014	-	433,000	-	-	433,000
Total		12,491,774	530,143	(3,466,666)	(1,295,238)	8,260,013

(i) Commenced 10 December 2014. Ceased employment 12 August 2015.

	Fair Value per Right at Grant Date	Exercise Price per Right	% Vested in Year (a)	% Lapsed in Year (a)	Value of Rights Granted in Year (b)	Value of Rights Held in Year (b)	Value of Rights Vested in Year (c)	Value of Rights Lapsed in Year (c)	Financial Years in which Grant Vests	Expiry Date
	\$	\$	%	%	\$	\$	\$	\$		
2016										
Ms. Julie-Ann Kerin ⁽ⁱ⁾	0.6649	1.700	100	-	-	-	1,030,304	-	2016	30/11/2015
	0.5451	1.685	100	-	-	177,821	3,209,524	-	2016	30/11/2016
	0.4646	-	-	-	-	180,951	-	-	2017	30/11/2017
Total						358,772	4,239,828			
Mr. Neil Lynch	0.5451	1.685	100	-	-	71,129	1,283,810	-	2016	30/11/2016
	0.4646	-	-	-	-	67,696	-	-	2017	30/11/2017
Total						138,825	1,283,810			
Mr. Warwick Beban	0.5451	1.685	100	-	-	35,564	641,904	-	2016	30/11/2016
	0.4646	-	-	-	-	33,848	-	-	2017	30/11/2017
Total						69,412	641,904			
Mr. Declan Ramsay	0.5451	1.685	100	-	-	35,564	641,904	-	2016	30/11/2016
	0.4646	-	-	-	-	33,848	-	-	2017	30/11/2017
	1.11	1.685	100	-	-	28,726	96,286	-	2016	30/11/2016
	0.88	-	-	-	-	22,714	-	-	2017	30/11/2017
Total						120,852	738,190			
Mr. Stephen Birrell	0.5451	1.685	100	-	-	71,129	1,283,810	-	2016	30/11/2016
	0.4646	-	-	-	-	67,696	-	-	2017	30/11/2017
Total						138,825	1,283,810			
Mr. Shailendra Singh	0.88	1.595	-	100	-	-	-	690,635	2017	30/11/2017
Total								690,635		

(i) Excluding retention rights.

Details of the performance criteria attached to each of the performance rights are included in the LTI discussion above and in Note 23 to the financial statements. No performance rights have been granted since the end of the financial year.

- The percent forfeited and lapsed in the year represents the reduction from the maximum number of options available to vest due to the performance or conditions not being achieved.
- Fair value is independently determined utilising a Monte Carlo simulation model which allows for the incorporation of performance hurdles that must be met before the performance right vests. The valuation is undertaken in a risk-neutral framework whilst allowing for variables such as volatility, dividends, the risk free rate, the withdrawal rate and performance hurdles along with constants such as the strike price, term and vesting periods.
- The value of options that lapsed or were forfeited during the year represents the benefit foregone and was calculated as the number of options at the date the options lapsed or were forfeited, multiplied by the fair value of the options calculated independently at the date the options lapsed or were forfeited but assuming the vesting conditions were satisfied.

12. Service Agreements

	Expiry	Termination Notice	Termination Payment
<i>Executive Director</i>			
Ms. Julie-Ann Kerin	N/A	6 months	6 months
<i>Group Executive</i>			
Mr. Neil Lynch	N/A	6 months	6 months
Mr. Warwick Beban	N/A	3 months	3 months
Mr. Declan Ramsay	N/A	3 months	3 months
Mr. Stephen Birrell	N/A	3 months	6 months
Mr. Mark Thomas	N/A	3 months	3 months

13. Key Management Personnel's Interests

The KMP's relevant interests in ordinary shares of the Company as at 30 June 2016 and as at reporting date are detailed below.

	Opening Balance	Purchases	Received on Exercise of Performance Rights	Sales	Ceased as KMP/Director	Ordinary shares of CSG
Mr. Thomas Cowan ⁽¹⁾	19,924,622	-	-	-	-	19,924,622
Mr. Phillip Bullock	60,000	10,563	-	-	(70,563)	-
Mr. Stephen Anstice	140,000	10,563	-	-	-	150,563
Mr. Mark Phillips	60,000	15,563	-	-	-	75,563
Ms. Robin Low	46,362	21,213	-	-	-	67,575
Ms. Julie-Ann Kerin	133,333	-	2,510,823	(1,644,156)	-	1,000,000
Mr. Neil Lynch	33,333	-	761,905	(500,000)	-	295,238
Mr. Mark Thomas	-	-	-	-	-	-
Mr. Warwick Beban	266,667	-	380,952	(300,000)	-	347,619
Mr. Declan Ramsay	-	-	438,095	(438,095)	-	-
Mr. Stephen Birrell	33,333	-	761,905	(380,000)	-	415,238
	20,697,650	57,902	4,853,680	(3,262,251)	(70,563)	22,276,418

(1) Mr. Thomas Cowan is a partner in TDM Asset Management (TDM). TDM has a direct interest in the shares held by its clients by virtue of the control it exercises in relation to the shares under its investment management arrangements with clients. TDM and its clients hold in aggregate 19,924,622 shares at 30 June 2016.

14. Transactions with Key Management Personnel

The Group used the corporate advisory services of TDM Asset Management, a firm which Mr. Thomas Cowan is a partner of, during the year for the total amount of \$120,000. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

During the financial year, the companies in the Group entered into agreements in respect of the purchase of print and technology products and services on normal commercial terms and conditions with related entities of the Directors

15. Environmental Regulation

The CSG Group's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

16. Proceedings on Behalf of the Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

17. State of Affairs

There have been no significant changes in the CSG Group's state of affairs during the financial year.

18. Dividends

The dividends paid or declared since the start of the year are as follows:

Total Dividends

Consolidated entity		
	2016 \$'000	2015 \$'000
Current year interim:	12,763	11,365
Unfranked dividends of 4 cents per share paid 9 March 2016		
Current year final:	14,238	14,238
Dividends declared* at 5 cents per share (2015: Unfranked dividends of 5 cents per share paid 8 September 2015)		
Total Dividends	27,001	25,603

* Unfranked dividends of 5 cents per share was declared and approved on 15 August 2016 for a payment date of 7 September 2016, refer to item 23.

19. Likely Developments

The CSG Group will continue to pursue its policy of increasing the profitability and market share of its business units during the next financial year. Refer to the Operational and Financial Review for further details.

20. Indemnification and Insurance of Directors and Officers

During the financial year, the consolidated entity has paid a premium amounting to \$174,750 insuring all the directors and the officers against judgments, settlements, investigative costs, defence costs and costs to appear at inquiries or investigations.

21. Directors' Interests in Contracts

Directors' interests in contracts are disclosed in Note 28 to the financial statements.

22. Non-Audit Services

Non-audit services are approved by resolution of the Audit and Risk Management Committee and approval is provided in writing to the Board. Non-audit services provided by the auditors of the Group during the year, KPMG, are detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Other Services	2016 \$	2015 \$
Other assurance, taxation and due diligence services	431,615	98,659

23. Events Subsequent to Reporting Date

Unfranked dividends of 5 cents per share were declared and approved by the Directors on 15 August 2016 for a payment date of 7 September 2016.

24. Auditor's Independence Declaration

The lead auditor's independence declaration in relation to the audit for the financial year is set out on page 46 of this report.

25. Rounding of Amounts

The CSG Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Class Order, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors.



Ms. Julie-Ann Kerin

Director

Sydney
15 August 2016



Auditor's Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To: the directors of CSG Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Scott Guse

Scott Guse
Partner

Sydney
15 August 2016



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Financial
Statements

Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 June 2016

		Consolidated entity	
	Notes	2016 \$'000	2015 \$'000
Sales revenue	7	213,128	193,161
Finance lease interest income		25,801	23,636
Interest income		86	111
Other income	7	7,605	7,382
		246,620	224,290
Changes in inventories of finished goods	8	119,060	105,899
Finance lease interest expense		12,894	11,697
Marketing expenses		2,986	2,360
Occupancy expenses		6,160	5,571
Administration expenses		24,515	23,073
Employee benefits expenses		40,744	41,936
Share based transactions		2,189	3,804
Acquisition and integration related expenses		989	540
Other expenses	8	4,141	685
Depreciation and amortization	8	6,088	4,518
Finance costs	8	1,609	1,599
		221,375	201,682
Profit before income tax		25,245	22,608
Income tax (expense)	9	(7,083)	(8,295)
Profit from continuing operations		18,162	14,313
Profit is attributable to:			
Members of the parent		17,452	13,572
Non-controlling interest		710	741
		18,162	14,313
Profit after income tax expense		18,162	14,313
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations, net of tax	24	3,285	(2,283)
Cash flow hedges:			
Net gains / (losses) taken to equity	24	(1,339)	(2,260)
Other comprehensive income for the year		1,946	(4,543)
Total comprehensive income for the year		20,108	9,770
Total profit and loss and other comprehensive income is attributable to:			
Members of the Parent		19,398	9,029
Non-controlling interest		710	741
		20,108	9,770
Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:			
Basic earnings per share (cents)	30	5.8	5.1
Diluted earnings per share (cents)	30	5.7	4.8

