Immediate Release

Billing Services Group Limited
("BSG" or the "Company")

Unaudited interim results for the six months ended June 30, 2011

STRONG CASH FLOW ALLOWS FOR ONGOING DEBT REDUCTION AND FAVORABLE REFINANCING

TRADING IN LINE WITH EXPECTATIONS

(September 12, 2011) San Antonio, Texas **--** BSG, a leading provider of clearing, settlement, payment and financial risk management solutions to the telecommunications industry, merchants and online stores, today announces its unaudited interim results for the six months ended June 30, 2011.

Financial Highlights
(All amounts in US$)

	Six Months Ended June 30 2011	2010
Revenues	$ 52.4 million	$ 75.5 million
EBITDA [1]	$ 11.8 million	$ 18.6 million
Net (loss) income	$ (0.8) million	$ 4.5 million
Net (loss) income per basic and diluted share	$ -0- per share	$ 0.02 per share

(1) EBITDA (a non-GAAP measure) is computed as earnings before interest, income taxes, depreciation, amortization and other non-cash and non-recurring expenses.

- Generated $9.2 million of cash from operations
- Reduced overhead expenses by $2.3 million, largely as the result of personnel reductions and other restructuring actions initiated in 2010
- Reduced outstanding debt by $12.8 million, for a period-end balance of $48.0 million (December 31, 2010: $60.8 million)
- Refinanced debt on more favorable terms, including lower interest rate, lower required annual principal payments and one-year extension of maturity date
- Incurred $3.5 million of pre-tax expense ($1.7 million in non-cash accelerated amortization) in connection with the debt refinancing

Operational Highlights

- Successfully completed the Accenture audit, which measured compliance with specific performance requirements set out by the largest local exchange carrier in the United States

- Introduced OrderBridge (originally developed to support the Bill2Phone payment option), an e-commerce and customer relationship management gateway, consolidating multiple payment offerings into one seamless application
- Began testing with Bill2Mobile, a service that provides third-party billing to AT&T and Verizon wireless customers
- Expanded our eZ-Wi™ relationship with AT&T Mobility
- Renegotiated our outsourced call center contract, resulting in decreased costs and allowing for expansion of other BSG service initiatives

Current Trading

- Year-to-date results are in line with expectations
- Second half revenues and earnings are expected to be modestly lower than first half results

Commenting on the results, Greg Carter, Chief Executive Officer, said:

"Our first half results were in line with expectations. We experienced a significant reduction in transaction volume for enhanced service offerings and related customer service activities. This reduction has translated into lower revenues and EBITDA. Our business continues to be negatively affected by uncertainty related to enhanced service offerings, as we've described previously, as well as the secular decline in traditional U.S. land line usage. As a result, we are focused on expanding BSG's other service offerings, and increasing operational efficiency, cash flow and debt reduction."

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About BSG:

BSG is headquartered in San Antonio, Texas, USA and traded on the London Stock Exchange (AIM: BILL). For over 20 years, BSG has been a leading provider of clearing, settlement, payment and financial risk management solutions for the telecommunications industry, merchants and online stores. For more information on BSG, visit *www.bsgclearing.com*.

CHIEF EXECUTIVE'S STATEMENT

In the first half of 2011, BSG generated $11.8 million of EBITDA on $52.4 million in revenue. A comparison of first half revenue and income in 2010 and 2011 is unflattering. On the positive side, however, we successfully reduced debt by $12.8 million in the first half of 2011 and refinanced the $48 million debt balance on favorable terms.

Enhanced service transaction volumes, and associated revenues for processing, local exchange carrier ("LEC") fees and customer service activity all declined significantly in the first half of 2011 compared to the first half of 2010. We expect that revenue will continue to decline modestly over the near term, primarily due to uncertainty regarding enhanced service offerings. However, we are setting the standard and taking the lead in trying to resolve the issues related to enhanced service offerings and expect a limited resumption of new billing for clients that offer enhanced services once those issues are resolved.

First half results in 2011 were also adversely affected by $3.5 million of non-recurring expenses related to the successful debt refinancing. The refinancing-related expenses included $1.8 million to terminate interest rate swap contracts associated with the prior debt and $1.7 million of non-cash charges for accelerated recognition of original issue discount and deferred finance costs on the prior debt.

Over the past year, we have preserved our position as the industry's most respected third party biller. For more than 20 years, we have devoted substantial resources to quality control in billing operations. Our effectiveness in that regard was confirmed during the successful audit by Accenture earlier this year, and I am confident that we can continue to distinguish BSG as best in class. As a result, our excellent reputation for customer service, technical sophistication, efficiency and integrity will only get better.

