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**2 April 2007**

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

**Proposed: Disposal of Wireless Business for \$290m in cash; \$105m underwritten Refinancing of continuing Wireline Business; and one-time cash payment to Shareholders**

BSG, one of the telecommunications industry's leading clearing and settlement, payment and financial risk management solutions groups, today announces:

- the proposed sale of its European Wireless Business to Syniverse Technologies, Inc. ("Syniverse") for \$290 million in cash;
- a \$105m refinancing of its continuing Wireline Business resulting in a lower debt-to-EBITDA ratio than that of the current BSG Group, with an underwritten facility through Morgan Stanley Senior Funding, Inc.;
- upon Completion the Company will repay its existing debt facilities of approximately \$250m;
- Shareholders to receive a one-time cash payment of between 20 to 22 pence per Common Share, subject to completion of the transactions;
- future strategic focus to be on its cash-generative, market-dominant North American Wireline Business, which accounted for approximately 60% of the group's 2006 pro-forma EBITDA;
- the intention to initiate regular payments of dividends from the highly profitable Wireline Business;
- the ongoing business will also continue -
  - the current expansion into financial payment services; and
  - to benefit from already established, increasing cost efficiencies; and
- the Board has received financial advice in relation to the Disposal from Morgan Stanley.

Commenting on developments, Randall Brouckman, Chief Executive of BSG said:

*"I am delighted to report today better than expected financial and operating results, the conclusion of our strategic review, the refocusing of our business through the proposed disposal of our Wireless operations and the payment of a one-time cash payment to shareholders.*

*"Today's developments and separately released financial results clearly demonstrate the value in our Wireless business and the highly cash generative nature of our Wireline business. These transactions enable us to maximise shareholder value through both the positive return for shareholders while maintaining a basis for future growth.*

*"Subject to the necessary approvals, we can now concentrate attention on growing our Wireline business as we seek to create further value for shareholders from growth through a more targeted and financially unencumbered business and the regular payment of dividends."*

## ENQUIRIES

### **Billing Services Group Limited**

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A conference call with analysts and investors will take place at 0900hrs BST today, 2 April 2007. Dial in details are +44 (0)20 7138 0818

## FORWARD-LOOKING STATEMENTS

This announcement includes 'forward-looking statements'. These forward-looking statements may contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding BSG, the BSG Group or Continuing Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to products and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of BSG, the BSG Group or Continuing Group's to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding BSG present and future business strategies and the environment in which BSG, the BSG Group or Continuing Group's will operate in the future. These forward-looking statements speak only as at the date of this announcement. BSG expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in BSG's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based except to the extent required by applicable law, and regulations.

## **Disposal of Wireless Business Reduction of Share Capital and Notice of Special General Meeting**

### **1. Introduction**

The Company announces that following a competitive sale process, it has entered into a conditional agreement for the disposal of its Wireless Business to Syniverse (NYSE: SVR) for \$290 million in cash and a \$105 million refinancing commitment for its continuing Wireline Business from Morgan Stanley Senior Funding, Inc. Further information on the Disposal and the Refinancing is provided in Paragraph 13 of this announcement. The size of the proposed transaction means that the Disposal is deemed to result in a fundamental change of business under the AIM Rules and, consequently, the Shareholders are required to approve it.

The Directors intend that part of the proceeds from the Disposal and the Refinancing will be used to repay the Company's existing credit facilities with Deutsche Bank (amounting to approximately \$250 million). It is then anticipated that a distribution of cash of between 20 to 22 pence per Common Share will be made to Shareholders from the remainder by means of a reduction of capital of the Company (such reduction being dependent on the approval of Shareholders). Further information on the use of proceeds is provided in Paragraph 8 of this announcement.

Completion of the Disposal, the Refinancing and the reduction of capital to Shareholders is conditional, *inter alia*, upon (i) approval of the Disposal and reduction of capital by the Shareholders and (ii) clearance of the Disposal by certain regulatory bodies in respect of competition issues. Further details of the conditions in respect of the Disposal are set out in Paragraph 13.1 of this announcement. In addition the Refinancing, whilst legally binding, remains conditional on the conditions precedent summarised in Paragraph 13.2 of this announcement. There can be no assurance that the Disposal, the Refinancing or the reduction in capital (as described) will be completed.

