

**CSG SYSTEMS INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS-UNAUDITED**  
(in thousands, except share and per share amounts)

	<b>June 30, 2007</b>	<b>December 31, 2006</b>
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents .....	\$ 179,378	\$ 240,687
Short-term investments .....	<u>159,100</u>	<u>174,803</u>
Total cash, cash equivalents and short-term investments .....	338,478	415,490
Trade accounts receivable-		
Billed, net of allowance of \$1,619 and \$1,143 .....	102,635	110,020
Unbilled and other .....	5,637	5,555
Deferred income taxes .....	9,166	8,927
Other current assets .....	<u>5,700</u>	<u>5,636</u>
Total current assets .....	461,616	545,628
Property and equipment, net of depreciation of \$67,017 and \$66,656 .....	26,198	23,680
Software, net of amortization of \$33,615 and \$32,989 .....	7,099	7,725
Goodwill .....	14,150	14,228
Client contracts, net of amortization of \$90,384 and \$82,486 .....	33,993	36,024
Deferred income taxes .....	12,882	19,617
Other assets .....	<u>6,010</u>	<u>6,594</u>
Total assets .....	<u>\$ 561,948</u>	<u>\$ 653,496</u>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Current liabilities:		
Client deposits .....	\$ 23,378	\$ 23,645
Trade accounts payable .....	16,928	15,509
Accrued employee compensation .....	13,020	20,962
Deferred revenue .....	17,625	17,586
Income taxes payable .....	314	3,651
Other current liabilities .....	<u>9,945</u>	<u>10,158</u>
Total current liabilities .....	<u>81,210</u>	<u>91,511</u>
Non-current liabilities:		
Long-term debt .....	230,000	230,000
Deferred revenue .....	9,650	8,632
Income taxes payable .....	4,243	-
Other non-current liabilities .....	<u>4,932</u>	<u>5,619</u>
Total non-current liabilities .....	<u>248,825</u>	<u>244,251</u>
Total liabilities .....	<u>330,035</u>	<u>335,762</u>
Stockholders' equity:		
Preferred stock, par value \$.01 per share; 10,000,000 shares authorized; zero shares issued and outstanding .....	-	-
Common stock, par value \$.01 per share; 100,000,000 shares authorized; 42,546,022 shares and 46,831,643 shares outstanding .....	621	616
Additional paid-in capital .....	344,448	340,564
Treasury stock, at cost, 19,582,708 shares and 14,776,238 shares .....	(483,116)	(360,259)
Accumulated other comprehensive income (loss):		
Unrealized gain on short-term investments, net of tax .....	9	25
Unrecognized pension plan losses and prior service costs, net of tax .....	(852)	(852)
Accumulated earnings .....	<u>370,803</u>	<u>337,640</u>
Total stockholders' equity .....	<u>231,913</u>	<u>317,734</u>
Total liabilities and stockholders' equity .....	<u>\$ 561,948</u>	<u>\$ 653,496</u>