For Immediate Release

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

Unaudited interim results for the six months ended June 30, 2013

STRONG CASH FLOW FROM OPERATIONS DRIVES FURTHER DEBT REDUCTION

(September 11, 2013) 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, 2013.

Financial Highlights
(*All amounts in US$)*

	Six Months Ended June 30 2013	2012
Revenue	$ 27.0 million	$ 38.5 million
EBITDA [(1)]	$ 5.8 million	$ 8.7 million
Net loss	$ (9.3) million	$ (8.2) million
Net loss per basic and diluted share	$ (0.03) per share	$ (0.03) per share

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

- Generated $10.7 million of cash from operating activities (six months 2012: $10.0 million)
- Repaid $11.1 million of outstanding debt, for a period-end balance of $20.8 million (December 31, 2012: $31.9 million). The 2013 repayments included $6.3 million borrowed in the last half of 2012 in connection with the acquisition of Connection Services Holdings Limited ("CSL") ($3.5 million) and the distribution to shareholders ($2.8 million)

- Reduced overhead expenses by $0.7 million net (reduction of $1.8 million, adjusted for an acquisition), largely as the result of personnel reductions and other cost saving actions
- Recognized an $8.8 million non-cash goodwill impairment charge related to the discontinuation of enhanced services billing operations in two business entities

Operational Highlights

- Increased our Wi-Fi network partners' footprint to over five million hotspots
- Consolidated and upgraded our data centers in the U.K. and U.S. in line with the CSL acquisition plan
- Signed six new third party verification agreements, including two within the energy industry

Current Trading

- Current trading for the six months ended June 30, 2013 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 2013 will be adversely affected by longer sales cycles associated with larger deals at CSL coupled with the ongoing secular decline in the volume of billable long distance and operator service calls initiated on landline phones. As a result, full year revenue is expected to be marginally below the original full year guidance of $55.0 million to $58.0 million. EBITDA is still expected to be within the original guidance of $11.5 million to $12.5 million.

Commenting on the results, Norm Phipps, Chief Executive Officer, said:

> *"Our aggressive focus on cash flow allowed for an $11.1 million debt reduction in the first half. Our business plan continues to prioritize debt reduction, development or acquisition of new diversifying revenue sources and, as feasible and prudent, the distribution of cash to shareholders."*

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About BSG:

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

CHIEF EXECUTIVE'S STATEMENT

Our first half results in 2013 reflect a revised business plan adopted in response to changes in the industry and the regulatory environment over the past few years. Among other elements, the new business plan incorporates the following:

- A modest, but promising, stream of revenue from services provided to the wireless market, arising from the acquisition of CSL in September 2012
- Zero revenue from clearing and settlement services related to enhanced transactions
- Cost reductions in the U.S.-based operations consistent with the reduced revenue level

Under the updated business plan, the Company generated $10.7 million of cash from operations, paid down a total of $11.1 million in debt, reducing the outstanding balance to $20.8 million, and added $2.7 million to restricted cash. We ended the first half with $14.8 million of unrestricted cash.

The first half's earnings were affected by an $8.8 million non-cash goodwill impairment charge. The related goodwill had been recorded in 2003 when the Company purchased one of its clearing and settlement businesses for wireline service providers. At that time, goodwill was allocated to each of the Company's operating entities. In the first half of 2013, the Company consolidated its business activity into fewer operating units, and it accordingly recognized an impairment charge on the portion of goodwill which had been allocated to two entities involved in enhanced services billing and which generally ceased operational activity in December 2012.

Execution of Business Model

The core objectives of our business model are not complicated: generate cash; pay down debt; develop or purchase businesses which will diversify our revenue stream away from the U.S. wireline market; and distribute surplus cash to shareholders. These concurrent goals require appropriate balancing with due consideration to prudence, appropriate capital structure, banking and legal requirements. We will balance the objectives with an aggressive, imaginative and opportunistic mindset.