### **2. Information on BSG**

The Company is a leading global provider of payment processing, clearing and settlement, and risk management solutions for wireless and wireline communication service providers. The Company manages critical call detail records and transactional billing information for some of the world's largest voice and data communications companies and offers an extensive portfolio of clearinghouse, information management and technology services.

#### **2.1. Corporate History**

BSG organised its Wireline Business in 2003 through the simultaneous acquisitions of BC Holdings I Corporation, the parent company of Billing Concepts, Inc., and Enhanced Services Billing, Inc., and the contribution by Avery Communications, Inc. of Thurston Communications Corporation and its two local exchange carrier billing subsidiaries, ACI Billing Services, Inc. and HBS Billing Services Company. The transaction closed on 15 December 2003. The Common Shares of the Company were admitted to AIM on 15 June 2005.

BSG has grown organically and through a number of strategic acquisitions through which it has expanded its global footprint. In August 2005, BSG acquired EDS Interoperator Services GmbH, a leading pan-European wireless telecommunications GSM clearinghouse based in Rüsselsheim, Germany, marking the first step in BSG's European and Wireless Business expansion initiatives. In March 2006, BSG acquired United Clearing plc, a London-based outsourcing support services company providing specialist financial clearing and settlement to leading global wireless carriers, to broaden its financial settlement and clearing services capabilities. Since these acquisitions in the wireless sector, the Company has expanded its wireless operations into Asia, North America and South America.

On 30 June 2006, the Company further expanded its wireline product offering with the acquisition of certain assets of VoiceLog, the leading provider of automated third party verification solutions.

## ***2.2 Information on the Wireline Business***

Billing clearing house and information management services, or LEC (Local Exchange Carrier) billing, developed out of the 1984 break-up of AT&T and the Bell System. In connection with the break-up, the local telephone companies that made up the regional Bell Operating Companies, Southern New England Telephone, Cincinnati Bell and the General Telephone Operating Companies were required to provide billing and collections on a non-discriminatory basis to all carriers that provided telecommunication services to their end-user customers.

To establish such a billing arrangement the new competitors had to set up billing contracts with these entities, which included significant up front charges as well as ongoing charges for processing call records. The contracts were structured to give discounted rates per call record based on volume.

Due to both the cost of acquiring and the minimum charges associated with many of the local telephone company billing and collection agreements, only the largest long distance carriers, including AT&T, MCI, and Sprint, could afford the option of billing directly through the LECs. As a result, billing clearing houses were established. The billing clearing houses agreed to high volume, low cost billing contracts with the LECs, and began offering billing clearing house services to those smaller telecom operators who could not afford direct billing arrangements. BSG is now the largest entity providing these services to the telecommunications industry as a result of its successful industry consolidation. The Company currently has approximately 90 per cent. of the US market share for these clearing and settlement services. Additionally, the Company has recently completed a successful re-write of its software systems to further automate functions and allow the more rapid introduction of new service offerings.

## ***2.3 Information on the Wireless Business***

The Wireless Business offers third party financial and data clearinghouse services to mobile carriers globally through its locations in London, U.K. and Russelsheim, Germany. Although, the Wireless Business focuses on the mobile roaming market the Company has also developed and sells a wide variety of value added services related to roaming.

### ***Mobile Roaming***

The mobile roaming clearing market developed from the complex relationship between the mobile phone subscriber, the home operator network and the visited operator network. The introduction of a billing intermediary provided millions of customers via hundreds of billing companies with a single relationship. Similarly, the billing intermediary allowed a billing company or network operator to support hundreds of service providers with a single relationship. This many-to-many relationship management translates into lower operating cost for both the service provider and the billing company, which thereby helps to lower service costs to the consumer.

Mobile roaming provides a wireless subscriber with the ability to roam based on its home operators agreement and with a mobile operator located in the visited region. Roaming can be national or international. In either case, the roaming agreement between operators determines the terms on which the operators bill each other for network usage. When a mobile subscriber roams in a visited network call detail records are generated by the visited operator and need to be settled with the home network of the subscriber.

