For Immediate Release

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

Unaudited interim results for the six months ended June 30, 2014

PROFITABLE FIRST HALF ALLOWS FURTHER DEBT REDUCTION

(September 17, 2014) San Antonio, Texas and London, England -- BSG, a leading provider of clearing and financial settlement products, Wi-Fi data solutions and verification services, today announces its unaudited interim results for the six months ended June 30, 2014.

Financial Highlights
(*All amounts in US$)*

	Six Months Ended June 30 2014		2013	
Revenue	$	22.1 million	$	27.0 million
EBITDA [1]	$	4.7 million	$	5.8 million
Net income (loss)	$	2.0 million	$	(9.3) million
Net income (loss) per basic and diluted share	$	0.01 per share	$	(0.03) per share
Debt at end of period	$	11.1 million	$	20.8 million

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

- Improved gross margin by 2.6 percentage points (46.8% vs. 44.2% in first six months of 2013)
- Reduced overhead expenses by $0.4 million ($5.7 million vs. $6.1 million in first six months of 2013)
- Repaid $4.9 million of outstanding debt, for a period-end balance of $11.1 million (December 31, 2013: $16.0 million)

Operational Highlights

- Deployed an industry leading hotspot finder and connection product suite for iOS, Android and Blackberry
- Expanded channel partnerships with key telecommunication providers, such as Deutsche Telekom, to resell BSG Wireless services

- BSG Wireless was a key participant within the Wireless Broadband Alliance to enable Next Generation Hotspot (NGH) trials to help advance the evolution of seamless Wi-Fi connectivity
- Signed eight new third-party verification agreements, including four within the energy industry

Current Trading

- Trading for the six months ended June 30, 2014 was in line with the Board's expectations and consistent with the recent trading conditions experienced by the Company.
- The Company expects that revenues in the second half of 2014 will continue to be affected by the secular decline in billable long distance and operator service calls initiated on landline phones, partially offset by revenue gains from services to the wireless market.
- We expect full year revenue in 2014 to be within a range of $42.0 million to $45.0 million, modestly below levels projected in prior guidance. EBITDA is still expected to be within the prior guidance range of $8.5 million to $9.5 million.

Commenting on the results, Norman M. Phipps, Chief Executive Officer, said:

> *"Our business plan is succeeding. Growing revenue from newly-added services to the wireless sector is mitigating the decline in revenues arising from services to the landline sector. Emphasis on cash flow has concurrently allowed further debt reduction in the first half of 2014, reducing outstanding debt to $11.1 million."*

INQUIRIES:

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About BSG:

BSG has locations in San Antonio, Texas, USA and London, United Kingdom. The Company is traded on the London Stock Exchange (AIM: BILL). For more information on BSG, visit (www.bsgclearing.com).

CHIEF EXECUTIVE'S STATEMENT

I am pleased with the first half results. They demonstrate the effectiveness of our business plan adopted in response to changes in the industry and the regulatory environment, which had the effect of eliminating a material portion of the Company's revenues.

The business plan incorporates the following principal strategies:

- Develop a growing stream of revenue from services provided to the wireless market
- Maximize cash flow and reduce debt
- Reduce overhead expenses in U.S.-based operations, consistent with the declining level of services required by the landline market

We entered the wireless market in August 2012, through the strategic acquisition of Connection Services Holdings Limited ("BSG Wireless"), which provides network interconnection services and mobile device applications to Wi-Fi providers. Although still relatively small, BSG Wireless' revenue in the first half of 2014 was 67% higher than the same period in 2013, and the unit achieved EBITDA breakeven. We remain confident about the potential for growth in revenue and earnings contributions from BSG Wireless.

During the first half of 2014, the Company paid down $4.9 million of debt. We expect the remaining $11.1 million of debt to be repaid within one year.

We continue to manage overhead expenses aggressively. Our robust IT platform allows us to maintain a high level of efficiency. As an example, headcount in the U.S.-based billing, clearing and third-party verification businesses is less than half of the level five years ago. Our goal is to keep the organization lean.