BSG has worked its way into a favorable position. We are profitable with a strong cash flow. We offer a broad portfolio of service offerings. Our systems are armed with audit-tested controls required by local exchange carriers. We have a conservative balance sheet with $48 million of debt at June 30, 2011. These facts will serve us well going forward.

Current Trading and Prospects

First half results were in line with expectations. For the reasons discussed above, we anticipate that revenue and EBITDA in the second half of 2011 will decline modestly from first half levels.

Greg Carter
Chief Executive Officer

FINANCIAL REVIEW

Financial Review of the Six Months Ended June 30, 2011

The Company's unaudited results for the six months ended June 30, 2011 are compared to the corresponding period of 2010 in the accompanying financial statements. BSG's consolidated financial statements are prepared in conformity with United States generally accepted accounting principles ("GAAP").

Certain Terms

Revenues. Revenues are derived primarily from fees charged to wire line service providers for data clearing, financial settlement, information management, payment and financial risk management, third party verification and customer service functions.

Cost of Services and Gross Profit. Cost of services primarily includes fees charged by LECs for billing and collection services. Such fees are assessed for each record submitted and for each bill rendered to end-user customers. BSG charges its customers a negotiated fee for LEC services. Accordingly, gross profit is generally dependent upon transaction volume, processing fees charged per transaction and any differential between the LEC fees charged to customers by BSG and the related fees charged to BSG by LECs.

Cash Operating Expenses. Cash operating expenses include all selling, marketing, customer service, facilities and administrative costs (including payroll and related expenses) incurred in support of operations and settled through the payment of cash.

Depreciation and Amortization. Depreciation expense applies to software, furniture and fixtures, telecommunications and computer equipment. Amortization expense relates to definite-lived intangible assets that are amortized in accordance with Accounting Standards Codification ("ASC") 350, *Intangibles – Goodwill and Other*. These assets consist of contracts with customers and LECs. The assets are depreciated or amortized, as applicable, over their respective useful lives. In addition, deferred finance fees are amortized over the term of the related loans.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"). Earnings before interest, income taxes, depreciation and amortization, a non-GAAP metric, is a measurement of profitability often used by investors and lenders. EBITDA excludes non-cash charges and non-recurring items.

Third Party Payables. Third party payables include amounts owed to customers in the ordinary course of clearinghouse activities and additional amounts maintained as reserves for retrospective charges from LECs. In its clearinghouse business, the Company aggregates call records submitted by its customers and submits them to LECs for billing to end-user customers. The Company collects funds from LECs each day and, approximately ten days later, distributes to customers the collected cash, net of withholdings, under weekly settlement protocols. The Company withholds a portion of the funds received from the LECs to pay billing and collection fees of LECs in certain instances, to pay the Company's processing fees and to serve as a reserve against retrospective charges from LECs. Reserves are generally released to customers over an 18-month period, based upon loss experience. Depending upon the timing of receipts, weekly settlements and reserve releases, both cash and third party payables can fluctuate materially from day-to-day.

Comparison of Results for the Six Months Ended June 30, 2011 to the Six Months ended June 30, 2010

Total Revenues. Total revenues of $52.4 million during the first half of 2011 were $23.1 million, or 31%, lower than the $75.5 million of revenues recorded during the first half of 2010. The $23.1 million decrease reflected a $14.1 million decrease in revenue from customer service-related activities and a decrease of $9.0 million from other sources, including historical core clearing and settlement offerings, particularly enhanced services.

The $14.1 million decrease in revenues from customer service activities reflected a comparison against an unusually elevated level of these same revenue sources in 2010, largely attributable to enhanced service billings. The unfavorable comparisons for revenue from core product offerings, excluding enhanced services, result from the ongoing secular decline in traditional Unites States land line usage. The reduction in revenue from enhanced service offerings in the first half of 2011 reflects the disruption in transactions that began in 2010 when the largest LEC in the Unites States placed new restrictions which effectively eliminated billing for certain newly marketed enhanced services.

Cost of Services and Gross Profit. The Company's cost of services in the first half of 2011 was $31.4 million, compared to $45.3 million during the first half of 2010. The $13.9 million, or 31%, decrease in cost of services reflected lower LEC fees for billing and collection services associated with a reduced level of revenue. The Company generated $21.1 million of gross profit in the first half of 2011 compared to $30.2 million in the same period of 2010. The gross margin of 40.2% in the first half of 2011 was 0.2 points higher than the 40.0% margin achieved in the first half of 2010. The modest increase in margin was largely attributable to a change in the mix of services provided to clients.