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 30 June 2016

	Notes	Consolidated entity	
		2016 \$'000	2015 \$'000
CURRENT ASSETS			
Cash and cash equivalents	11	14,455	24,754
Receivables	12	34,739	25,762
Lease receivables	12	82,295	67,598
Inventories	13	50,077	41,592
Other	14	7,928	6,574
Derivatives	15	-	915
TOTAL CURRENT ASSETS		189,494	167,195
NON CURRENT ASSETS			
Lease receivables	12	178,479	142,444
Property, plant and equipment	16	2,582	1,936
Intangible assets	17	222,977	193,658
TOTAL NON CURRENT ASSETS		404,038	338,038
TOTAL ASSETS		593,532	505,233
CURRENT LIABILITIES			
Payables	18	47,809	43,235
Deferred income		604	95
Deferred consideration	27	608	-
Short term borrowings	19	8,620	10,131
Current tax payable		111	515
Provisions	22	3,686	3,325
Debt associated with lease receivables	20	-	617
TOTAL CURRENT LIABILITIES		61,438	57,918
NON CURRENT LIABILITIES			
Provisions	22	645	545
Deferred consideration	27	9,383	-
Derivatives	21	4,655	2,441
Deferred Tax Liability	9	9,397	3,435
Debt associated with lease receivables	20	219,260	187,149
TOTAL NON CURRENT LIABILITIES		243,340	193,570
TOTAL LIABILITIES		304,778	251,488
NET ASSETS		288,754	253,745
EQUITY			
Contributed equity	23	207,623	164,193
Reserves	24	5,905	5,487
Retained earnings	24	61,219	70,768
Equity attributable to owners of CSG Limited		274,747	240,448
Non-Controlling interest		14,007	13,297
TOTAL EQUITY		288,754	253,745

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity for the year ended 30 June 2016

Consolidated entity	Contributed Equity	Reserves	Cashflow Hedge Reserve	Retained Earnings	Non-controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2014	160,838	8,878	213	82,527	12,556	265,012
Profit for the year	-	-	-	13,572	741	14,313
Exchange differences on translation of foreign operations, net of tax	-	(2,283)	-	-	-	(2,283)
Cash flow hedges	-	-	(2,260)	-	-	(2,260)
Total comprehensive income for the year	-	(2,283)	(2,260)	13,572	741	9,770
Transactions with owners in their capacity as owners:						
Equity settled transactions	3,463	939	-	-	-	4,402
Capital distribution	-	-	-	(25,331)	-	(25,331)
Capital raising costs net of deferred tax	(108)	-	-	-	-	(108)
Balance as at 30 June 2015	164,193	7,534	(2,047)	70,768	13,297	253,745
Balance as at 1 July 2015	164,193	7,534	(2,047)	70,768	13,297	253,745
Profit for the year	-	-	-	17,452	710	18,162
Exchange differences on translation of foreign operations, net of tax	-	3,285	-	-	-	3,285
Cash flow hedges:						
Net gains / (losses) taken to equity	-	-	(1,339)	-	-	(1,339)
Net gains / (losses) taken to profit and loss	-	-	247	-	-	247
Total comprehensive income for the year	-	3,285	(1,092)	17,452	710	20,355
Transactions with owners in their capacity as owners:						
Equity settled transactions	44,202	(1,775)	-	-	-	42,427
Dividends paid	-	-	-	(27,001)	-	(27,001)
Capital raising costs net of deferred tax	(772)	-	-	-	-	(772)
Balance as at 30 June 2016	207,623	9,044	(3,139)	61,219	14,007	288,754

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows for the year ended 30 June 2016

	Notes	Consolidated entity	
		2016 \$'000	2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		262,527	243,086
Payments to suppliers, employees and others		(241,457)	(214,447)
Movement in lease receivables		(48,586)	(41,774)
Interest income		86	111
Interest expense		(1,608)	(1,454)
Income tax paid		(3,407)	(4,773)
Net cash from/(used in) operating activities	25(a)	(32,445)	(19,251)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for intangibles		(4,427)	(3,946)
Payments for property, plant and equipment		(507)	(1,117)
Proceeds from the sale of property, plant and equipment		-	-
Payments for businesses		(16,971)	(11,506)
Net cash from/(used in) investing activities		(21,905)	(16,569)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings associated with lease receivables		32,041	49,436
Options exercised		-	320
Proceeds from borrowings		-	9,400
Repayment of borrowings		(1,400)	-
Proceeds from issue of share of share capital		39,127	-
Dividend distributions	10	(27,001)	(25,331)
Net cash flows provided by/(used in) financing activities		42,767	33,825
Net increase/(decrease) in cash held		(11,583)	(1,995)
Cash at the beginning of the financial year		24,754	27,268
Foreign exchange difference on cash holdings		1,284	(519)
Cash and cash equivalents at end of year	25(b)	14,455	24,754

The accompanying notes form part of these financial statements





Notes to the
Financial
Statements
30 June 2016

Note 1: Reporting Entity

CSG Limited (the "Company") is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is Level 1, 357 Collins Street, Melbourne, VIC, Australia, 3000. The consolidated financial statements of the Company as at and for the year ended 30 June 2016 comprise the Company and its controlled entities (together referred to as the "Group" and individually as ("Group entities"). The Group is a for-profit entity and primarily involved in print related sales and service and financing of office equipment.

Note 2: Basis Of Preparation

Statement of compliance

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report was authorised for issue by the Directors on 15 August 2016.

a. Basis of measurement

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain material items in the statement of financial position and as described in the accounting policies.

b. Functional and presentation currency

The financial report is presented in Australia dollars which is the Company's functional currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

c. Use of estimates and judgments

The preparation of the financial report in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

i. Assessing impairment of goodwill

Goodwill is allocated to cash generating units ("CGUs") according to applicable business operations. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected financial forecasts and projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using a post-tax discount rates listed in Note 17 to determine value-in-use.

ii. Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

iii. Employment benefits

Calculation of long term employment benefits requires estimation of the retention of staff, future remuneration levels and timing of the settlement of the benefits. The estimates are based on historical trends.

iv. Share-based payments

Calculation of shared based payments requires estimation of the timing of the exercise of the underlying instrument. The estimates are based on historical trends.

v. Inventory – consumables at customer premises

Inventory balances include consumables owned by the group but located at customer premises. The value of consumables recorded as inventory is based on management's estimate resultant from information held in customer servicing systems and a sample of customer holdings.

vi. Inventory - obsolescence

Inventory balances relate to items subject to technological obsolescence and usage levels. Obsolete and slow-moving inventory is estimated based on the age of the inventory items, historical usage and likely future usage, and likely recoverable values.

Note 3: Summary Of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in this financial report, and have been applied consistently by Group entities.

a. Basis of consolidation

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

iii. Non-controlling interests

Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit and loss and other comprehensive income and consolidated statement of financial position respectively.

iv. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling

interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

v. Transactions eliminated on consolidation

All inter company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

b. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction. Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year. All resulting exchange differences arising on settlement or re statement are recognised as revenues and expenses for the financial year.

ii. Foreign operations

Entities that have a functional currency different to the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- all resulting exchange differences are recognised as a separate component of equity.

c. Financial instruments

i. Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the

contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial assets at their fair value through profit or loss are remeasured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables are measured at fair value at inception net of transaction costs and subsequently at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, including restricted cash and a group multi-function bank overdraft facility.

ii. Non-derivative financial liabilities

Note 3: Summary Of Significant Accounting Policies (cont.)

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade payables, other creditors and loans from third parties including inter company balances and loans from or other amounts due to Director related entities.

iii. Derivative financial instruments, including hedge accounting

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities and foreign exchange risk in respect of inventory purchases. In accordance with treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that are not designated hedges are accounted for as held for trading instruments.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to hedged risk, and whether the actual results of each hedge are within a range of 80 – 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivative financial instruments are recognised initially at fair value and

transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value and subject to the nature of the hedging instrument the gain or loss on re-measurement to fair value is recognised as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. The ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

d. Revenue Recognition

Sale of Goods

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods and disposal of other assets is recognised when significant risks and rewards of ownership of the goods have passed, i.e. "legal title" has passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The revenue recognised from rendering of services combines:

- i invoicing from the provision of the Group's services inclusive of the amounts due and payable under the terms of the long term service contracts; and
- ii revenue not yet invoiced but earned on work completed in servicing long term service contracts which, while owing to the Group under the terms of those contracts, will not become payable until future years.

The long term service contracts specifically detail both services to be performed and the invoicing components for each year of the contracts. The Group's contract administration system enables the stage of completion of each contract to be reliably determined.

Revenue arrangements with multiple deliverables.

Where two or more revenue-generating activities or deliverables are sold under a single arrangement, each deliverable that is considered to be a separate unit of accounting is accounted for separately. When the deliverables in a multiple element arrangement are not considered to be separate units of accounting, the arrangement is accounted for as a single unit.

A separate unit of accounting exists where the deliverable has value to the customer on a stand-alone basis and there is objective and reliable evidence of the fair values.

Interest income

Interest on loans and receivables from finance leases is recognised on an effective interest rate basis. Minimum lease payments received under finance leases are apportioned between the finance income and the reduction of the outstanding asset. The finance income is allocated to each period during the lease term so as to produce a constant period rate of interest on the remaining balance of the asset. An accrual basis is used to record interest income.

Operating lease revenue

Rental income from operating leases of equipment is recognised on an accrual basis with income recognised on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Other income

Dividend revenue is recognised when the right to receive a dividend has been established.

e. Receivables

All trade receivables are recognised initially at fair value, and subsequently at amortised cost, less impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An impairment loss is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is not material. The amount of the impairment is recognised in the statement of comprehensive income.

f. Inventories

Inventories are valued on the weighted average cost basis at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion, including cost of sales.

g. Property, Plant and Equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment charges. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss and other comprehensive income.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Where the Group leases assets as a lessor on an operating lease, the Group retains substantially all the risks and rewards of ownership. The assets are stated at historical cost less accumulated depreciation and impairment losses (where applicable).