Generating cash is the pivotal ongoing foundation for our business model. The secular decline in the U.S. wireline market has driven us to prioritize new service offerings to the worldwide wireless market. That was the strategic rationale for the acquisition of CSL, which provides data clearing services to Wi-Fi providers. CSL's modest level of revenue, as expected, was insufficient to cover its expenses in the first half of 2013. Nonetheless, the reception to CSL's service offerings has been gratifying. We see the potential for near-term growth in CSL's customers, volume, revenue and earnings.

I am pleased with our progress in 2013. We have weathered strong headwinds over the past three years while developing new revenue sources and reducing overhead costs. I am optimistic about our future success in generating cash and enhancing shareholder value. We demonstrated that commitment to shareholders in 2012 with a $2.8 million ($0.01 per share) cash distribution. We cannot predict whether and when we can make future cash distributions to shareholders. Rest assured, however, with our commitment to execute a business plan which maximizes shareholder value.

Current Trading and Prospects

As we focus on larger opportunities in the wireless space, the longer than expected sales cycles at CSL, coupled with the expected secular decline in landline phone usage, will continue to restrain revenue and earnings. As a result, full year revenue is expected to be marginally below the original full year guidance. EBITDA is still expected to be within the original guidance.

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, 2013

The Company's unaudited results for the six months ended June 30, 2013 are compared to the corresponding period of 2012 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 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 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. Historically, 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.

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, 2013 to the Six Months ended June 30, 2012

Total Revenues. Total revenues of $27.0 million during the first half of 2013 were $11.5 million, or 30%, lower than the $38.5 million of revenues recorded during the first half of 2012. The $11.5 million decrease reflects lower transaction volumes across all clearing and settlement services and related declines in chargeable customer service activities, offset in part by revenues provided by CSL (acquired in September 2012).

Revenue from enhanced service offerings declined by $6.1 million. Revenue from the Company's service offerings, excluding enhanced services, declined by a net of $5.4 million. The preceding revenue amounts are inclusive of customer service-related activities (including complaint and recourse fees).

The decline in revenue from long distance, operator service, third party verification and related services largely reflects the ongoing secular decline in U.S. landline usage. The decline in revenue from enhanced service transactions reflects the disruption 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. The Company discontinued billing for enhanced service transactions during 2012.

Cost of Services and Gross Profit. The Company's cost of services in the first half of 2013 was $15.1 million, compared to $23.0 million during the first half of 2012. The $7.9 million, or 34%, decrease in cost of services reflects lower LEC fees for billing and collection services associated with a reduced volume of transactions. The Company generated $11.9 million of gross profit in the first half of 2013 compared to $15.5 million in the same period of 2012. The gross margin of 44.2% in the first half of 2013 was 3.9 percentage points higher than the 40.3% margin achieved in the first half of 2012. The improved gross margin in 2013 reflects a mix of revenue favoring service offerings with higher gross margins.

Cash Operating Expenses. Cash operating expenses were $6.1 million in the first half of 2013, compared to $6.8 million in 2012. The $0.7 million, or 10%, decrease in expenses reflects $1.8 million of expense reduction in the U.S.-based clearing, settlement and third party verification business, offset by $1.1 million of incremental expenses from CSL. Expense reductions in the clearing, settlement and third party verification businesses are largely attributable to lower compensation costs driven by a decline in headcount.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"). The Company generated $5.8 million of EBITDA during the first half of 2013, compared to $8.7 million during the first half of 2012. A reconciliation of net loss and EBITDA is shown below:

	Six Months Ended June 30,	
$ millions	**2013**	**2012**
Net loss	$ (9.3)	$ (8.2)
Depreciation expense	2.5	2.5
Amortization of intangibles	3.6	4.3
Amortization of other assets	0.1	0.1
Impairment charge – intangibles	-	2.5
Impairment charge – goodwill	8.8	-
Nonrecurring restructuring expense	-	0.7
Other nonrecurring expense	-	10.3
Stock-based compensation expense	0.1	-
Interest expense	0.5	0.7
Income tax benefit	(0.6)	(4.1)
All other, net	0.1	(0.1)
EBITDA	**$ 5.8**	**$ 8.7**

Depreciation and Amortization Expense. Depreciation and amortization expenses during the first half of 2013 were $6.2 million, compared to $6.9 million in the same period of 2012. The $0.7 million decline reflects a reduction in amortization of intangible assets, largely attributable to a lower carrying value following $3.7 million of impairment charges against such assets during calendar year 2012.

