

Reconciliation for CSG's non-GAAP Operating Income under the 2011 non-GAAP Operating Income Definition for the years ended 2007 through 2010

(in thousands, except percentages)

	December 31, 2007		December 31, 2008		December 31, 2009		December 31, 2010	
	Amounts (1)	% of Revenues	Amounts (1)	% of Revenues	Amounts (1)	% of Revenues	Amounts (1)	% of Revenues
GAAP operating income.....	\$ 83,837	20.0%	\$ 89,299	18.9%	\$ 74,747	14.9%	\$ 74,342	13.5%
Data center transition expenses.....	-	0.0%	-	0.0%	15,486	3.1%	20,480	3.7%
Intec acquisition-related charges	-	0.0%	-	0.0%	-	0.0%	12,242	2.2%
Stock-based compensation.....	11,102	2.6%	11,605	2.5%	12,632	2.5%	12,338	2.3%
Amortization of purchased intangible assets.....	2,312	0.6%	4,083	0.8%	6,104	1.3%	6,206	1.2%
Non-GAAP operating income.....	97,251	23.2%	\$ 104,987	22.2%	\$ 108,969	21.8%	\$ 125,608	22.9%

(1) These items are calculated in accordance with GAAP, and are reflected as part of results of operations in CSG's publicly filed Form 10-K's.

**Disclosures for CSG's Use of Non-GAAP Operating Income:**

In 2010, CSG's calculation of non-GAAP Operating Income began with GAAP Operating Income and then excluded the following items from continuing operations on a tax-affected, per diluted share basis: (i) CSG's Data Center Transition Expenses, and (ii) Intec acquisition-related charges.

Beginning in 2011, CSG modified its calculation of non-GAAP operating income. Going forward, the calculation of CSG's non-GAAP operating income now excludes the impact of stock-based compensation and the amortization of acquired intangible assets. There is no change to the non-GAAP EPS calculation as these two items were already excluded in this calculation for 2009 and 2010. CSG believes the exclusion of these items in its non-GAAP operating income is more consistent with the method used by other companies in similar industries and with the calculation of CSG's non-GAAP EPS and thus, will further enhance the supplemental information regarding CSG's performance. The data center transition project and the Intec acquisition were completed in 2010, and thus, there are no anticipated costs for either of these items in 2011.

CSG believes that its non-GAAP Operating Income financial measures provide investors with greater transparency to the information used by CSG's management in its financial and operational decision making. CSG believes its non-GAAP Operating Income 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 Operating Income to investors.

CSG's non-GAAP Operating Income 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 Operating Income measure 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.