Depreciation of property, plant and equipment is calculated on a straight line and diminishing value basis to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives to the Group.

The following rates used in the calculation of depreciation are as follows:

Assets	Rate	Method
Leasehold improvements	2.5% - 33%	Diminishing value and straight line
Plant and equipment	2.5% - 40%	Diminishing value and straight line
Motor vehicles	13% - 19%	Diminishing value
Office computer equipment	10% - 50%	Diminishing value and straight line
Furniture and fittings	5% - 20%	Diminishing value and straight line
Leased plant and equipment	20%	Straight-line

h. Intangible assets

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill acquired in a business combination is allocated into the specific components acquired as part of the business combination.

Licenses and other Intangible Assets

Licenses and other intangible assets have a finite useful life and are recorded at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the licenses over their estimated useful life. Other intangible assets have been assigned finite lives between 3-10 years. Software developed for resale is amortised over five years. Customer contracts/ relationships acquired in a business combination have been assigned a finite life of between 5 and 14 years and are amortised on a straight line basis over this period.

i. Impairment

i. Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised costs is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected

in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite life intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Note 3: Summary Of Significant Accounting Policies (cont.)

iii. Trade and other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid.

j. Borrowings

Borrowings are initially recognised at fair value. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw down of the facility, are recognised against the borrowings and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are recognised as expenses in the period in which they are incurred.

k. Employee benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Share-based Payments

The consolidated entity operates an employee share rights plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the rights at grant date. The fair value of rights at grant date is determined using the Monte Carlo pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the right.

l. Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation,

and the amount of the provision can be measured reliably. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

i. Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

ii. Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

m. Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Operating lease

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except

where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

n. Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss, gains on the re-measurement to fair value of any pre-existing interest in an acquiree, gains on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), losses on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis in other income in Note 7 depending on whether foreign currency movements are in a net gain or net loss position.

o. Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current income tax expense or revenue is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary

differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

Tax consolidation

CSG Limited and its Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation on 1 July 2007. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

p. Research & Development

Research expenditure is recognised as an expense as incurred. Concessional tax benefits receivable in respect of eligible expenditure are recognised as income. Income is recognised with respect to concessional benefits upon confirmation and registration of eligible projects with evaluation and registration of eligible projects typically completed in the following financial year.

Costs incurred on development projects are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably.

q. Discontinued operations

Classification as a discontinued operation occurs upon the disposal or when the operation meets the criteria to be classified as held for sale or distribution, if earlier.

r. Segment reporting

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Note 4: New Accounting Standards And Interpretations

a. New standards adopted

There was no material impact on the financial report as a result of the adoption of new or amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 July 2015.

b. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are available for adoption for annual periods beginning after 1 July 2015. The Group does not plan to adopt these standards early and the extent of the impact has not been determined. The standards which may be relevant to the Group as set out below.

- i. [AASB 9 Financial Instruments \(December 2014\), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 \(December 2014\), AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 \(December 2014\) – Application of AASB 9 \(December 2009\) and AASB 9 \(December 2010\)](#)

AASB 9 (2014) includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. AASB 9 (2014) is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

- ii. [AASB 15 Revenue from Contracts with Customers](#)

AASB 15 establishes a comprehensive framework for determining whether, how much, and when revenue is recognized. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

- iii. [AASB 16 Leases](#)

AASB 16 removes the classification of leases as either operating leases or financial leases, with the lessee effectively treating all leases as financial leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. Lessor accounting remains similar to current practice – i.e. lessors continue to classify leases as finance and operating leases. Early adoption will be permitted for entities that also adopt AASB 15 Revenue from Contracts with Customers.

Note 5: Determination Of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair value hierarchy

In valuing financial instruments, the consolidated entity uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. There are no material level 3 financial instruments.

The fair value of financial assets and financial liabilities, other than the fair value of derivatives, approximates their carrying amounts as disclosed in the Statement of Financial Position and Notes to the financial statements.

The fair values of the Group's derivative financial instruments, being interest rate swaps and forward foreign exchange contracts, are categorised as Level 2 in the fair value hierarchy (2015: Level 2). The fair values are based on the market comparison technique, using broker or counterparty quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. There are no significant unobservable inputs used in the valuations.

Fair value measurement

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a. Forward exchange contracts and interest rate swaps

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, then the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a credit-adjusted risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using the market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

b. Other non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is referenced to the contract.

c. Share-based payment transactions

The fair value of the Performance Rights under the Long Term Incentive Plan are measured using Monte Carlo sampling. The fair value of the employee share options currently under issue is measured using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the historic volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

d. Contingent consideration

The fair value of contingent consideration is calculated using the income approach based on the expected payment amounts and their associated probabilities. When appropriate, it is discounted to present value.

Note 6: Financial Risk Management

The major financial instruments entered into by the Group comprise short term trade receivables and payables, loans and receivables, short and long term borrowings. The Group does not have any significant financial risks in respect of trade receivables and payables. The main area of financial risk arises in respect of interest rate risk on long-term borrowings. Certain aspects of financial risk management are considered further as detailed below.

The Group is exposed to a variety of financial risks comprising:

- interest rate risk;
- credit risk;
- liquidity risk;
- foreign exchange risk; and
- fair values.

The Board of Directors has responsibility for governance over the identification and management of operational and financial risks.

a. Interest rate risk

Corporate debt facility

As at 30 June 2016, the Senior Debt Facility Agreement with the Commonwealth Bank of Australia ("CBA") has a limit of \$45m which reverts to \$35m as at 31 August 2016. The maturity date of this facility is 1 January 2017. Subsequent to balance date on 10 August 2016, a new Senior Debt Facility Agreement with a limit of \$60m and an expiry date of 10 August 2019 was entered into with CBA (refer Note 25). This Facility is primarily to be used for working capital and general corporate purposes but also provides for other sub-facilities including bank guarantees, a business card facility and a lease finance facility. Interest on the Facility is charged at a floating rate plus a margin.

Note 6: Financial Risk Management (cont.)

Lease financing facilities – New Zealand

On 20 April 2016, the Group completed the refinancing of the CBA Cash Advance Facility into the CSG Finance NZ Trust securitisation funding facility provided by Westpac. In conjunction with the refinancing, the funding limit under the Westpac facility was increased from NZ\$95m to NZ\$115m and the availability period for writing new business was extended 12 months until 15 April 2018, with a final maturity date of 15 April 2020. Interest on the CSG Finance NZ Trust securitisation funding facility is charged at a floating rate plus a margin, and re-prices on a monthly basis. As the finance lease receivables are predominantly fixed rate in nature, the Group enters into interest rate swaps to fix these floating rate exposures.

Lease financing facilities – Australia

On 20 April 2016, the Group completed the refinancing of the CBA Senior Facility into the CSG Finance Australia Trust securitisation funding facility provided by Westpac. In conjunction with the refinancing, the funding limit under the Westpac facility was increased from \$100m to \$120m and the availability period for writing new business was extended until 20 April 2018, with a final maturity date of 20 April 2020. Interest on the CSG Finance Australia Trust securitisation funding facility is charged at a floating rate plus a margin, and re-prices generally on a quarterly basis. As the finance lease receivables are predominantly fixed rate in nature, the Group enters into interest rate swaps to fix these floating rate exposures.

Financial instruments are subject to the risk that market values may change subsequent to their acquisition. In the case of interest rates, market changes will affect the cash flows of interest income and interest expense for the Company and Group. The management of the Group's exposure to interest rates is carried out through regular monitoring of the interest re-pricing profile for both assets and liabilities of the Group. In terms of the securitisation facilities interest rate swaps are taken out by the trust entities to hedge 100% of the debt drawn to fund future cash flow equivalent to the portfolio designated "securitised" leases.

The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are detailed in the table provided below.

Interest Rate Sensitivity Analysis	2016 \$000's		2015 \$000's	
	Impact on Income Statement Increase/ (decrease) on profit	Impact on Equity Increase/ (decrease) on equity	Impact on Income Statement Increase/ (decrease) on profit	Impact on Equity Increase/ (decrease) on equity
Interest Rates:				
100 bps increase:				
Cash flow sensitivity:				
Impact on interest income on cash	218	218	208	208
Impact on interest expense on loans	(2,192)	(2,192)	(1,774)	(1,774)
Impact on cash flows from derivative	1,641	1,641	1,110	1,110
Fair value sensitivity:				
Impact on derivative fair value at balance date	3,492	3,492	2,729	2,729
Total impact	3,159	3,159	2,273	2,273
Interest Rates:				
100 bps decrease:				
Cash flow sensitivity:				
Impact on interest income on cash	(218)	(218)	(208)	(208)
Impact on interest expense on loans	2,192	2,192	1,774	1,774
Impact on cash flows from derivative	(1,641)	(1,641)	(1,110)	(1,110)
Fair value sensitivity:				
Impact on derivative fair value at balance date	(3,492)	(3,492)	(2,729)	(2,729)
Total impact	(3,159)	(3,159)	(2,273)	(2,273)

b Credit Risk Exposures

Credit risk is the risk that a loss will be incurred if a counterparty to a transaction does not fulfill its financial obligations. Management is responsible for sanctioning large credit exposures to all customers arising from lending activities. Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and bank balances, finance leases receivables, trade receivables and prepayments.