Impairment Charge – Intangible Assets. During the first half of 2012, the Company recorded a $2.5 million non-cash impairment charge against intangible assets. The $2.5 million charge reflected a write-off of the unamortized carrying value of contracts with LECs and customers related to the provision of billing and collection services for enhanced service transactions. The write-off resulted from the Company's then scheduled discontinuation of acceptance and billing for enhanced service transactions by December 31, 2012.

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

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. In the first half of 2013, the Company consolidated its business activity into fewer operating units, and it accordingly recognized an impairment charge on the portion of goodwill which had been allocated to two entities involved in enhanced services billing and which generally ceased operational activity in December 2012.

Additionally, the Company reduced goodwill by less than $0.1 million during the first six months both years related to the amortization of tax goodwill in excess of book goodwill in connection with a prior acquisition.

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

Nonrecurring Restructuring Expense. In the first half of 2012, the Company recorded $0.7 million of restructuring charges related to a cost reduction program. The restructuring charges primarily consisted 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.

Other Nonrecurring Expense. In the first half of 2012, the Company recognized a $10.3 million charge related to its obligation to indemnify a LEC for expenses of the LEC under consumer class action litigation brought against the LEC. The Company concurrently released its claim on $10.3 million of reserves with the LEC in exchange for $10.3 million of credits against the indemnification obligation. The Company had recorded the reserves as an account receivable (reflected as a contra-liability in third party payables – see *Third Party Payables* within *"Certain Terms"* above). 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 incurred less than $0.1 million of stock-based compensation expense during each of the first halves of 2013 and 2012. 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 $0.5 million during the first half of 2013, compared to $0.7 million of expense in the first half of 2012. The lower expense during the first half of 2013 largely reflected a reduced level of outstanding debt.

During the first half of 2013, the weighted average debt outstanding was $26.0 million, compared to an average of $34.3 million in the first half of 2012.

Change in Cash. BSG's cash balance at June 30, 2013 was $14.8 million, compared to $19.1 million at December 31, 2012. The $4.3 million decrease in cash during the first six months of 2013 resulted largely from $11.1 million of principal payments on long-term debt, a $2.7 million transfer to restricted cash, $0.5 million of capital expenditures, a $0.3 million increase in receivables purchased from customers and $0.3 million in payments to the former owners of CSL, offset by $10.7 million of cash provided by operating activities.

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. During 2012, the Company reached an agreement with one LEC pursuant to which the LEC released $14.3 million of cash reserves and concurrently transferred $14.3 million of cash into a restricted Company bank account which will be used solely for funding the Company's indemnification obligation under pending class action litigation against the LEC. During the first half of 2013, the LEC released an additional $2.7 million of cash reserves, all of which was transferred to the restricted Company bank account. The Company's resulting $17.0 million of restricted cash at June 30, 2013, combined with $12.0 million of cumulative indemnification credits, a substantial portion of which were recorded in the first half of 2012 (see *Other Nonrecurring Expense* above), resulted in a total of $29.0 million of liquid resources available at June 30, 2013 to satisfy the Company's indemnification obligations associated with class action litigation.

Change in Third Party Payables. Third party payables at June 30, 2013, inclusive of long-term liabilities, were $20.2 million, compared to $21.2 million at December 31, 2012. The $1.0 million decline in third party payables during the first half of 2013 resulted from a $1.2 million reduction associated with ordinary course settlement activities, offset by a $0.2 million increase arising from net advances for purchased receivables.

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 2013, the Company increased purchased receivables by $0.3 million, which resulted in a $0.2 million increase in third party payables.