Cash Operating Expenses. Cash operating expenses were $9.2 million in the first half of 2011, compared to $11.5 million in 2010. The $2.3 million, or 19.9%, decrease in expenses predominantly reflected a reduction in compensation costs arising from a restructuring program which took effect in 2010, coupled with a volume-driven decrease in the cost of outsourced customer service functions.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"). The Company generated $11.8 million of EBITDA during the first half of 2011, compared to $18.6 million during the first half of 2010.

Depreciation and Amortization Expense. Depreciation and amortization expense during the first half of 2011 was $8.6 million, compared to $7.3 million in the same period of 2010. The $1.3 million increase was largely attributable to a $1.3 million increase in amortization of original issue discount ("OID") on debt and a $0.4 million increase in amortization of deferred finance costs, offset by $0.3 million of lower depreciation expenses. The increase in amortization of OID and deferred finance costs resulted from accelerated amortization precipitated by full repayment of the related debt in June 2011. The $0.3 million decrease in depreciation resulted largely from the absence of charges related to leasehold improvements within a facility which was vacated in 2010.

Nonrecurring Restructuring Expense. In June 2010, the Company recorded $0.8 million of restructuring charges related to a cost reduction program. The restructuring charges primarily consist of severance and related compensation costs paid or reserved for terminated employees. Given its nonrecurring nature, the expense was not included as a deduction to earnings for purposes of calculating EBITDA.

Stock–based Compensation Expense. The Company recognized $0.2 million of stock-based compensation expense during the first half of 2011, compared to $0.3 million in the first half of 2010. Stock-based compensation expense, all of which is non-cash, was not included as a deduction to earnings for purposes of calculating EBITDA.

Interest Expense. Interest expense was $2.1 million during the first half of 2011, which was $0.6 million lower than the $2.7 million of expense incurred during the first half of 2010. The lower expense during the first half of 2011 reflected a reduced level of outstanding debt and lower effective interest rates.

Settlement and Mark-to-Market of Derivatives. The Company borrows funds on a floating rate basis, typically related to the London Interbank Offered Rate ("LIBOR"). As required by its former credit agreement (refinanced in June 2011), the Company was obligated to maintain interest rate swap contracts which had the effect of fixing the interest rate on a portion of outstanding debt. In connection with the refinancing of debt in June 2011, the Company incurred a $1.8 million expense in connection with its election to terminate interest swap contracts covering a notional principal amount of $35 million. The termination expense was essentially a discounted payment of future interest expense associated with the swaps. During the first half of 2010, the Company realized a loss of $0.1 million arising from cancellation of interest swap contracts. Due to its non-operational nature, the expense was not included as a deduction to earnings for purposes of computing EBITDA in either period.

Other Expense. During the first half of 2011, the Company realized $0.2 million of other expense, compared to $0.1 million of other expense in the first half of 2010. Other expense arises from miscellaneous items typically of a non-recurring nature. Accordingly, other expense was not included as a deduction to earnings for purposes of computing EBITDA.

Change in Cash. BSG's cash balance at June 30, 2011 was $10.2 million, compared to $12.6 million at December 31, 2010. The $2.4 million decrease in cash during 2011 resulted from $12.8 million in principal payments on long-term debt, $0.8 million in capital expenditures and $0.3 million in costs associated with refinancing the Company's debt, offset by $9.2 million of cash flow from operations and a $2.4 million reduction in receivables purchased from customers.

Change in Third Party Payables. Third party payables at June 30, 2011, inclusive of long-term liabilities, were $14.7 million, compared to $14.8 million at December 31, 2010. The $0.1 million reduction in third party payables during the first half of 2011 resulted from $1.2 million paid from net collections of purchased receivables and a $1.2 million reduction in payables related to the Company's dial-around compensation clearing business, offset by $2.3 million net receipts in the ordinary course of clearinghouse settlements (see Certain Terms above).

When the Company purchases receivables from a customer, the Company typically advances approximately 50% of the gross receivable amount to the customer. The remaining 50% is classified as a third party payable until the Company completes settlement activities related to the purchased receivable. During the first half of 2011, the Company reduced purchased receivables by $2.4 million, which resulted in a $1.2 million reduction in third party payables.

Capital Expenditures. During the first half of 2011, the Company incurred $0.8 million in capital expenditures, primarily for capitalized software development expense, telecommunications and computer equipment.

Cash Flow for the Six Months Ended June 30, 2011

Cash flow from operating activities. Cash provided by operating activities was $9.2 million during the first half of 2011. Net cash provided was principally attributable to $8.6 million of depreciation and amortization, a $2.4 million decrease in accounts receivable and a $1.1 million increase in accrued liabilities, offset by a $1.0 million reduction in trade accounts payable, a $0.8 million net loss, a $0.6 million increase in income tax receivable and a $0.5 million decrease in the provision for deferred taxes.