The Group has a credit policy that is used to manage its exposure to credit risk. As part of this policy, limits on exposures have been set, lease agreements are subject to defined criteria, and leases are monitored on a regular basis. Maximum exposures are net of any recognised provisions. The maximum credit risk is the contract value of the leases. To control the level of credit risk taken, management evaluates each customer's credit risk on a case by case basis. Credit risk is mitigated by the large number of clients and relatively small size of individual credit exposures.

For finance and operating leases the collateral taken on the provision of a financial facility is by way of a registered security interest over the leased asset. In some cases a personal guarantee is obtained. Loan and lease agreements provide that, if an event of default occurs, collateral will be repossessed and/or the personal guarantee invoked. The repossessed collateral is either held until overdue payments have been received or sold in the secondary market.

In addition the Group has contingent liabilities relating to buy back guarantees on certain finance contracts for the lease of copiers and multi-function devices by customers. The Group undertakes a credit approval process to determine whether it is prepared to buy back the loan on default. When a circumstance arises where the Group is required to buy back the loan, the equipment financed becomes the property of the Group.

Concentrations of Credit Risk

The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers. The print and technology businesses have a broad range of clients across all sectors of the

economy, and spread throughout all regions of Australia and New Zealand. The leasing business has a wide spread of clients across all economic sectors and regions of Australia and New Zealand. The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

Impairment

At 30 June 2016, the ageing of the trade and other receivables that were not impaired was as follows:

	2016	2015
Neither past due or impaired	285,540	222,754
Past due 1 – 30 days	5,111	9,634
Past due not impaired 31 – 90 days	2,051	1,610
Past due not impaired 91+ days	2,811	1,807
	295,513	235,805

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behaviour and analysis of individual customer credit risk.

c. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions. The level of expected cash inflows from trade and lease receivables are closely monitored against the predicted outflows arising from operations. The Group has access to various financing facilities to support its lease receivables financing activities, and to provide funding for working capital and general corporate purposes. Refer to Note 25 (c) for details on the unused banking facilities.

As part of the arrangements regarding the Cash Advances Facility and the Senior Facility (both refinanced in April 2016), the Group was required to

contribute towards credit protection reserves. The credit protection reserve of the Cash Advance Facility was a cash reserve maintained at 10% of the loan drawn to fund the lease book value (2015: 10%) and for the Senior Facility, a cash reserve of 15% of the loan drawn to fund the lease book value (2015: 15%). The Company was in full compliance with these covenants up to the date the facilities were refinanced and repaid.

The securitisation financing facilities in both Australia and New Zealand require the Group to contribute to credit enhancement. At 30 June 2016, this comprised 8.1% of the net pool balance of securitised leases for the New Zealand facility (\$8.8m (NZ\$9.3m)) and 15.3% of the net pool balances of securitised leases for the Australian facility (\$20.2m).

d. Foreign Exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the New Zealand dollar and US dollar.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Company's subsidiary, Konica Minolta Business Solutions New Zealand Limited, settles purchases of equipment predominantly in US dollars. All committed purchases are fully hedged using forward contracts or option contracts to buy US\$ / sell NZ\$ to protect from exchange rate movements between the shipping date and settlement. Forecast highly probable but not yet committed purchases may also be hedged using forward contracts or option contracts. Foreign exchange hedge contracts generally have maturities of less than one year and are designated as cash flow hedges.

As at 30 June 2016, a total of US\$12.9m (2015: US\$4.7m) of forward cover was in place with an average NZ\$/US\$ rate of 0.6654 (2015: 0.7217).

The Company has hedged its exposure to income generated by the New Zealand businesses using collar options.

As at 30 June 2016, a total of NZ\$7.8m (2015: NZ\$17.7m) of forward cover was in place at an average floor of 0.90 and cap of 0.9438 (2015: floor of 0.93).

Note 6: Financial Risk Management (cont.)

Financial Instruments	Floating Interest Rate		Fixed Interest Rate Maturing in:								Total Carrying Amount as per Balance Sheet		Weighted Average Effective Interest Rate			
	2016	2015	1 year or less		1 - 5 years		> 5 years		Non-Interest Bearing		2016	2015	2016	2015		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	
i. Financial Assets																
Cash and Cash Equivalents	14,439	24,739	-	-	-	-	-	-	16	15	14,455	24,754	2,27%	2,79%		
Trade Receivables	-	-	-	-	-	-	-	-	28,762	23,607	28,762	23,607	-	-		
Finance Lease Receivables	-	-	82,295	178,479	142,444	-	-	-	-	-	260,774	210,042	10,72%	10,89%		
Derivatives – foreign currency	-	-	-	-	-	-	-	-	-	915	-	915	-	-		
Sundry Debtors	-	-	-	-	-	-	-	-	5,977	2,155	5,977	2,155	-	-		
Total Financial Assets	14,439	24,739	82,295	178,479	142,444	-	-	-	34,755	26,692	309,968	261,473				
ii. Financial Liabilities																
Trade Payables	-	-	-	-	-	-	-	-	20,019	15,561	20,019	15,561	-	-		
Other Payables and deferred income	-	-	-	-	-	-	-	-	27,790	27,674	27,790	27,674	-	-		
Debt Associated with Finance Leases ¹	-	-	-	219,260	187,149	-	-	-	-	-	219,260	187,766	3,81%	4,30%		
Derivatives – interest rate swaps	-	-	2,441	3,625	-	-	-	-	-	-	3,625	2,441	3,06%	3,68%		
Derivatives – foreign currency	-	-	-	-	-	-	-	-	1,030	-	1,030	-	-	-		
Current Tax Liability	-	-	-	-	-	-	-	-	111	515	111	515	-	-		
Term Debt/Bills Payable	8,000	9,400	620	-	-	-	-	-	-	731	8,620	10,131	3,64%	3,48%		
Total Financial Liabilities	8,000	9,400	620	222,885	187,149	-	-	-	48,950	44,481	280,455	244,088				

¹ Considered fixed due to interest rate swaps taken out to hedge floating interest rate movement

Note 7: Revenue and Income

	Consolidated entity	
	2016 \$'000	2015 \$'000
Sales revenue		
Revenue from sales of goods	110,551	103,621
Revenue from services	102,577	89,540
	213,128	193,161
Other Income		
Sundry	7,496	6,637
Interest rate swap income	247	833
Gain/(Loss) on foreign exchange	(138)	(88)
	7,605	7,382

Note 8: Profit From Continuing Operations

Profit from continuing operations before income tax has been determined after the following specific expenses:

	Consolidated entity	
	2016 \$'000	2015 \$'000
Changes in inventories of finished goods		
Cost of goods	57,288	52,148
Cost of sales - service	43,785	34,925
Cost of sales - service (employee benefits)	17,987	18,826
Total changes in inventories of finished goods	119,060	105,899
Other expenses		
Bad debts expense	898	811
Other	3,243	(126)
Total other expenses	4,141	685
Depreciation and amortization		
Plant and equipment	1,005	1,027
Leased property, plant and equipment	15	105
Leasehold improvements	247	243
Amortisation of customer contracts/relationships	3,137	2,266
Amortisation of intangible assets	1,510	682
Amortisation of borrowing costs	174	195
Total depreciation and amortisation	6,088	4,518
Finance costs		
Interest	1,455	1,454
Bank fees	154	145
Total finance costs	1,609	1,599

Note 9: Income Tax

	Consolidated entity	
	2016 \$'000	2015 \$'000
a. Components of tax expense:		
Current tax expense in respect of the current year	3,539	2,096
Deferred tax expense recognised in the current year	3,693	6,573
Adjustments recognised in the current year in relation to the prior year	(149)	(374)
Total tax expense	7,083	8,295
b. Prima facie tax payable		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit/loss before tax from continuing operations	25,245	22,608
Prima facie income tax payable on profit before income tax at 30% (2015: 30%)	7,573	6,782
Add tax effect of:		
- other non-allowable items	772	1,002
- effect of different tax rates in other jurisdictions ⁽ⁱ⁾	(217)	(274)
- share-based payments	658	1,141
- over provision for income tax in prior years	(149)	(28)
	1,064	1,841
Less tax effect of:		
- other non-assessable items	(1,097)	(328)
- research and development benefit	(457)	-
	(1,554)	(328)
Income tax expense attributable to profit	7,083	8,295
⁽ⁱ⁾ The corporate tax rate in New Zealand is 28%.		
c. Deferred tax		
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
The balance comprises:		
Inventories	1,029	335
Doubtful debts	451	280
Property, plant and equipment	375	565
Accrued expenses	1,435	1,107
Provision for annual and long service leave	1,218	841
Other provisions	92	624
Research and development tax offsets	4,176	2,348
Tax losses carried forward	6,435	6,928
Share issue costs	270	131
Other	(62)	100
Total deferred tax assets	15,419	13,259

Note 9: Income Tax (cont.)