## **3. Background to and reasons for the Disposal**

In August 2006 the Board resolved to undertake a strategic review of the business in order to maximise value for Shareholders. This decision followed its receipt of a number of unsolicited enquiries from third parties, including strategic acquirors and financial sponsors. As a result, the

Company engaged Morgan Stanley in late September 2006 to analyse and evaluate various options available to the Board. In connection with this process, the Company authorised Morgan Stanley to conduct an auction process in respect of all and/or part of the business.

After reviewing all of the proposals the Company determined that the best option available to maximise current and ongoing shareholder value is to focus the business on its dominant Wireline Business and to accept the Syniverse proposal to acquire the Company's Wireless Business for \$290 million in cash.

The Board's decision to adopt this strategy is based on a number of factors:

- the offer from Syniverse for the Wireless Business represents a valuation level that is at a substantial premium to the Company's current valuation multiple and represents a sizeable return on the Company's investment, set against a market need for scale economies in an increasingly competitive global telecommunications marketplace;
- the offer, together with the proposed Refinancing and associated reduction of capital, allows the Company an opportunity to make a substantial cash payment to Shareholders expected to be between 20 to 22 pence per Common Share;
- the Wireline Business accounted for, on an 'as reported basis', approximately 75 per cent. of revenues and 60 per cent. of EBITDA (before corporate expenses);
- following the Disposal, the Company will have significantly reduced its debt from \$250m to \$105m and, as a result, will reduce its debt-to-EBITDA ratio from over 4 times to less than 3 times on a pro forma trailing twelve month basis;
- the Board believes that the Company's reduced debt level and the strong cash generative nature of its Wireline Business will enable the payment of an ongoing annual dividend;
- the re-focused Company is well positioned to capture a number of growth opportunities: it has recently introduced a series of new payment and risk management services, including credit card payments, Bill2Phone™ and payment fraud detection; and
- the Wireline Business' enhanced services product offering has demonstrated continued growth.

#### 4. Financial Information

**Shareholders should read the full audited results set out in a separate announcement released today and not rely solely on the summary of the results set out below which have been extracted without material adjustment from that announcement.**

##### 4.1 Audited Results for the year ended 31 December 2006

	<i>Audited Year ended 31 December \$'000</i>
Turnover	179,416
Operating income before depreciation, amortisation, restructuring expense, other non-recurring expenses and stock-based compensation expense	49,385
Total assets	482,983

##### 4.2 Summary financial information on the Wireline Business

*Audited  
Year ended  
31 December  
\$'000*

Turnover	136,062
Operating income before depreciation, amortisation, restructuring expense, other non-recurring expenses and stock-based compensation expense	27,778
Total assets	226,210

#### 4.3 *Summary financial information on the Wireless Business*

	<i>Audited Year ended 31 December \$'000</i>
Turnover	43,354
Operating income before depreciation, amortisation, restructuring expense, other non-recurring expenses and stock-based compensation expense	21,607
Total assets	256,773

#### **5. Principal terms of the Disposal**

Under the Disposal Agreement, which was signed on 1 April 2007, the Company has conditionally agreed to sell the Wireless Business to the Purchaser.

The purchase price for the Wireless Business is \$290 million, payable in cash on Completion. The Disposal Agreement contains warranties which are customary for a transaction of this nature. After Completion, the Company has no liability under any of the warranties under the Disposal Agreement.

The Disposal, is conditional, amongst other things, upon the approval of BSG Shareholders at the SGM and clearance by certain regulatory authorities in respect of certain competition issues. The parties shall each be entitled to terminate the Disposal Agreement if the conditions to that agreement are not met on or before 17 December 2007. Certain fees are payable in the event of termination of the Disposal Agreement if certain conditions are not met, including where Shareholder approval for the Disposal is not obtained.

Further information on the Disposal and the principal terms and conditions of the Disposal Agreement are set out in Paragraph 13.1 of this announcement.

#### **6. Principal terms of the Refinancing**

The Company and BSG North America entered into a fully underwritten commitment pursuant to a commitment letter from Morgan Stanley Senior Funding, Inc. dated 1 April 2007 whereby Morgan Stanley Senior Funding, Inc. will provide certain loan facilities to the Continuing Group. The commitment is subject to satisfaction of certain conditions precedent which are customary in transactions of this kind.