Cash flow from investing activities. Cash provided by investing activities was $1.6 million, reflecting a $2.4 million reduction in purchased receivables offset by $0.8 million of capital expenditures.

Cash flow from financing activities. Cash used in financing activities was $13.1 million, reflecting $12.8 million of principal payments on long-term debt and $0.3 million of payments for costs related to refinancing the Company's debt.

A copy of this statement is available on the Company's website (www.bsgclearing.com), and copies are available from BSG's Nominated Advisor at the address below:

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Forward Looking Statements

This report contains certain "forward-looking" statements and information relating to the Company that are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. When used in this report, the words "anticipate," "believe," "estimate," "expect," "intend" and "will" and words or phrases of similar import, as they relate to the Company or its subsidiaries or Company management, are intended to identify forward-looking statements. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including, without limitation, competitive factors, general economic conditions, customer relations, relationships with vendors, borrowing arrangements, interest rates, foreign exchange rates, litigation, governmental regulation and supervision, seasonality, product introductions and acceptance, technological change, changes in industry practices, one-time events and other factors described herein and in other announcements made by the Company. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not intend to update these forward-looking statements.

Billing Services Group Limited

Consolidated Balance Sheets
(In thousands, except shares)

	June 30, 2011 (Unaudited)	December 31, 2010 (Audited)	June 30, 2010 (Unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 10,229	$ 12,557	$ 18,748
Accounts receivable	14,155	16,532	15,559
Purchased receivables	6,612	9,053	11,100
Income tax receivable	1,858	1,213	1,023
Prepaid expenses and other current assets	943	729	1,061
Deferred taxes – current	1,410	1,817	1,864
Total current assets	35,207	41,901	49,355
Property, equipment and software	41,616	40,776	39,405
Less accumulated depreciation and amortization	26,513	24,249	22,008
Net property, equipment and software	15,103	16,527	17,397
Deferred finance costs, net of accumulated amortization of $-0-, $879 and $760 at June 30, 2011, December 31, 2010 and June 30, 2010, respectively	275	467	586
Intangible assets, net of accumulated amortization of $63,942, $59,613 and $55,285 at June 30, 2011, December 31, 2010 and June 30, 2010, respectively	29,959	34,288	38,491
Goodwill	34,404	34,433	34,368
Other assets	534	534	659
Total assets	$ 115,482	$ 128,150	$ 140,856

Billing Services Group Limited

Consolidated Balance Sheets (continued)
(In thousands, except shares)

	June 30, 2011 (Unaudited)	December 31, 2010 (Audited)	June 30, 2010 (Unaudited)
Liabilities and shareholders' equity			
Current liabilities:			
Trade accounts payable	$ 9,646	$ 10,630	$ 12,222
Third-party payables	14,193	14,321	12,941
Accrued liabilities	3,071	1,972	3,563
Current portion of long-term debt	9,600	3,844	11,250
Total current liabilities	36,510	30,767	39,976
Long-term debt, net of current portion and unamortized original issue discount of $-0-, $1,575 and $1,977 at June 30, 2011, December 31, 2010 and June 30, 2010, respectively	38,400	55,410	61,227
Deferred taxes – noncurrent	4,698	4,935	4,952
Other liabilities	2,012	3,920	4,592
Total liabilities	81,620	95,032	110,747
Commitments and contingencies			
Shareholders' equity:			
Common stock, $0.59446 par value; 350,000,000 shares authorized and 280,165,748 shares issued and outstanding at June 30, 2011 and December 31, 2010 and 279,863,248 shares issued and outstanding at June 30, 2010	166,433	166,433	166,368
Additional paid-in capital (deficit)	(174,879)	(175,125)	(175,477)
Retained earnings	42,194	42,959	40,888
Accumulated other comprehensive income (loss)	114	(1,149)	(1,670)
Total shareholders' equity	33,862	33,118	30,109
Total liabilities and shareholders' equity	$ 115,482	$ 128,150	$ 140,856

See accompanying notes.

