

**CSG SYSTEMS INTERNATIONAL, INC.**  
**Non-GAAP Adjusted EBITDA Calculation**  
(in thousands, except percentages)

**CSG Calculation of Non-GAAP Adjusted EBITDA:**

	<u>Year Ended</u> <u>2010</u>	<u>Year Ended</u> <u>2009</u>	<u>Year Ended</u> <u>2008</u>	<u>Year Ended</u> <u>2007</u>	<u>Year Ended</u> <u>2006</u>
<b>GAAP Operating Income</b> .....	<b>\$ 74,342</b>	<b>\$ 74,747</b>	<b>\$ 89,299</b>	<b>\$ 83,837</b>	<b>\$ 86,471</b>
Data Center Transition expenses.....	20,480	15,486	-	-	-
Intec acquisition-related expenses.....	12,242	-	-	-	-
Restructuring charges.....	-	599	79	630	2,368
Depreciation (excluding data center transition expenses) .....	20,221	18,153	16,194	12,900	10,438
Amortization of intangible assets.....	18,682	13,600	15,667	17,789	15,913
Stock-based employee compensation.....	12,338	12,632	11,605	11,102	12,214
<b>Non-GAAP Adjusted EBITDA</b> .....	<b>\$ 158,305</b>	<b>\$ 135,217</b>	<b>\$ 132,844</b>	<b>\$ 126,258</b>	<b>\$ 127,404</b>
<b>Revenues</b> .....	<b>\$ 549,379</b>	<b>\$ 500,717</b>	<b>\$ 472,057</b>	<b>\$ 419,261</b>	<b>\$ 383,106</b>
<b>Non-GAAP Adjusted EBITDA Margin</b> .....	<b>28.8%</b>	<b>27.0%</b>	<b>28.1%</b>	<b>30.1%</b>	<b>33.3%</b>

**Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA:**

	<u>Year Ended</u> <u>2010</u>	<u>Year Ended</u> <u>2009</u>	<u>Year Ended</u> <u>2008</u>	<u>Year Ended</u> <u>2007</u>	<u>Year Ended</u> <u>2006</u>
<b>GAAP Net Income</b> .....	<b>\$ 22,429</b>	<b>\$ 43,333</b>	<b>\$ 53,573</b>	<b>\$ 55,258</b>	<b>\$ 54,716</b>
Interest Expense.....	6,976	5,660	7,132	6,797	7,103
Amortization of original issue discount.....	6,893	8,382	9,767	9,198	8,493
Interest and investment income and other, net.....	63	(1,196)	(5,013)	(16,750)	(21,963)
Income tax provision, net.....	11,244	21,507	27,514	29,942	35,331
Depreciation (excluding data center expenses).....	20,221	18,153	16,194	12,900	10,438
Amortization of intangible assets.....	18,682	13,600	15,667	17,789	15,913
Stock-based employee compensation.....	12,338	12,632	11,605	11,102	12,214
Discontinued operations.....	-	(1,471)	(323)	(608)	2,791
Data center transition expenses.....	20,480	15,486	-	-	-
Intec acquisition-related expenses.....	26,265	-	-	-	-
Restructuring charges.....	-	599	79	630	2,368
Loss (gain) on repurchase of convertible debt securities.....	12,714	(1,468)	(3,351)	-	-
<b>Non-GAAP Adjusted EBITDA</b> .....	<b>\$ 158,305</b>	<b>\$ 135,217</b>	<b>\$ 132,844</b>	<b>\$ 126,258</b>	<b>\$ 127,404</b>
cross check	\$ -	\$ -	\$ -	\$ -	\$ -

**Reconciliation of GAAP Cash Flows from Operations to Non-GAAP Adjusted EBITDA:**

	<u>Year Ended</u> <u>2010</u>	<u>Year Ended</u> <u>2009</u>	<u>Year Ended</u> <u>2008</u>	<u>Year Ended</u> <u>2007</u>	<u>Year Ended</u> <u>2006</u>
<b>GAAP Cash Flows from Operations</b> .....	<b>\$ 121,309</b>	<b>\$ 153,059</b>	<b>\$ 114,647</b>	<b>\$ 115,379</b>	<b>\$ 118,150</b>
Income tax provision, net.....	11,244	21,507	27,514	29,942	35,331
Changes in operating assets and liabilities.....	(9,047)	(38,039)	114	(1,204)	(1,882)
Deferred income taxes.....	(3,275)	(18,492)	(12,480)	(10,963)	(12,608)
Data center transition expenses, net of depreciation.....	18,273	13,570	-	-	-
Intec acquisition-related expenses.....	12,242	-	-	-	-
Interest and investment income and other, net.....	63	(1,196)	(5,013)	(16,750)	(21,963)
Interest expense.....	6,976	5,660	7,132	6,797	7,103
All other.....	520	(852)	930	3,057	3,273
<b>Non-GAAP Adjusted EBITDA</b> .....	<b>\$ 158,305</b>	<b>\$ 135,217</b>	<b>\$ 132,844</b>	<b>\$ 126,258</b>	<b>\$ 127,404</b>
cross check	\$ -	\$ -	\$ -	\$ -	\$ -

**CSG SYSTEMS INTERNATIONAL, INC.**  
**DISCLOSURES FOR NON-GAAP ADJUSTED EBITDA**

**Use of Non-GAAP Financial Measures and Limitations**

Beginning in 2011, CSG will report on non-GAAP adjusted EBITDA since CSG believes this measure is useful information to investors in evaluating CSG's operating performance, liquidity, debt servicing capabilities, and enterprise valuation. CSG believes that its non-GAAP adjusted EBITDA provides investors with greater transparency to the information used by CSG's management in its financial and operational decision making. CSG also believes its non-GAAP adjusted EBITDA provides investors a more complete understanding of CSG's underlying operational results, consistency and comparability with CSG's historical financial results, and comparability to similar companies, many of which present a similar non-GAAP adjusted EBITDA to investors.

CSG's non-GAAP adjusted EBITDA is not a measure of performance under GAAP, and therefore should not be considered in isolation or as a substitute for items appearing on CSG's financial statements prepared in accordance with GAAP. Rather, CSG's non-GAAP adjusted EBITDA should be used as a supplement to GAAP results to assist investors in better understanding CSG's operational performance. CSG cautions that this measure is a not defined term under GAAP and may vary from the definitions of other companies; these definitions therefore should be carefully reviewed and understood by investors.

CSG defines non-GAAP adjusted EBITDA as income before interest, taxes, depreciation, amortization, stock-based compensation, foreign currency transaction adjustments, and unusual items, such as the data center transition expenses, restructuring charges and Intec acquisition-related expenses. CSG's reconciles non-GAAP adjusted EBITDA to the comparable GAAP measures of net income and cash flows from operations.