Current Trading and Prospects

The long-recognized secular decline in landline phone usage will continue to restrain revenue and earnings. We are endeavouring to mitigate the decline through a larger presence in the wireless space.

We expect full year revenue in 2014 to be within a range of $42.0 million to $45.0 million, modestly below levels projected in prior guidance. EBITDA is still expected to be within the prior guidance range of $8.5 million to $9.5 million.

As previously announced, we have been managing numerous governmental and class action litigation issues. Further updates will be made as additional information becomes available.

Norman M. Phipps
Chief Executive Officer

FINANCIAL REVIEW

Financial Review of the Six Months Ended June 30, 2014

The Company's unaudited results for the six months ended June 30, 2014 are compared to the corresponding period of 2013 in the accompanying financial statements. BSG's consolidated financial statements are prepared in conformity with United States generally accepted accounting principles ("GAAP") for interim financial information.

Certain Terms

Revenues. Revenues are derived primarily from fees charged to wireline and wireless 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 local exchange carriers ("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 largely dependent upon transaction volume, the nature of services rendered, 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 350, *Intangibles – Goodwill and Other*. These assets consist of contracts with customers and LECs. Assets are depreciated or amortized, as applicable, over their respective useful lives. 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 also excludes non-cash charges and nonrecurring 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, to pay the Company's processing fees and to serve as a reserve against retrospective charges from LECs. Depending upon the timing of receipts, weekly settlements and reserve releases, both cash and third-party payables can fluctuate materially from day-to-day.

When LECs make payments to the Company, they withhold funds to cover a variety of expenses and potential retrospective charges. As noted above, the Company similarly withholds funds from its clients to cover expenses and retrospective charges. The third-party payable balance is computed as the net excess of funds owed to clients (recorded as a liability) over reserves withheld by LECs (recorded as an asset).

Comparison of Results for the Six Months Ended June 30, 2014 to the Six Months Ended June 30, 2013

Total Revenues. Total revenues of $22.1 million during the first half of 2014 were $4.9 million, or 18%, lower than the $27.0 million of revenues recorded during the first half of 2013. The $4.9 million decrease reflects lower transaction volumes across all clearing, settlement and customer service activities provided for landline service providers, partially offset by higher managed service fees from our BSG Wireless offerings.

Cost of Services and Gross Profit. The Company's cost of services in the first half of 2014 was $11.8 million, compared to $15.1 million during the first half of 2013. The $3.3 million, or 22%, decrease in cost of services is largely attributable to lower LEC fees for billing and collection services associated with a reduced volume of transactions. The Company generated $10.4 million of gross profit in the first half of 2014 compared to $11.9 million in the same period of 2013. The gross margin of 46.8% in the first half of 2014 was 2.6 percentage points higher than the 44.2% margin achieved in the first half of 2013. The improved gross margin in 2014 resulted from a larger percentage of revenue from our wireless business that attracts a higher gross margin.

Cash Operating Expenses. Cash operating expenses were $5.7 million in the first half of 2014, compared to $6.1 million in the first half of 2013. The $0.4 million, or 8%, decrease reflects a net reduction in compensation, professional services, travel and other expenses.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"). The Company generated $4.7 million of EBITDA during the first half of 2014, compared to $5.8 million during the first half of 2013. A reconciliation of net income (loss) and EBITDA in each period is shown below:

$ millions	Six Months Ended June 30, 2014	2013
Net income (loss)	$ 2.0	$ (9.3)
Depreciation expense	1.3	2.5
Amortization of intangibles	0.4	3.6
Impairment charge – goodwill	-	8.8
Stock-based compensation expense	-	0.1
Interest expense	0.4	0.5
Interest income	(0.2)	(0.1)
Income tax expense (benefit)	1.3	(0.6)
All other (income) expense, net	(0.5)	0.3
EBITDA	**$ 4.7**	**$ 5.8**

Depreciation and Amortization Expense. Depreciation and amortization expenses during the first half of 2014 were $1.7 million, compared to $6.1 million in the same period of 2013. The $4.4 million decline reflects cessation of depreciation and amortization charges on several categories of capitalized software development costs and intangible assets for which accumulated depreciation and amortization reserves reached the assets' respective gross carrying values during the second half of 2013.

