

Reconciliation of CSG's Full Year 2006-2010 non-GAAP Free Cash Flow

CSG's calculation of non-GAAP free cash flow is defined as GAAP net cash provided by operating activities in a period, minus the purchases of property and equipment in that period. The reconciliation of GAAP net cash provided by operating activities to non-GAAP free cash flow for the full years 2006 through 2010 is as follows:

	Year Ended December 31,				
	2006	2007	2008	2009	2010
GAAP net cash provided by operating activities	\$ 118,150	\$ 115,379	\$ 114,647	\$ 153,059	\$ 121,309
Purchases of property and equipment	<u>(12,651)</u>	<u>(20,271)</u>	<u>(21,577)</u>	<u>(40,313)</u>	<u>(14,277)</u>
Non-GAAP free cash flow	<u>\$ 105,499</u>	<u>\$ 95,108</u>	<u>\$ 93,070</u>	<u>\$ 112,746</u>	<u>\$ 107,032</u>

CSG uses non-GAAP free cash flow, among other measures, to assess its financial performance and cash generating capabilities. CSG believes that free cash flow is useful to investors because it shows its cash available to service debt, make strategic acquisitions and investments, repurchase its common stock, and fund ongoing operations. Free cash flow should be considered in addition to, rather than a substitute for, income from continuing operations as a measure of performance and net cash provided by operating activities as a measure of liquidity.

Limitations associated with the use of free cash flow include that it does not represent the residual cash flow available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations, or payments made for business acquisitions. Therefore, CSG believes that it is important that free cash flow be considered supplemental in nature and should not be considered in isolation or be construed as being more important than comparable GAAP measures.