	Consolidated entity	
	2016 \$'000	2015 \$'000
<i>Deferred tax liabilities</i>		
The balance comprises:		
Accrued revenue	(1,099)	(1,119)
Intangibles	(3,898)	-
Property, plant and equipment	(2,489)	(2,074)
Operating Leases	(16,908)	(12,417)
Other	(422)	(1,084)
Total deferred tax liabilities	(24,816)	(16,694)
Net Deferred tax (liabilities)/assets	(9,397)	(3,435)
d. Deferred income tax related to items charged or credited directly to equity		
Share issue costs	263	108
Derivative	558	-
Total	821	108

Note 10: Dividends On Ordinary Shares

	Consolidated entity	
	2016 \$'000	2015 \$'000
a. Dividends paid during the year		
<i>i. Current Year Interim</i>		
Unfranked dividends (4 cents per share) (2015: 4 cents per share)	12,763	11,366
<i>ii. Prior Year Final</i>		
Unfranked dividends (5 cents per share) (2015: 5 cents per share)	14,238	13,965
	27,001	25,331
b. Franking credit balance		
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and deducting franking credits to be used in payment of proposed dividends	1,140	819
c. Dividends proposed and not recognised as a liability		
Unfranked dividends of 5 cents per share were declared and approved on 15 August 2016 for a payment date of 7 September 2016. Refer to Note 33.		

Note 11: Cash And Cash Equivalents

	Consolidated entity	
	2016 \$'000	2015 \$'000
Cash at bank	7,940	10,844
Restricted cash ⁽¹⁾	6,499	13,895
Cash on hand	16	15
	14,455	24,754

(1) Restricted cash relates to cash the Group is required to have on hand under various financing arrangements – refer note 6.

Note 12: Receivables

	Consolidated entity	
	2016 \$'000	2015 \$'000
Trade receivables	29,192	23,978
Impairment	(430)	(371)
Sundry debtors	5,977	2,155
	34,739	25,762
Finance Lease receivables		
Gross receivable	308,246	252,906
Less: Unearned finance income	(47,472)	(42,864)
	260,774	210,042
Represented by:		
Current net receivable	82,295	67,598
Non-current net receivable	178,479	142,444

Note 13: Inventories

	Consolidated entity	
	2016 \$'000	2015 \$'000
Finished goods	19,897	17,085
Consumables	9,958	7,566
Toner in Field	20,222	16,941
	50,077	41,592

Finished goods comprises multi-function devices, printers and related accessories. Toner in field comprises unutilised toner held at customer premises

Note 14: Other Current Assets

	Consolidated entity	
	2016 \$'000	2015 \$'000
Prepayments	3,872	2,237
Other	4,056	4,337
	7,928	6,574

Note 15: Derivative Assets

	Consolidated entity	
	2016 \$'000	2015 \$'000
Foreign currency options	-	915
	-	915

Note 16: Property, Plant And Equipment

	Consolidated entity					
	Leasehold Improvements	Plant & Equipment	Furniture & Fittings	Office Computer Equipment	Leased Plant & Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2014						
Cost	3,093	902	3,685	9,145	736	17,561
Accumulated depreciation	(2,550)	(645)	(3,004)	(8,106)	(589)	(14,894)
Net book amount	543	257	681	1,039	147	2,667
Year ended 30 June 2015						
Opening net book amount	543	257	681	1,039	147	2,667
Transfers between classes	-	53	-	(53)	-	-
Foreign exchange impact	(6)	-	(10)	(14)	(3)	(33)
Additions	216	70	51	355	-	692
Disposals	-	-	-	(3)	(12)	(15)
Depreciation charge	(243)	(74)	(294)	(659)	(105)	(1,375)
Closing net book amount	510	306	428	665	27	1,936
At 30 June 2015						
Cost	3,102	791	3,532	8,524	642	16,591
Accumulated depreciation	(2,592)	(485)	(3,104)	(7,859)	(615)	(14,655)
Net book amount	510	306	428	665	27	1,936
Year ended 30 June 2016						
Opening net book amount	510	306	428	665	27	1,936
Acquisitions through business combinations	196	700	33	439	-	1,368
Foreign exchange impact	16	(22)	53	36	(12)	71
Additions	38	119	19	331	-	507
Disposals	(9)	(24)	-	-	-	(33)
Depreciation charge	(247)	(211)	(199)	(595)	(15)	(1,267)
Closing net book amount	504	868	334	876	-	2,582
At 30 June 2016						
Cost	3,383	2,530	3,890	10,128	640	20,571
Accumulated depreciation	(2,879)	(1,662)	(3,556)	(9,252)	(640)	(17,989)
Net book amount	504	868	334	876	-	2,582

Note 17: Intangible Assets

	Consolidated entity			
	Goodwill	Customer Contracts/ Relationships	Licenses and Other Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2014				
Cost	162,888	31,727	6,598	201,213
Accumulated amortisation	-	(9,734)	(478)	(10,212)
Net book amount	162,888	21,993	6,120	191,001
Year ended 30 June 2015				
Opening net book amount	162,888	21,993	6,120	191,001
Acquisitions	1,429	-	4,371	5,800
Amortisation for the year	-	(2,266)	(877)	(3,143)
Closing net book amount	164,317	19,727	9,614	193,658
At 30 June 2015				
Cost	164,317	31,727	10,801	206,845
Accumulated amortisation	-	(12,000)	(1,187)	(13,187)
Net book amount	164,317	19,727	9,614	193,658
Year ended 30 June 2016				
Opening net book amount	164,317	19,727	9,614	193,658
Acquisitions through business combinations	14,907	12,445	1,714	29,066
Acquisitions	-	-	4,427	4,427
Foreign exchange impact	-	374	98	472
Amortisation for the year	-	(3,136)	(1,510)	(4,646)
Closing net book amount	179,224	29,410	14,343	222,977
At 30 June 2016				
Cost	179,224	44,566	17,046	240,836
Accumulated amortisation	-	(15,156)	(2,703)	(17,859)
Net book amount	179,224	29,430	14,343	222,977

Note 17: Intangible Assets (cont.)

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	2016 \$'000	2015 \$'000
Business Solutions Australia	62,287	57,388
Enterprise Solutions Australia	3,406	3,406
Business Solutions New Zealand	70,019	70,019
Finance Solutions Australia	9,120	9,120
Finance Solutions New Zealand	24,385	24,385
CodeBlue	10,007	-
	179,224	164,317

The recoverable amounts of the CGUs are based on their value in use, determined by discounting the future cash flows covering a five year period, using observable market data where available, based on financial budgets approved by the Board, plus a terminal growth rate.

Key assumptions used in the calculation of value in use were discount rate and the terminal EBITDA growth rate, which are listed in the table below.

	Terminal EBITDA Growth Rate		Discount Rate	
	2016	2015	2016	2015
Business Solutions Australia	2.5%	2.5%	9.0%	10.2%
Enterprise Solutions Australia	2.5%	2.5%	9.5%	10.7%
Business Solutions New Zealand	2.5%	2.5%	9.9%	10.4%
Finance Solutions Australia	2.5%	2.5%	9.0%	11.3%
Finance Solutions New Zealand	2.5%	2.5%	8.5%	10.3%
CodeBlue	2.5%	-	9.9%	-

The discount rate applied was a pre-tax measure based on the risk-free rate obtained from the yield on 10-year bonds issued by the government in the relevant market and in the same currency as the cash flows adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

The Board has determined there are no reasonably possible changes that could occur in the two key assumptions that would cause the carrying amount of these CGUs to exceed their recoverable amount.

Note 18: Payables

	Consolidated entity	
	2016 \$'000	2015 \$'000
CURRENT		
Trade payables	20,019	15,561
Other payables	27,790	27,674
	47,809	43,235

Note 19: Short Term Borrowings

	Consolidated entity	
	2016 \$'000	2015 \$'000
CURRENT		
<i>Secured</i>		
Loans and Borrowings	8,000	9,400
Other	620	731
	8,620	10,131

Note 20: Debt Associated With Lease Receivables

	Consolidated entity	
	2016 \$'000	2015 \$'000
CURRENT		
Loans and borrowings	-	617
	-	617
NON - CURRENT		
Loans and borrowings	219,260	187,149
	219,260	187,149

Note 21: Derivatives Liabilities

	Consolidated entity	
	2016 \$'000	2015 \$'000
NON - CURRENT		
Interest rate swaps	3,625	2,441
Foreign currency options	1,030	-
	4,655	2,441

Information about interest rate risk is detailed in Note 6

Note 22: Provisions

	Consolidated entity	
	2016 \$'000	2015 \$'000
CURRENT		
Employee Benefits	3,586	2,584
Other	100	741
	3,686	3,325
NON - CURRENT		
Employee Benefits	560	545
Other	85	-
	645	545

Note 23: Contributed Equity

	Consolidated entity	
	2016 \$'000	2015 \$'000
a. Issued and paid up capital		
Ordinary shares fully paid	207,623	164,193
	207,623	164,193

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

b. Movement in shares on issue

	2016		2015	
	No. of shares	\$'000	No. of shares	\$'000
Beginning of the financial year	284,148,839	164,193	278,840,492	160,838
Share buy-backs	-	-	-	-
Issued shares	34,690,174	43,818	4,950,328	3,313
Tax exempt share plan	237,658	384	358,019	150
Capital distribution	-	-	-	-
Capital raising costs net of deferred tax asset	-	(772)	-	(108)
Balance at the end of the year	319,076,671	207,623	284,148,839	164,193

c. Employee Share Scheme

The Company, in accordance with its Executive Remuneration Framework, continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the companies.

d. Options

All employees, including Directors, may be issued options at the discretion of the Nomination and Remuneration Committee.

The options are issued for \$nil consideration and the strike price and vesting period are set by the Nomination and Remuneration Committee. The options are exercisable in two or three tranches and have an expiry period of up to three years. The total amount of issued options cannot exceed 5% of share capital. The options are not listed on the ASX and any Director issued options are approved at the Annual General Meeting.