Impairment Charge - Goodwill. During the first half of 2013, the Company recorded an $8.8 million non-cash impairment charge against goodwill. The charge related to goodwill which arose in 2003 in connection with the purchase of one of the Company's clearing and settlement businesses for wireline service providers. In 2003, the aggregate goodwill which arose from the transaction was allocated to each of the Company's operating entities. During the first half of 2013, the Company consolidated its business activity into fewer operating units, and accordingly recognized an impairment charge on the portion of goodwill which had been allocated to two entities involved in enhanced services billing for which cash flows generally ceased during 2013.

The impairment charge, all of which was non-cash, was not included as a deduction to earnings for purposes of calculating EBITDA.

Stock–based Compensation Expense. The Company incurred $0.1 million or less of stock-based compensation expense during the first six months of 2014 and 2013. 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 $0.4 million during the first half of 2014, compared to $0.5 million in the first half of 2013. The reduced expense in 2014 largely resulted from a reduced level of outstanding debt in 2014. During the first half of 2014, the weighted average debt outstanding was $14.6 million, compared to $26.0 million in the first half of 2013.

Other Income and Expense. During the first half of 2014, the Company realized $0.6 million of other income, compared to $0.3 million of other expense in the first half of 2013. The $0.9 million difference is largely attributable to $0.7 million of income arising from the favorable settlement of former customers' accounts payable balances during the first half of 2014. Other income or expense arises from miscellaneous items typically of a non-recurring nature. Accordingly, other income and expense were not included as earnings or as a deduction to earnings for purposes of computing EBITDA.

Change in Cash. BSG's cash balance at June 30, 2014 was $10.9 million, compared to $12.7 million at December 31, 2013. The $1.8 million decrease during the first six months of 2014 is largely attributable to $4.9 million of principal payments on long-term debt, a $3.1 million decrease in accrued and other liabilities and $0.6 million of capital expenditures, offset by $2.0 million of net income, $1.7 million of depreciation and amortization expense, $1.8 million of transfers from restricted cash and $0.9 million of net receipts on purchased receivables.

Change in Restricted Cash. In the ordinary course of business, LECs withhold funds from their payments to the Company in order to create a reserve securing potential future obligations of the Company to the LEC. Through December 31, 2013, pursuant to a 2012 agreement with one LEC, the LEC released a net $16.3 million of cash reserves. The cash was transferred into a restricted Company bank account to be used solely for funding the Company's indemnification obligation under pending class action litigation against the LEC. During the first half of 2014, $1.8 million was released from the restricted cash account to satisfy indemnification obligations, reducing restricted cash to $14.5 million at June 30, 2014. The $14.5 million of restricted cash combined with $12.0 million of cumulative indemnification credits which arose during 2012 under an agreement with another LEC, resulted in a total of $26.5 million of liquid resources available at June 30, 2014 to satisfy the Company's indemnification obligations associated with class action litigation.

Change in Third-Party Payables. Third-party payables at June 30, 2014, inclusive of long-term liabilities, were $18.3 million, compared to $18.6 million at December 31, 2013. The $0.3 million decline reflected a $0.4 million decrease related to a reduction in purchased receivables, offset by $0.1 million of ordinary course settlement activities.

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 2014, the Company decreased purchased receivables by $0.9 million, which resulted in a $0.4 million decrease in third-party payables.

Change in Accrued Liabilities. Accrued liabilities at June 30, 2014 were $24.1 million compared to $26.5 million at December 31, 2013. The $2.4 million decrease in accrued liabilities resulted largely from $1.8 million of payments for indemnification liabilities to LECs under pending class action litigation (see "*Change in Restricted Cash*" above), combined with $0.5 million of net payments for other accrued liabilities in the ordinary course of business. It is anticipated that at least $14.5 million of accrued liabilities will be paid from restricted cash.