Change in Accrued Liabilities. Accrued liabilities at June 30, 2013 were $28.6 million compared to $26.2 million at December 31, 2012. The $2.4 million increase in accrued liabilities resulted largely from a $2.7 million increase in reserves for indemnification liabilities to LECs under pending class action litigation, offset by $0.3 million of net payments for other accrued liabilities in the ordinary course of business. It is anticipated that at least $17.0 million of accrued liabilities will be paid from restricted cash.

Capital Expenditures. During the first half of 2013, the Company invested $0.5 million in capital expenditures, primarily for capitalized software development costs. During the first half of 2012, capital expenditures were $0.5 million.

Cash Flows for the Six Months Ended June 30, 2013

Cash flow from operating activities. Net cash provided by operating activities was $10.7 million during the first half of 2013. Net cash provided was principally attributable to an $8.8 million non-cash impairment charge, a $6.4 million decrease in income taxes receivable, $6.2 million of depreciation and amortization and a $2.4 million increase in accrued liabilities, offset by a $9.3 million net loss, a $2.1 million decrease in deferred taxes, a $1.0 million decrease in third party payables and a $0.8 million decrease in trade accounts payable.

Cash flow from investing activities. Net cash used by investing activities was $0.7 million, largely reflecting $0.5 million of capital expenditures.

Cash flow from financing activities. Cash used in financing activities was $14.1 million, reflecting $11.1 million of principal payments on long-term debt, $2.7 million of transfers to restricted cash and $0.3 million of payments in connection with the purchase of CSL.

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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:

Billing Services Group Limited

c/o finnCap Limited
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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, 2013 (Unaudited)	**December 31, 2012 (Audited)**	**June 30, 2012 (Unaudited)**
Assets			
Current assets:			
Cash and cash equivalents – unrestricted	$ 14,788	$ 19,111	$ 11,591
Restricted cash	16,962	14,294	5,000
Accounts receivable	8,227	8,442	7,825
Purchased receivables	3,717	3,378	4,273
Income tax receivable	-	6,393	3,208
Prepaid expenses and other current assets	459	300	647
Deferred taxes – current	1,166	1,368	1,173
Total current assets	45,319	53,286	33,717
Property, equipment and software	45,032	44,512	43,270
Less accumulated depreciation and amortization	36,554	34,046	31,426
Net property, equipment and software	8,478	10,466	11,844
Deferred finance costs, net of accumulated amortization of $250, $202 and $145 at June 30, 2013, December 31, 2012 and June 30, 2012, respectively	98	145	202
Intangible assets, net of accumulated amortization of $80,224, $76,650 and $72,601 at June 30, 2013, December 31, 2012 and June 30, 2012, respectively	11,793	15,553	17,763
Goodwill	25,284	34,100	34,345
Other assets	474	494	515
Total assets	$ 91,446	$ 114,044	$ 98,386

Billing Services Group Limited

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

	June 30, 2013 (Unaudited)	**December 31, 2012 (Audited)**	**June 30, 2012 (Unaudited)**
Liabilities and shareholders' equity			
Current liabilities:			
Trade accounts payable	$ 4,792	$ 5,611	$ 8,507
Third-party payables	19,494	20,459	14,530
Accrued liabilities	28,590	26,208	13,498
Current portion of long-term debt	9,600	15,900	9,600
Total current liabilities	62,476	68,178	46,135
Long-term debt, net of current portion	11,179	15,987	20,787
Deferred taxes – noncurrent	3,306	5,593	2,203
Distribution payable	158	448	-
Other liabilities	1,372	1,360	2,420
Total liabilities	78,491	91,566	71,545
Commitments and contingencies			
Shareholders' equity:			
Common stock, $0.59446 par value; 350,000,000 shares authorized; 282,415,748 shares, 282,415,748 shares and 280,165,748 shares issued and outstanding at June 30, 2013, December 31, 2012 and June 30, 2012, respectively	167,771	167,771	166,433
Additional paid-in capital (deficit)	(175,708)	(175,770)	(174,646)
Retained earnings	20,945	30,283	34,942
Accumulated other comprehensive (loss) income	(53)	194	112
Total shareholders' equity	12,955	22,478	26,841
Total liabilities and shareholders' equity	$ 91,446	$ 114,044	$ 98,386

See accompanying notes.