The loan facilities to be made available pursuant to the commitment will consist of a \$105 million term loan and a \$10 million revolving credit facility, unfunded at closing.

All the obligations under the loan facilities will be unconditionally guaranteed by the subsidiaries of BSG North America and will be secured against all of the assets of BSG North America and its subsidiaries.

The loan documentation, which will, on satisfaction of conditions precedent be entered into in due course, contain warranties, covenants and obligations which are customary in a financing of this nature.

Further information on the Refinancing and the principal terms and conditions of the Refinancing are set out in Paragraph 13.2 below.

## **7.Reduction of capital**

In order to maximise value for Shareholders, the Directors are proposing a reduction of capital of the Company, which will occur shortly after and is conditional on Completion. The reduction of capital is expected to result in a return of cash to Shareholders and of between 20 to 22 pence per Common Share. This represents cancellation of paid-up capital which will be unrepresented by available assets after the Disposal. The Companies Act requires the reduction to be advertised in Bermuda no more than 30 and no less than 15 days before the reduction is to take effect. Further, for the reduction to be effected, there must be no reasonable grounds for believing that on the date the reduction is to take effect, the Company is, or after the reduction would be, unable to pay its liabilities as they become due.

## **8.Use of Proceeds and Financial Effects of the Disposal and the Refinancing**

The proceeds receivable by the Company from the Disposal are expected to be \$290 million (before the payment of fees and other costs).

The proceeds receivable by the Company from the Refinancing are expected to be \$105 million (before the payment of fees and other costs).

The Disposal will trigger mandatory prepayment of the Company's existing credit facilities with Deutsche Bank. These facilities amount to approximately \$250 million and will be repaid from the proceeds of the Refinancing and the Disposal.

Following repayment of the Deutsche Bank credit facilities, the Board anticipates having adequate funding to be to make a payment in cash to Shareholders. This payment will be effected by the Company reducing its capital (as described above) which is expected to result in a cash payment to Shareholders of approximately 20 to 22 pence per Common Share.

On the basis of advice received, the Board believe that a reduction of capital is the most efficient method of making the proposed payment to Shareholders. The proposed reduction of capital would require Shareholder approval and it is intended to convene a special general meeting of the Company, *inter alia*, for this purpose.

## **9.The Continuing Group following the Disposal**

### **9.1 Strategy**

The Company has a dominant position in its wireline clearing and settlement offerings with a leading market share of approximately 90 per cent. in third-party LEC clearing in North America.

In addition to this, the Company has:

- recently acquired and successfully integrated the assets of VoiceLog, the leading provider of automated third party verification;
- successfully introduced a suite of new payment services which will drive its migration from a pure LEC clearinghouse to a full service payment and risk services transaction company;
- implemented a successful cost reduction program in late 2006; and
- managed the expected secular decline of the traditional *one plus* business, in line with the Board's expectations.

Going forward, the Company will have a strong cash generative business model, a leading market position and only modest leverage, which will enable it to:

- continue to focus on ensuring efficient delivery of operations;
- nurture new growth areas;
- implement further cost savings in the ongoing business facilitated by the disposal;
- introduce a policy for the payment of regular annual dividends; and

- make strategic and accretive acquisitions when appropriate.

## 9.2 *Growth areas*

The Board has identified numerous growth opportunities which it believes will more than offset the expected continued decline in the traditional *one plus* business and these include the:

- continued expansion of its enhanced services core product offering, which has grown at a CAGR of 57.8 per cent. over the period from 2001 through 2006;
- ongoing growth in its core 0+/0- clearing and settlements offering;
- rapid expansion of its new payment services product offerings, including Bill2Phone and credit card payments. Bill2Phone is the new BSG branded offering that allows content merchants to place charges on the phone bill for digital content such as music, movies, personals and games; growth of the new integrated risk services, introduced in 2006 and using state of the art technology, proprietary and commercial databases and industry-leading expertise; and
- continued expansion in its VoiceLog business, the leading automated third party verification business, which won 19 new contracts signed in the first three months of 2007.

## 9.3 *Dividend Policy*

The Continuing Group will be characterized by a cash generative business model and benefit from relatively modest leverage and a leading market position. These factors lead the Board to believe that the business will support an ongoing annual dividend.