Billing Services Group Limited

Consolidated Statements of Operations
(In thousands, except per share amounts)

	Six Months Ended June 30 2011 (Unaudited)	Six Months Ended June 30 2010 (Unaudited)
Operating revenues	$ 52,444	$ 75,479
Cost of services	31,387	45,309
Gross profit	21,057	30,170
Selling, general, and administrative expenses	9,225	11,522
EBITDA	11,832	18,648
Depreciation and amortization expense	8,635	7,302
Non-recurring restructuring expense	-	761
Stock-based compensation expense	246	310
Operating income	2,951	10,275
Other income (expense):		
Interest expense	(2,055)	(2,730)
Settlement and mark-to-market of derivatives	(1,760)	(101)
Interest income	151	287
Other expense, net	(176)	(114)
Total other expense, net	(3,840)	(2,658)
(Loss) income from operations before income taxes	(889)	7,617
Income tax benefit (expense)	123	(3,125)
Net (loss) income	$ (766)	$ 4,492
Net (loss) income per basic and diluted share:		
Basic net (loss) income per share	$ 0.00	$ 0.02
Diluted net (loss) income per share	$ 0.00	$ 0.02
Weighted average shares outstanding	280,166	279,863

See accompanying notes.

Billing Services Group Limited

Consolidated Statements of Cash Flows
(In thousands)

	Six Months Ended June 30	
	2011	**2010**
	(Unaudited)	**(Unaudited)**
Operating activities		
Net (loss) income	$ (766)	$ 4,492
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation	2,264	2,537
Amortization of intangibles	4,329	4,321
Amortization of deferred finance costs	467	101
Amortization of original issue discount on debt	1,575	342
Stock-based compensation expense	246	310
Loss on settlement of derivative contracts	1,760	101
Changes in operating assets and liabilities:		
Decrease in accounts receivable	2,377	3,446
(Increase) decrease in income taxes receivable	(616)	239
Increase in other current assets and other assets	(214)	(598)
Decrease in trade accounts payable	(984)	(225)
Decrease in third-party payables	(128)	(12,168)
Increase in accrued liabilities	1,099	1,171
Provision for deferred taxes	(497)	(1,039)
Decrease in other liabilities	(1,760)	(460)
Net cash provided by operating activities	9,152	2,570
Investing activities		
Purchases of property, equipment and software	(840)	(828)
Net receipts on purchased receivables	2,441	8,290
Net cash provided by investing activities	1,601	7,462

Billing Services Group Limited

Consolidated Statements of Cash Flows (continued)
(In thousands)

	Six Months Ended June 30	
	2011	**2010**
	(Unaudited)	**(Unaudited)**
Financing activities		
Payments on long-term debt	(12,829)	(5,625)
Financing costs	(275)	-
Net cash used in financing activities	(13,104)	(5,625)
Effect of exchange rate changes on cash	23	(84)
Net (decrease) increase in cash and cash equivalents	(2,328)	4,323
Cash and cash equivalents at beginning of year	12,557	14,425
Cash and cash equivalents at June 30	$ 10,229	$ 18,748

See accompanying notes.

NOTE 1 BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Billing Services Group Limited ("BSG" or the "Company") have been prepared in accordance with United States generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 2 NET INCOME (LOSS) PER COMMON SHARE

Basic and diluted net income (loss) per share are computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the relevant periods.

Diluted net income (loss) per share includes the effect of all dilutive options exercisable into common stock, unless the effect of such inclusion would be anti-dilutive. For both six month periods ended June 30, 2011 and 2010, basic and diluted net income were the same in each period.

NOTE 3 LONG-TERM DEBT

On June 30, 2011, the Company entered into a new credit facility. The Company borrowed $48 million from the new lending syndicate and concurrently retired $52.4 million of outstanding loans owed to the prior lender. The new credit agreement requires quarterly principal payments of $2.4 million beginning on September 30, 2011. The new credit facility matures on June 30, 2015.

Outstanding loans at June 30, 2011 and 2010 were $48.0 million and $74.5 million, respectively. At June 30, 2011, the actual interest rate on the debt was 4.00%, p.a. reflecting a 90-day London Interbank Offered Rate ("LIBOR") floor of 0.75% plus a margin of 3.25%.

NOTE 4 COMMITMENTS AND CONTINGENCIES

The Company is involved in various claims, legal actions and regulatory proceedings arising in the ordinary course of business. The Company believes it is unlikely that the final outcome of any of the claims or proceedings to which the Company is a party will have a material adverse effect on the Company's financial position or results of operations. Due to the inherent uncertainty of litigation and regulatory proceedings, however, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on the Company's results of operations for the fiscal period in which such resolution occurred.

The Company's subsidiary's tax returns for the 2007 through 2010 tax years generally remain subject to examination by the federal and most state tax authorities. In June 2010, the Internal Revenue Service completed its examination of the federal income tax returns of the Company's subsidiary for the years ended December 31, 2004 to 2006. As a result of the examination, the Company's subsidiary made an additional tax payment of $0.7 million. Of this amount, $0.5 million had been reserved in prior periods and accordingly had no effect on net income realized during the first six months of 2010.