During the 2016 financial year there were no additional options granted to employees or Directors.

Options on issue 30 June 2015:

Issued date	Expiry date	Exercise price	Opening 01/07/2014	Issued	Exercised	Lapsed	Closing 30/06/2015
LTIP Issue 3	15/09/2014	\$0.71	450,000	-	(450,000)	-	-
			450,000	-	(450,000)	-	-

e. Performance Rights

Each performance right represents a right to receive one ordinary share subject to the satisfaction or waiver of the relevant vesting conditions. No consideration is payable by the participants for the grant of the performance rights and no consideration is to be paid on the exercise of the performance rights.

Performance rights on issue at 30 June 2016:

Issued Date	Performance Hurdle Date	Share Price at Vesting Date	Opening 01/07/2015	Issued	Lapsed	Vested	Closing 30/06/2016
LTIP Issue 5 & 7	30/11/2015	1.685	5,780,281	-	(84,000)	(5,696,281)	-
LTIP Issue 5 & 7	30/11/2016		4,279,383	-	(303,999)	-	3,975,384
LTIP Issue 6	01/08/2015	1.70	606,061	-	-	(606,061)	-
LTIP Issue 8	30/11/2015	1.685	57,143	-	-	(57,143)	-
LTIP Issue 8	30/11/2016		564,945	-	(433,000)	-	131,945
MAIP	1/07/2017		1,779,731	-	-	-	1,779,731
Total			13,067,544	-	(820,999)	(6,359,485)	5,887,060

Performance rights on issue at 30 June 2015:

Issued Date	Performance Hurdle Date	Share Price at Vesting Date	Opening 01/07/2014	Issued	Lapsed	Vested	Closing 30/06/2015
LTIP Issue 5 & 7	30/11/2014		4,600,327	-	(99,999)	(4,500,328)	-
LTIP Issue 5 & 7	30/11/2015		5,859,333	857,329	(936,381)	-	5,780,281
LTIP Issue 5 & 7	30/11/2016		4,100,332	843,717	(664,666)	-	4,279,383
LTIP Issue 6	01/08/2015		606,061	-	-	-	606,061
LTIP Issue 8	30/11/2015		-	57,143	-	-	57,143
LTIP Issue 8	30/11/2016		-	564,945	-	-	564,945
MAIP	1/07/2017		-	1,779,731	-	-	1,779,731
Total			15,166,053	4,102,865	(1,701,046)	(4,500,328)	13,067,544

The performance rights listed above are on the same terms as is disclosed in section 8 of the Director's Report.

f. Issue of ordinary shares

In August 2015, the Company issued 21 million ordinary shares via an institutional placement at \$1.42 per share raising \$30 million. In September 2015, the Company issued 7.1 million ordinary shares via a Share Purchase Plan (SPP) raising approximately \$10.2m.

Note 24: Reserves And Retained Earnings

	Notes	Consolidated entity	
		2016 \$'000	2015 \$'000
Share-based payment reserve	24(a)	2,630	4,405
Foreign currency translation reserve	24(b)	6,414	3,129
Cash flow hedge reserve	24(c)	(3,139)	(2,047)
		5,905	5,487
Retained earnings	24(d)	61,219	70,768

a. Share-based payment reserve

i. Nature and purpose of reserve

This reserve is used to record the value of equity benefit provided to employee and Directors as part of their remuneration.

ii. Movements in reserve

Balance at beginning of year		4,405	3,466
Equity settled transactions		(1,775)	939
Balance at end of year		2,630	4,405

b. Foreign currency translation reserve

i. Nature and purpose of reserve

This reserve is used to record the exchange differences arising on translation of a foreign entity.

ii. Movements in reserve

Balance at beginning of year		3,129	5,412
Exchange differences on translation of foreign operations		3,285	(2,283)
Balance at end of year		6,414	3,129

c. Cash flow hedge reserve

i. Nature and purpose of reserve

This reserve is used to record the effective portion of changes in the value of hedging derivatives.

ii. Movements in reserve

Balance at beginning of year		(2,047)	213
Net gains/(losses) taken to equity		(1,339)	(2,260)
Net gains/(losses) transferred to profit and loss		247	-
Balance at end of year		(3,139)	(2,047)

d. Retained Earnings

Balance at beginning of year		70,768	82,527
Net profit attributable to members		17,452	13,572
Total available for appropriation		88,220	96,099
Dividends paid	10	(27,001)	(25,331)
Balance at end of year		61,219	70,768

Note 25: Cashflow Information

	Consolidated entity	
	2016 \$'000	2015 \$'000
a. Reconciliation of cash flow from operations with profit after income tax		
Profit from ordinary activities after income tax	18,162	14,313
Non-cash items		
Profit/(loss) on sales of assets	-	(15)
Amortisation of intangibles	4,646	3,143
Depreciation of property, plant and equipment	1,267	1,375
Share based transactions	2,189	3,804
Cash flow hedge	2,106	(745)
	10,208	7,562
(Increase)/decrease in assets		
Receivables	(5,165)	(2,691)
Prepayments	(1,505)	(28)
Inventories	(7,869)	(631)
Deferred tax assets	(1,886)	1,182
Lease receivables	(50,205)	(41,774)
Increase/(decrease) in liabilities		
Payables	243	801
Provisions	14	(610)
Deferred tax liabilities	5,962	3,435
Tax provisions	(404)	(810)
Net cash flow from operating activities	(32,445)	(19,251)
b. Reconciliation of cash		
Cash balance comprises:		
Cash at bank	14,455	24,754
c. Credit stand-by arrangements and loan facilities		
Facilities		
Multi-function facility ⁽ⁱ⁾	45,000	45,000
Securitisation and lease finance facilities – NZ ^{(ii), (iii)}	109,641	115,105
Securitisation and lease finance facilities – Australia ^{(iv), (v)}	120,000	125,000
	274,641	285,105
Facilities Used		
Multi-function facility	8,000	9,400
Securitisation and lease finance facility – NZ	101,856	93,994
Securitisation and lease finance facilities – Australia	117,405	93,771
	227,261	197,165
Facilities Unused		
Multi-function facility	37,000	35,600
Securitisation and lease finance facility – NZ	7,785	21,111
Securitisation and lease finance facilities – Australia	2,595	31,229
	47,380	87,940

(i) The Company has a multi-option facility with the CBA (Australian Senior Debt Facility). Debt facilities include bank bills, business loans, overdraft, equipment finance and contingent liabilities and are available to all members of the consolidated group including the parent. The multi-function facility includes an amount of \$1.5m in relation to various guarantees and security deposits provided by the bank on behalf of the Company. This facility matures on 1 January 2017. On 10 August 2016, a new three year multi-option facility with a limit of \$60m was finalized with CBA.

(ii) The Group's Westpac Banking Corporation New Zealand funding facility, securitised by finance lease receivables ("New Zealand Securitisation Facility"), matures on 15 April 2020. The facility limit is NZ\$115m.

(iii) The Group's CBA New Zealand Cash Advances Facility, secured by finance lease receivables, was refinanced and repaid on 20 April 2016. The facility limit was NZ\$35m.

(iv) The Group's Westpac Banking Corporation Australia funding facility securitised by finance lease receivables ("Australian Securitisation Facility"), matures on 20 April 2020. The facility limit is \$120m.

(v) The Group's CBA Senior Facility, secured by finance lease receivables, was refinanced and repaid on 20 April 2016. The facility limit was \$25m.

Note 26: Lease Commitments

Lease expenditure commitments	Notes	Consolidated entity	
		2016 \$'000	2015 \$'000
Operating Leases (non-cancellable)			
i. Operating leases relate to the lease of land, buildings, vehicles and office computer equipment			
ii. Minimum lease payments			
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
No later than one year		6,283	5,176
Later than one year but not later than five years		14,969	9,496
Later than five years		3,264	4
		24,516	14,676

Note 27: Business Combinations

During the 2015 financial year the Group purchased from Capital Finance Limited a business comprising lease receivables for total purchase consideration of \$12,041,000. Payments were made of \$11,506,000 in the prior year and a final payment of \$535,000 in July 2015.

During the 2016 financial year the Group entered into several business combinations agreements to further the growth strategy and realise synergies within the Group's existing businesses.

In September 2015, 100% of the shares were acquired in CodeBlue Limited, a technology service company based in New Zealand for a total consideration of \$16,225,000. Payments were made of \$9,696,000 (net of cash acquired) in the current financial year and further payments of \$608,000 will be made in FY17 and an estimated \$6,309,000 to be made in subsequent financial years if certain targets met. CodeBlue contributed \$17,377,000 in revenue and \$1,168,000 in net profit for the current financial year. If CodeBlue was part of the Group for the full financial year, revenue would be approximately \$251,243,000 and net profit of \$18,494,000.

In February 2016, the Group purchased the net assets of a traditional print business in the Northern Territory, A2Z, for total consideration of \$825,000 all paid during the FY2016 year.

In May 2016, the Group purchased 100% of the shares of a Western Australian print business, Printsinc. Total consideration for this business was \$8,989,000 with \$5,915,000 (net of cash acquired) paid in the current financial year with further amounts provided if certain targets being met in future years. Given the transaction occurred in May 2016, provisional acquisition accounting has been used.

There is no expectation of deductibility of the calculated goodwill for any of these transactions.