Capital Expenditures. During the first half of 2014, the Company invested $0.6 million in capital expenditures, primarily for capitalized software development costs. During the first half of 2013, capital expenditures were $0.5 million.

Cash Flows for the Six Months Ended June 30, 2014

Cash flow from operating activities. Net cash provided by operating activities was $0.8 million during the first half of 2014. Net cash provided was principally attributable to $2.0 million of net income and $1.7 million of depreciation and amortization, offset by a $3.1 million reduction in accrued and other liabilities.

Cash flow from investing activities. Net cash provided by investing activities was $0.3 million, reflecting $0.9 million of net receipts on purchased receivables and $0.2 million of proceeds from the disposal of assets, offset by $0.6 million of capital expenditures and $0.1 million of translation adjustments on intangible assets.

Cash flow from financing activities. Net cash used in financing activities was $3.1 million, resulting from $4.9 million of principal payments on long-term debt, offset by $1.8 million of transfers from restricted cash.

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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" and "intend" 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, 2014 (Unaudited)	December 31, 2013 (Audited)	June 30, 2013 (Unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 10,893	$ 12,715	$ 14,788
Restricted cash	14,506	16,259	16,962
Accounts receivable	7,421	7,900	8,227
Purchased receivables	2,942	3,839	3,717
Prepaid expenses and other current assets	753	413	459
Deferred taxes – current	1,623	1,647	1,166
Total current assets	38,138	42,773	45,319
Property, equipment and software	46,336	45,688	45,032
Less accumulated depreciation and amortization	40,491	39,041	36,554
Net property, equipment and software	5,845	6,647	8,478
Deferred finance costs, net of accumulated amortization of $317, $287 and $250 at June 30, 2014, December 31, 2013 and June 30, 2013, respectively	31	60	98
Intangible assets, net of accumulated amortization of $73,787, $73,379 and $80,224 at June 30, 2014, December 31, 2013 and June 30, 2013, respectively	8,492	8,812	11,793
Goodwill	25,283	25,284	25,284
Other assets	184	205	474
Total assets	$77,973	$ 83,781	$ 91,446

See accompanying notes

Billing Services Group Limited

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

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)	June 30, 2013 (Unaudited)
Liabilities and shareholders' equity			
Current liabilities:			
Trade accounts payable	$ 4,364	$ 4,823	$ 4,792
Third-party payables	17,985	17,838	19,494
Accrued liabilities	24,127	26,531	28,215
Income tax payable	16	715	375
Current portion of long-term debt	9,600	9,600	9,600
Total current liabilities	56,092	59,507	62,476
Long-term debt, net of current portion	1,481	6,379	11,179
Deferred taxes – noncurrent	1,382	674	3,306
Distribution payable	-	-	158
Other liabilities	329	729	1,372
Total liabilities	59,284	67,289	78,491
Commitments and contingencies			
Shareholders' equity:			
Common stock, $0.59446 par value; 350,000,000 shares authorized; 282,415,748 shares outstanding	167,771	167,771	167,771
Additional paid-in capital (deficit)	(175,618)	(175,655)	(175,708)
Retained earnings	26,112	24,106	20,945
Accumulated other comprehensive income (loss)	424	270	(53)
Total shareholders' equity	18,689	16,492	12,955
Total liabilities and shareholders' equity	$ 77,973	$ 83,781	$ 91,446