Billing Services Group Limited

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

	Six Months Ended June 30, 2013 (Unaudited)	Six Months Ended June 30, 2012 (Unaudited)
Operating revenues	$ 27,049	$ 38,494
Cost of services	15,105	22,971
Gross profit	11,944	15,523
Selling, general, and administrative expenses	6,141	6,861
EBITDA	5,803	8,662
Depreciation and amortization expense	6,159	6,889
Impairment charge – intangible assets	-	2,488
Impairment charge – goodwill	8,814	-
Nonrecurring restructuring expense	-	687
Other nonrecurring expense	-	10,318
Stock-based compensation expense	62	21
Operating loss	(9,232)	(11,741)
Other income (expense):		
Interest expense	(525)	(691)
Settlement and mark-to-market of derivatives	-	(3)
Interest income	69	93
Other (expense) income, net	(299)	21
Total other expense, net	(755)	(580)
Loss from operations before income taxes	(9,987)	(12,321)
Income tax benefit	648	4,115
Net loss	(9,339)	(8,206)
Other comprehensive (loss) income	(247)	2
Comprehensive loss	$ (9,586)	$ (8,204)
Net loss per basic and diluted share:		
Basic net loss per share	$ (0.03)	$ (0.03)
Diluted net loss per share	$ (0.03)	$ (0.03)
Weighted average shares outstanding	282,416	280,166

See accompanying notes.

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

	Six Months Ended June 30, 2013 (Unaudited)	Six Months Ended June 30, 2012 (Unaudited)
Operating activities		
Net loss	$ (9,339)	$ (8,206)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	2,516	2,473
Amortization of intangibles	3,576	4,329
Amortization of deferred finance costs and other assets	67	87
Impairment loss	8,814	2,488
Stock-based compensation expense	62	21
Changes in operating assets and liabilities:		
Decrease in accounts receivable	215	5,205
Decrease (increase) in income taxes receivable	6,393	(2,337)
Increase in other current assets and other assets	(159)	(244)
Decrease in trade accounts payable	(819)	(764)
Decrease in third-party payables	(965)	(3,553)
Increase in accrued and other liabilities	2,394	12,269
Provision for deferred taxes	(2,084)	(1,815)
Net cash provided by operating activities	10,671	9,953
Investing activities		
Purchases of property, equipment and software	(529)	(511)
Net (advances) receipts on purchased receivables	(339)	1,838
Translation adjustment in intangible assets	187	-
Net cash (used) provided by investing activities	(681)	1,327

Billing Services Group Limited

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

	Six Months Ended June 30, 2013 (Unaudited)	Six Months Ended June 30, 2012 (Unaudited)
Financing activities		
Payments on long-term debt	(11,108)	(5,613)
Restricted cash	(2,668)	(5,000)
Additional payments to former owners of Connection Services Holdings Limited	(290)	-
Net cash used in financing activities	(14,066)	(10,613)
Effect of exchange rate changes on cash	(247)	2
Net (decrease) increase in cash and cash equivalents	(4,323)	669
Cash and cash equivalents at beginning of year	19,111	10,922
Cash and cash equivalents at June 30	$ 14,788	$ 11,591

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 LOSS PER COMMON SHARE

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

Diluted net 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 each of the six month periods ended June 30, 2013 and 2012, basic and diluted net income were the same in each respective period.

NOTE 3 LONG-TERM DEBT

In June 2011, the Company entered into a new 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 prepayment premium or penalty.

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

Outstanding loans at June 30, 2013, December 31, 2012 and June 30, 2012 were $20.8 million, $31.9 million and $30.4 million, respectively. At June 30, 2013, December 31, 2012 and June 30, 2012, the weighted average interest rates on the debt were 3.75%, 4.15% and 4.00%, *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 six months of 2013.

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 2009 through 2012 tax years generally remain subject to examination by the federal and most state tax authorities.