



For Immediate Release

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

ENHANCED SERVICE BILLING DEVELOPMENTS

(September 2, 2010) 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 new developments concerning enhanced service billing.

As noted in prior announcements, the clearing house industry (including the Company) has been facing negative perceptions from certain local exchange carriers ("LECs") regarding their billing for providers of enhanced services, and as described in the interim results for the first half of 2010, "certain LECs have recently limited the Company's ability to bill charges related to newly marketed enhanced services." Enhanced service billings typically involve charges for offerings such as voice mail, e-mail, web hosting and directory listings, and given the churn (that is, average usage by the end user) associated with these service offerings, the inability of the Company's customers to market these services to new potential end users generally results in revenue attrition as residual billings run off.

Over the past several months, the clearing house industry has engaged in dialogue with the LEC community regarding best practices for the billing of enhanced services. However, during the course of these evolving discussions, the largest LEC in the United States has now taken a restrictive position on all newly marketed enhanced services that are not exclusively provided by it, or by the Company on its behalf. As a result of conversations and meeting held yesterday, and in the current absence of a resolution of the open issues with the LEC concerned, the Company believes that this position will have a modest negative impact on the Company's financial performance for 2010 and, if the situation remains unresolved, would be likely to have a more serious impact on its financial performance in 2011. Management will continue its ongoing dialogue with this specific LEC in an effort to ensure a maximum level of capacity for billing and collection of enhanced service charges, and based on the meeting held yesterday remains optimistic that it will be successful in this regard.

Over the first seven months of 2010, total enhanced service billings generated \$20.0 million of revenue, compared with \$20.1 million of comparable revenue during the first seven months of 2009. The Company's average gross margin on this revenue is approximately 41%. While there has been no material difference in comparable total revenue through the first seven months of 2010, the Company now expects that attrition

in existing enhanced revenue in an environment that prohibits new marketing of all enhanced services in the largest LEC territories will cause its revenue and EBITDA estimates for 2010 to be modestly lower than originally forecasted, with full year 2010 revenue between \$130 million and \$132 million and EBITDA between \$31.0 million and \$32.5 million. Were the Company to be unsuccessful in its ongoing negotiations with this LEC, it is probable that there will be a more material decline in both revenue and EBITDA in 2011. At this juncture, it is difficult to estimate the levels of net reduction because of ongoing efforts in Bill2Phone™ sales and other potential contract wins, combined with expected attrition in the Company's long distance product offering. The Company currently expects that it will continue to provide some level of ongoing newly marketed enhanced billing services in regions of the United States not serviced by this LEC.

The Company will issue additional information upon the occurrence of any material new development.

Background of Enhanced Service Billings and the Company's Action Plan

Historically, enhanced service billings have been susceptible to misunderstanding between the enhanced service provider and the consumer over such issues as charges and scope of service. As a result, enhanced services have typically involved a higher consumer inquiry or complaint rate than regular telephone usage charges, which, in turn, can precipitate negative perceptions about enhanced service billings.

The Company has taken proactive measures, including the implementation of certain procedures over the last year, to minimize the level of disputed charges in connection with enhanced services. These measures include:

- Submitting enhanced service charges to each LEC only after that LEC has expressly approved the billing of a particular service offering by a specific enhanced service provider;
- Authenticating all enhanced product sales through the Company's Bill2Phone™ authentication engine;
- Company employees anonymously subscribing to random enhanced services offerings to assess the quality of service and accuracy of charges; and
- Actively monitoring the level of complaints received in respect of its customers' enhanced service offerings.

If there are perceived irregularities in the authentication of orders, quality of service, accuracy of charges or the frequency of consumer complaints involving an enhanced service provider, the Company takes appropriate action, including, if necessary, termination of billing for that customer. Each LEC in the United States requires that providers of enhanced services comply with certain end user inquiry or complaint thresholds; that is, a maximum number of inquiries or complaints in any particular month and in each LEC region. As described above, the Company actively monitors the level of consumer inquiries and complaints in respect of its customers' enhanced service offerings and believes that the level of such inquiries or complaints is, for every one of its existing 98 enhanced service customers, below the contractual thresholds required by, among others, the largest LEC in the United States.

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NOTE TO EDITORS:

BSG (www.bsgclearing.com) was admitted to the AiM market of the London Stock Exchange in June 2005 and trades under the symbol BILL. The Company's operating subsidiary, BSG Clearing Solutions, is the leading provider of third party clearinghouse services for the North American telecommunications industry.