BSG is currently classified as a partnership for US federal income tax purposes; for such purposes each Common Share should be viewed as a partnership interest. The Company has been advised that in the event of the Disposal, such a holding company structure would reduce the amount of cash available to BSG as the holding company for the Continuing Group for distribution to Shareholders. In the event that the Disposal is completed, it is intended to put proposals to Shareholders to reorganize the Continuing Group to create a corporate structure better aligned to the on-going needs of the Continuing Group and its Shareholders. As part of this reorganisation it is anticipated that BSG would cease to be treated as a partnership for US federal income tax purposes that this would increase the proportion of cash received by non-US Shareholders in any post-reorganisation distribution.

## 10. **Current Trading and Future Prospects**

BSG's market-leading Wireline Business has begun the current year well with 28 new wireline, credit card and ancillary service agreements and 19 new VoiceLog contracts signed to date. The Wireline Business has introduced the APG™ suite of services including the Bill2Phone™ solution for content merchants. In its Wireless Business, BSG has signed seven new data clearing and seven new financial clearing contracts and continues to offer new value added services.

The Board firmly believes that the Continuing Group, with its tighter growth strategy and clarity, stronger balance sheet and dominant market share, will be well positioned to capitalise and build on these early successes.

## 11. **Special General Meeting**

The Disposal is conditional upon Shareholder approval. In addition, the proposed reduction of capital by which the Company intends to make a payment of approximately 20 to 22 pence per Common Share to Shareholders will also require Shareholder approval (the Disposal is not conditional upon approval of the proposed reduction of capital).

A circular and notice convening a special general meeting of the Company for these purposes will be posted to Shareholders shortly.

## **12. Financial Advice**

The Board has received financial advice in relation to the Disposal from Morgan Stanley. In providing financial advice to the Board, Morgan Stanley has relied upon the Directors' commercial assessment of the terms of the Disposal.

## **13. Further information**

### ***13.1 Summary of the Principal Terms and Conditions of the Disposal***

The Company entered into the Disposal Agreement on 1 April 2007 with the Purchaser and Syniverse whereby the Company has agreed to sell all of the shares of BSG Luxembourg and BSG Asia to the Purchaser. BSG Luxembourg holds 100 per cent. of the shares of each of BSG Clearing Solutions GmbH, United Clearing Limited and BSG Clearing Solutions UK Limited. The Disposal Agreement is governed by the laws of England.

### **Consideration**

The total consideration to be paid by the Purchaser to the Company is \$290 million payable at Completion in cash. The Purchaser's payment obligation is guaranteed by Syniverse.

### **Conditions to Completion**

Completion of the Disposal is conditional upon fulfilment (or waiver) of the following conditions:

- (a) the consent of the Shareholders;
- (b) certain governmental approvals having been obtained (as set out in further detail in the paragraph entitled "Competition Clearance" below);
- (c) compliance by the Company with certain obligations which are customary in a transaction of this nature;
- (d) certain limited warranties given by the Company being true and correct in all material respects at Completion;
- (e) certain limited warranties given by the Purchaser being true and correct in all material respects at Completion; and
- (f) the terms of the proposed transaction not becoming illegal.

### **Competition Clearance**

Completion of the Disposal is conditional upon certain competition conditions being satisfied before the Long-Stop Date (the date which is 180 business days from the date of the Disposal Agreement which may also be extended). The competition conditions are:

- (a) receipt of necessary competition authority approvals; or
- (b) expiry of the relevant waiting period without any objection being raised by any relevant competition authority.

### **Undertakings of the Company up to Completion**

The Disposal Agreement contains certain undertakings given by the Company to the Purchaser in relation to the conduct of the business and affairs of the Wireless Business during the period

up to Completion. The Company has undertaken that it will conduct the Wireless Business in the ordinary and usual course consistent with past practice in the period up to Completion. In addition, the Company has provided certain other undertakings as to specific actions which may not occur in relation to the Wireless Business in this period.

### **Warranties**

Under the Disposal Agreement, the Company has given certain warranties to the Purchaser which are customary for a transaction of this nature, including warranties concerning their title to and ability to sell the shares in BSG Luxembourg and BSG Asia, its transactions with its affiliates, its accounts and financial matters and advisers' fees.