The acquisitions had the following effect on the consolidated entity's assets and liabilities:

	CFAL	CodeBlue	A2Z	Printsync	Total
	\$'000				
Receivables	10,508	2,273	-	1,393	14,174
Customer contracts	803	6,352	-	5,290	12,445
Other assets	437	2,727	81	1,411	4,656
Total assets acquired	11,748	11,352	81	8,094	31,275
Payables	-	2,661	-	1,908	4,569
Other liabilities	559	2,473	55	1,875	4,962
Liabilities acquired	559	5,134	55	3,783	9,531
Net assets acquired	11,189	6,218	26	4,311	21,744
Goodwill on acquisition	852	10,007	799	4,678	16,336
Consideration paid, net of cash acquired	12,041	16,225	825	8,989	38,080

The Group incurred acquisition related costs of \$989,000 on legal fees, due diligence, and other combination expenses.

Note 28: Related Party Disclosures

a. Key Management Personnel Compensation

The key management personnel compensation comprised:

	Consolidated entity	
	2016 \$	2015 \$
Short-term employee benefits	2,749,652	3,215,678
Post-employment benefits	127,675	124,465
Termination benefits	97,514	90,191
Other long-term benefits	826,687	2,052,968
	3,801,528	5,483,302

b. Individual Directors and executives compensation disclosures

Information regarding individual Directors and executive's compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

c. Transactions with Key Management Personnel

The Group used the corporate advisory services of TDM Asset Management, a firm which Mr. Thomas Cowan is a partner of, during the year for the total amount of \$120,000. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

During the financial year, the companies in the Group entered into agreements in respect of the purchase of print and technology products and services on normal commercial terms and conditions by related entities of the Directors.

d. Group Entities

The consolidated financial statements include the financial statements of CSG Ltd and its controlled entities listed below:

Former Name	Country of Incorporation	Ownership interest	
		2016 %	2015 %
Parent Entity			
CSG Limited ⁽ⁱ⁾	Australia		
Subsidiaries of CSG Limited:			
CSG Business Solutions (AUS) Pty Ltd ⁽ⁱ⁾	CSG Communications Pty Ltd	Australia	100 100
CSG Finance Pty Ltd ⁽ⁱ⁾		Australia	100 100
CSG Print Services NZ Limited ⁽ⁱⁱⁱ⁾		New Zealand	100 100
Anadex Pty Ltd ATF Anadex Trust ^{(i),(ii)}		Australia	- 100
Bexton Professional Pty Ltd ^{(i),(ii)}		Australia	- 100
Change Corporation Pty Ltd ^{(i),(ii)}		Australia	- 100
CSG Enterprise Solutions Pty Ltd ⁽ⁱ⁾	CSG Enterprise Print Solutions Pty Ltd	Australia	100 100
A.C.N. 126 840 542 Pty Ltd ^{(i),(ii)}		Australia	- 100
CSG Education Pty Ltd ^{(i),(ii)}		Australia	- 100
Delexian Pty Ltd ^{(i),(ii)}		Australia	- 100
Aaromba Technologies Pty Ltd ^{(i),(ii)}		Australia	- 100
Subsidiary of Aaromba Technologies Pty Ltd:			
Aaromba Technologies WA Pty Ltd ^{(i),(ii)}		Australia	- 100

Note 28: Related Party Disclosures (cont.)

	Former Name	Country of Incorporation	Ownership interest	
			2016 %	2015 %
Parent Entity				
Subsidiaries of CSG Business Solutions (AUS) Pty Ltd:				
CSG Business Solutions (NT) Pty Ltd ⁽ⁱ⁾	Connected Solutions Group Pty Ltd	Australia	100	100
CSG Print Services Pty Ltd ⁽ⁱ⁾		Australia	100	100
CSG Business Solutions (Sunshine Coast) Pty Ltd ⁽ⁱ⁾	Sunshine Coast Office Equipment Pty Ltd	Australia	100	100
CSG Business Solutions (South Queensland) Pty Ltd ⁽ⁱ⁾	Haloid Holdings Pty Ltd	Australia	100	100
CSG Business Solutions (North Queensland) Pty Ltd ⁽ⁱ⁾	Seeakay Pty Ltd	Australia	100	100
CSG Business Solutions (WA) Pty Ltd ⁽ⁱ⁾	Edgeview Enterprises Pty Ltd	Australia	100	-
Subsidiaries of CSG Enterprise Print Solutions Pty Ltd:				
CSG Enterprise Solutions (Singapore) Pte. Ltd		Singapore	100	100
Subsidiaries of CSG Finance Pty Ltd:				
CSG Finance (NZ) Limited ⁽ⁱⁱ⁾	Leasing Solutions Limited	New Zealand	100	100
CSG Finance Australia Pty Ltd ⁽ⁱ⁾		Australia	100	100
Subsidiaries of CSG Finance Australia Pty Ltd:				
CSG Finance Group Receivables Pty Ltd ⁽ⁱ⁾		Australia	100	100
CSG Finance Australia Trust		Australia	100	100
Subsidiaries of CSG Print Services NZ Limited:				
CSG Business Solutions Limited ⁽ⁱⁱⁱ⁾	CSG Management Services Limited	New Zealand	100	100
Konica Minolta Business Solutions New Zealand Limited		New Zealand	90	90
Ubox Business Solutions Limited ⁽ⁱⁱⁱ⁾		New Zealand	100	100
CodeBlue Limited		New Zealand	100	-
Subsidiaries of CodeBlue Limited:				
CodeBlue Christchurch Limited		New Zealand	100	-
Work IT Solutions Limited		New Zealand	100	-
IT Synergy Limited		New Zealand	100	-
CodeBlue Wellington Limited		New Zealand	100	-
Subsidiaries of CSG Finance (NZ) Limited: Leasing Solutions Limited				
CSG Finance (NZ Facility 2) Limited ⁽ⁱⁱⁱ⁾	Onesource Finance Limited	New Zealand	100	100
CSG Finance (NZ Warehouse) Limited ⁽ⁱⁱⁱ⁾	Solutions Group Receivables Limited	New Zealand	100	100
CSG Finance New Zealand Trust		New Zealand	100	100

(i) CSG Limited and its Australian subsidiaries are part of a tax consolidated group.

(ii) Dormant company which historically held assets and liabilities for the Technology Solutions Division which was sold in 2012. Member's voluntary liquidation completed 28 August 2015.

(iii) Form part of a NZ tax consolidated group.

Note 29: Deed Of Cross Guarantee

CSG Limited and its Australian wholly owned subsidiaries (excluding CSG Finance Entities) are parties to a Deed of Cross Guarantee under which each company guarantees the debts of others.

By entering into the Deed, the participating wholly owned entities have been relieved of the requirements to prepare financial reports and Director's Report under the Class Order 98/1418 (as amended by Class Orders 98/2017, 00/0321 and 01/1087)

issued by the Australian Securities and Investment Commission.

The above companies represent a 'Closed Group' for the purpose of the Class Order, and there are no other parties to the Deed of Cross Guarantee that are controlled by CSG Limited, that also represent the 'Extended Closed Group'. Those wholly owned subsidiaries which are included in the Deed of Cross Guarantee are exempt from preparing a financial report and

Director's Report under the terms of ASIC Class Order 98/1418 and the Corporations Act 2001.

A consolidated Income Statement, consolidated Statement of Comprehensive Income and consolidated Statement of Financial Position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee is set out as follows:

	2016 \$'000	2015 \$'000
Income Statement		
Revenue and income	132,043	102,331
Operating expenses	(103,916)	(95,462)
Profit/(loss) before income tax expense	28,127	6,869
Income tax expense	(1,915)	(3,446)
Net profit/(loss)	26,212	3,423
Statement of Other Comprehensive Income and Retained Earnings		
Profit/(loss) for the period	26,212	3,423
Other comprehensive income	-	-
Total comprehensive income for the period	26,212	3,423
Retained earnings at the beginning of the year	44,220	66,128
Dividends distributed	(27,001)	(25,331)
Retained earnings at the end of the year	43,431	44,220

Note 29: Deed Of Cross Guarantee (cont.)

	Consolidated entity	
	2016 \$'000	2015 \$'000
Statement of Financial Position		
Current assets		
Trade and other receivables	28,720	14,541
Inventories	29,311	23,045
Other current assets	3,085	3,362
Total current assets	61,116	40,948
Non-current assets		
Property, plant and equipment	783	1,337
Deferred tax assets	13,324	-
Intangible assets	35,154	28,793
Goodwill	82,520	68,484
Investment in subsidiaries	126,173	116,682
Total non-current assets	257,954	215,296
Total assets	319,070	256,244
Current liabilities		
Bank overdraft	2,867	2,038
Trade and other payables	30,630	26,109
Deferred income	201	95
Borrowings	8,696	9,400
Provisions	1,889	1,874
Total current liabilities	44,283	39,516
Non-current liabilities		
Deferred tax liability	15,549	1,286
Deferred consideration	3,074	-
Provisions	646	436
Total non-current liabilities	19,269	1,722
Total liabilities	63,552	41,238
Net assets	255,518	215,006
Equity		
Share capital	210,368	169,279
Reserves	1,719	1,507
Retained earnings	43,431	44,220
Total equity	255,518	215,006

Note 30: Earnings Per Share

	Consolidated entity	
	2016 \$'000	2015 \$'000
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Profit/(loss)	18,162	14,313
Weighted average number of ordinary shares used in calculating basic earnings per share	311,627,823	282,690,782
Calculated basic earnings per share	5.8	5.1
Effect of dilutive securities:		
Effect of performance rights and options issued	8,625,612	13,205,393
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	320,253,435	295,896,176
Calculated diluted earnings per share	5.7	4.8

Note 31: Auditors Remuneration

	Consolidated entity	
	2016 \$'000	2015 \$'000
Auditors remuneration parent entity		
Auditors of the company - KPMG		
Statutory audits and reviews (excluding disbursements)	406,570	348,797
Other services (excluding disbursements)		
Auditors of the Company - KPMG		
In relation to other assurance, taxation and due diligence services	431,615	98,659

Note 32: Segment Information

a. Description of Segments

Management has determined the operating segment based on reports reviewed by the Chief Executive Officer and the Group Executive (comprising the Chief Financial Officer and Group General Managers) for making strategic decisions. The Chief Executive Officer and the Group Executive monitor the business based on product/service factors and have identified the following reportable segments:

1. Business Solutions

CSG Business Solutions provides the sale, support, service and financing of print and business technology equipment to customers across Australia and New Zealand. CSG Enterprise Solutions provides managed service based print and technology

solutions for Tier 1 enterprise, education and government customers also in Australia and New Zealand. CSG Enterprise Solutions has been identified as a separate division within Business Solutions. While this division is still in its growth phase, the underlying platforms and processes are very similar across both divisions and are increasingly converging. The CSG Marketplace is used or is to be used by both customer groups. As Enterprise Solutions business evolves, the distinction between the divisions will continue to be monitored in terms of segment reporting. As its results are not material under segment reporting requirements it has been grouped with Business Solutions for the purpose of segment reporting.