See accompanying notes

Billing Services Group Limited

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

	Six Months Ended June 30, 2014 (Unaudited)	Six Months Ended June 30, 2013 (Unaudited)
Operating revenues	$ 22,128	$ 27,049
Cost of services	11,769	15,105
Gross profit	10,359	11,944
Selling, general and administrative expenses	5,675	6,141
EBITDA	4,684	5,803
Depreciation and amortization expense	1,730	6,159
Impairment charge – goodwill	-	8,814
Other nonrecurring expense	8	-
Stock-based compensation expense	36	62
Operating income (loss)	2,910	(9,232)
Other income (expense):		
Interest expense	(406)	(525)
Interest income	209	69
Other income (expense), net	560	(299)
Total other income (expense), net	363	(755)
Income (loss) from operations before income taxes	3,273	(9,987)
Income tax (expense) benefit	(1,267)	648
Net income (loss)	2,006	(9,339)
Other comprehensive income (loss)	154	(247)
Comprehensive income (loss)	$ 2,160	$ (9,586)
Net income (loss) per basic and diluted share:		
Basic net income (loss) per share	$ 0.01	$ (0.03)
Diluted net income (loss) per share	$ 0.01	$ (0.03)
Weighted average shares outstanding	282,416	282,416

See accompanying notes

Billing Services Group Limited
Consolidated Statements of Cash Flows
(In thousands)

	Six Months Ended June 30, 2014 (Unaudited)	Six Months Ended June 30, 2013 (Unaudited)
Operating activities		
Net income (loss)	$ 2,006	$ (9,339)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,271	2,516
Amortization of intangibles	408	3,576
Amortization of deferred finance costs and other assets	50	67
Impairment loss	-	8,814
Stock-based compensation expense	36	62
Changes in operating assets and liabilities:		
Decrease in accounts receivable	479	215
Decrease in income taxes receivable	-	6,393
Increase in other current assets and other assets	(340)	(159)
Decrease in trade accounts payable	(459)	(819)
Decrease in third-party payables	(254)	(965)
(Decrease) increase in accrued and other liabilities	(3,102)	2,394
Provision for deferred taxes	732	(2,084)
Net cash provided by operating activities	827	10,671
Investing activities		
Purchases of property, equipment and software	(628)	(529)
Net receipts (advances) on purchased receivables	897	(339)
Proceeds from disposal of assets	159	-
Translation adjustment in intangible assets	(87)	187
Net cash provided (used) by investing activities	341	(681)
Financing activities		
Payments on long-term debt	(4,897)	(11,108)
Restricted cash	1,753	(2,668)
Additional payments to former owners of BSG Wireless	-	(290)
Net cash used in financing activities	(3,144)	(14,066)
Effect of exchange rate changes on cash	154	(247)
Net decrease in cash and cash equivalents	(1,822)	(4,323)
Cash and cash equivalents at beginning of period	12,715	19,111
Cash and cash equivalents at June 30	$ 10,893	$ 14,788

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 or loss per share are computed by dividing net income or loss by the weighted average number of shares of common stock outstanding during the relevant periods.

Diluted net income or loss per share includes the effect of all dilutive options exercisable into common stock, unless the effect of such inclusion would be anti-dilutive.

NOTE 3 LONG-TERM DEBT

In June 2011, the Company entered into a credit facility which matures on June 30, 2015. The credit facility requires quarterly principal payments of $2.4 million, with any unpaid balance due at maturity. Prepayments are permitted without premium or penalty.

In the second half of 2012, the Company borrowed $6.3 million to facilitate both the purchase of BSG Wireless and a cash distribution to shareholders. The $6.3 million of loans were repaid in February 2013.

Outstanding loans at June 30, 2014, December 31, 2013 and June 30, 2013 were $11.1 million, $16.0 million and $20.8 million, respectively. At June 30, 2014, December 31, 2013 and June 30, 2013, the interest rates on the debt were 3.25%, 3.75% and 3.75%, *p.a.*, respectively.

The Company's credit facility includes covenants requiring the Company to maintain certain minimum levels of debt service coverage and maximum levels of leverage and capital expenditures. The agreement also includes various representations, restrictions and other terms and conditions that are usual and customary in agreements of this nature. The Company was in compliance with all terms of the credit facility during the first half of 2014.

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 2010 through 2013 tax years generally remain subject to examination by the federal and most state tax authorities.