Management has determined that the Australian and New Zealand businesses

are separate operating segments but due to their similarity in terms of product and service offerings in addition to the methods used to distribute products across both geographies these business units will be aggregated for the purposes of segment reporting.

2. Finance Solutions

CSG Finance Solutions is a specialist service provider of lease and rental products for business technology assets sold and serviced by CSG in both Australia and New Zealand.

3. Other

The remaining business operations/activities (including corporate office activities) are classified as 'Other' to facilitate reconciliation to Group results.

Note 32: Segment Information (cont.)

b. Segment Information

	Business Solutions \$'000	Finance \$'000	Other \$'000	Eliminations \$'000	Total \$'000
2016					
Segment revenue					
External segment revenue	219,765	26,102	753	-	246,620
Inter-segment revenue	533	-	-	(533)	-
Total	220,298	26,102	753	(533)	246,620
Segment result					
Interest revenue	1,976	657	10	(2,557)	86
Interest expense	1,973	19	2,174	(2,557)	1,609
Depreciation & amortisation	2,935	476	2,677	-	6,088
Total segment Profit/(loss) before income tax	28,588	8,709	(11,824)	(228)	25,245
Total Segment Assets ⁽¹⁾	266,406	290,182	226,865	(189,921)	593,532
Total Segment Liabilities ⁽¹⁾	75,351	226,694	2,733	-	304,778

	Business Solutions \$'000	Finance \$'000	Other \$'000	Eliminations \$'000	Total \$'000
2015					
Segment revenue					
External segment revenue	199,223	24,251	816	-	224,290
Inter-segment revenue	-	-	287	(287)	-
Total	199,223	24,251	1,103	(287)	224,290
Segment result					
Interest revenue	874	-	52	(815)	111
Interest expense	293	246	4,021	(2,961)	1,599
Depreciation & amortisation	2,135	214	2,169	-	4,518
Total segment Profit/(loss) before income tax	26,422	7,650	(10,989)	(475)	22,608
Total Segment Assets ⁽¹⁾	200,152	268,128	208,645	(171,692)	505,233
Total Segment Liabilities ⁽¹⁾	53,943	192,498	5,047	-	251,488

(1) Excludes loans to and from CSG Group entities (related parties).

c. Geographical Information

CSG's reporting segments provide sales, support, service and financing to more than 20,000 customers across Australia and New Zealand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Australia \$'000	New Zealand \$'000	Eliminations \$'000	Total \$'000
2016				
Revenue	124,131	123,022	(533)	246,620
Assets	554,021	229,432	(189,921)	593,532
2015				
Revenue	110,359	114,218	(287)	224,290
Assets	400,932	275,993	(171,692)	505,233

Note 33: Subsequent Events

Unfranked dividends of 5 cents per share were declared and approved by the Directors on 15 August 2016 for a payment date of 7 September 2016.

The financial effect of these transactions have not been brought to account in the financial statements for the year ended 30 June 2016.

Note 34: Parent Entity Disclosures

As at, and throughout the financial year ended 30 June 2016, the parent company of the consolidated entity was CSG Limited. A summary of the financial performance and financial position of the parent entity is detailed below:

	Parent Entity	
	2016 \$'000	2015 \$'000
Result of the parent entity		
Profit/(loss) for the year	23,083	(8,246)
Total profit/(loss) and other comprehensive income for the year	19,839	(8,246)
Financial position of parent entity at year end		
Current assets	61,465	26,008
Total assets	241,011	206,000
Current Liabilities	10,371	10,425
Total liabilities	13,431	14,688
Total equity of the parent entity comprising of:		
Issued capital	207,623	166,533
Reserves	323	1,228
Retained earnings	19,634	23,552
Total equity	227,580	191,313

Note 35: Contingent Liabilities

There were no contingent liabilities recorded at reporting date.

Directors' Declaration

CSG LIMITED AND CONTROLLED ENTITIES

The Directors declare that the financial statements and notes set out on pages 26 to 71 and the Remuneration Report in sections 6 to 14 in the Directors' Reports are in accordance with the Corporations Act 2001:

- a. comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
- b. give a true and fair view of the financial position of the consolidated entity as at 30 June 2016 and of their performance as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that CSG Limited will be able to pay its debts as and when they become due and payable.

There are reasonable grounds to believe that the Company and group entities identified in Note 29 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2016.

The Directors draw attention to Note 2 to the Consolidated Financial Statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the directors.



Ms Julie-Ann Kerin

Director

Sydney
15 August 2016



Independent Auditor's Report



Independent auditor's report to the members of CSG Limited

Report on the financial report

We have audited the accompanying financial report of CSG Limited (the Company), which comprises the consolidated Statement of Financial Position as at 30 June 2016, and Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, notes 1 to 35 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) The financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in Sections 6 to 14 of the directors' report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of CSG Limited for the year ended 30 June 2016, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Scott Guse
Partner

Sydney
15 August 2016

Shareholding Information as at 6 September 2016

In accordance with Listing Rule 4.10 of the Australian Stock Exchange Limited, the Directors provide the following shareholding information as at 6 September 2016.

Substantial Shareholders

Name	Number of Ordinary Shares	% of Ordinary Shares
Caledonia (Private) Investments Pty Limited & its associates	84,520,574	26.49
Paradice Investment Management Pty Ltd	28,466,135	8.92
TDM Asset Management Pty Limited & its associates	24,990,579	7.91

Voting Rights

Fully paid ordinary shares in the Company carry voting rights of one vote per share.

Distribution of Shareholding

Range	Total holders	Number of Ordinary Shares	% of Issued Capital
1 - 1,000	507	151,663	0.05
1,001 - 5,000	723	2,234,105	0.70
5,001 - 10,000	443	3,407,127	1.07
10,001 - 100,000	786	22,595,292	7.10
100,001 - and over	92	289,683,091	91.07
Rounding			0.01
Total	2,551	318,071,278	100.00

Less than Marketable Parcels

339 shareholders hold less than a marketable parcel of shares, being market value of less than \$500.

Twenty Largest Shareholders

Name	Number of Shares at 8 September 2015	% of Issued Capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	77,583,477	24.39
UBS NOMINEES PTY LTD	49,989,107	15.72
JP MORGAN NOMINEES AUSTRALIA LIMITED	45,890,442	14.43
NATIONAL NOMINEES LIMITED	31,705,599	9.97
CITICORP NOMINEES PTY LIMITED	13,532,331	4.25
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	7,984,346	2.51
BNP PARIBAS NOMS PTY LTD <DRP>	7,637,205	2.40
MANDERRAH PTY LTD <WILLIAM VICARS S/FUND A/C>	6,352,055	2.00
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST A/C>	5,545,847	1.74
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	4,585,751	1.44
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – GSCO ECA	4,417,486	1.39
BOLTEC PTY LTD <BOLLER FAMILY A/C>	4,003,912	1.26
GAFFWICK PTY LTD	2,500,000	0.79
CSG LIMITED <CSG BUY-BACK A/C>	2,294,015	0.72
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	2,183,281	0.69
MIRRABOOKA INVESTMENTS LIMITED	1,290,668	0.41
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,181,430	0.37
AMCIL LIMITED	1,142,302	0.36
MS JULIE-ANN KERIN	1,000,000	0.31
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	903,770	0.28
TOTAL	271,723,024	85.43

On-Market Buy-Back

There is a current on-market buy-back.

Corporate Directory

CSG Limited ABN 64 123 989 631

Registered Office

Level 1
357 Collins Street
Melbourne VIC 3000

Phone +61 7 3840 1234
Fax +61 7 3840 1222
www.csg.com.au

Directors

Stephen Anstice
Non-Executive Chairman

Julie-Ann Kerin
Managing Director

Tom Cowan
Non-Executive Director

Robin Low
Non-Executive Director

Mark Phillips
Non-Executive Director

Company Secretary

Nicole Adler

Share Registry

Computershare Investor Services Pty Limited

452 Johnston Street
Abbotsford VIC 3067

Phone 1300 850 505
www.computershare.com

Auditor

KPMG
71 Eagle Street
Brisbane QLD 4000



More than you expect.

csg.com.au