Following Completion no member of the Purchaser's group shall be able to bring a claim against the Company or any member of the Continuing Group in respect of the warranties given by the Company under the Disposal Agreement.

### **Non-solicitation of other offers**

Prior to Completion the Company has agreed that it will not (i) solicit further bids for the Wireless Business, the Company or the assets of either, or (ii) recommend any other offer for the Wireless Business or the Company. Prior to obtaining Shareholders' consent to the Disposal the Company may provide information and negotiate with unsolicited offerors if the Board has notified the Purchaser and believes such unsolicited offer would result in a more favourable transaction (a "Superior Proposal"). The Purchaser shall have the right to match a Superior Proposal provided that such matched offer shall be at least 5 per cent. higher in value and be on terms which are not materially worse. Where a Superior Proposal is for the Company the Purchaser's matched offer may be for either the Company or the Wireless Business combined with a third party offer for the Wireline Business. The Board will be obliged to recommend such a matched offer from the Purchaser.

### **Termination Rights and Fees**

Prior to Completion the Disposal Agreement may be terminated in the following circumstances:

- (a) by mutual written agreement of the Company, the Purchaser and Syniverse;
- (b) by the Company or the Purchaser if Completion has not occurred prior to 17 December 2007;
- (c) by the Company or the Purchaser if the consent of the Shareholders is not obtained;
- (d) by the Company if the Purchaser fails to pay the consideration;
- (e) by the Company, prior to the consent of the Shareholders, in order to enter into a Superior Proposal;
- (f) by the Purchaser if certain conditions are not satisfied; or
- (g) by the Purchaser if the Board withdraws its recommendation for the Disposal or recommends a Superior Proposal or enters into an agreement for a Superior Proposal.

A break fee of \$10 million is payable by the Company to Syniverse on the occurrence of the termination events in (e), (f) and (g) above. The obligation to pay the break fee under (f) is only if the Company has also entered into an agreement with a third party to sell the Company or the Wireless Business within 6 months of the date of termination by the Purchaser.

If the Disposal Agreement is terminated pursuant to (c) above the Company shall pay Syniverse's expenses up to an amount of \$3 million.

If the Company terminates the Disposal Agreement pursuant to (d) above Syniverse is obliged to pay the Company a reverse break fee of \$25 million.

### **Guarantee**

All of the Purchaser's obligations under the Disposal Agreement are guaranteed by Syniverse.

### **Confidentiality and Non-solicitation Agreement**

By a separate agreement the Company has agreed that for a period of five years after Completion, it will not and will cause its affiliates to not use or divulge any confidential information relating to the Wireless Business. Further, the Company has agreed that during the same period, it will not solicit any of its current or former employees for any business arrangements or employment, unless such an employee has not been employed by the Purchaser for at least one year prior to such solicitation. The agreement is governed by the laws of the State of Delaware.

### **13.2 Summary of the Principal Terms and Conditions of the Refinancing**

BSG North America has entered into a fully underwritten commitment pursuant to a commitment letter from Morgan Stanley Senior Funding, Inc. ("MSSF") dated 1 April 2007 whereby MSSF will provide certain loan facilities (the "Facilities") to certain subsidiaries of the Continuing Group. The commitment letter is, and the loan documentation shall be, governed by New York law.

### **Parties**

The borrower under the Facilities will be BSG North America. The lead arranger, syndication agent and administrative agent will be MSSF. The lenders will be MSSF and a syndicate of financial institutions and institutional lenders arranged by MSSF in consultation with the borrower (the "Lenders").

All obligations under the Facilities shall be unconditionally guaranteed by North America and each of its direct and indirect wholly-owned subsidiaries (other than the borrower and those foreign subsidiaries that would have an adverse tax consequence from guaranteeing the Facilities) on a senior secured basis.

### **Facilities**

The Facilities shall consist of:

- (a) a tranche B term loan facility for an amount of \$105 million (the "Term Loan Facility"); and
- (b) a revolving credit facility of \$10 million (the "Revolving Credit Facility").

### **Maturity**

- (a) The final maturity of the Term Loan Facility shall be the seventh anniversary from the draw-down date of the facility, when the loans under the Term Loan Facility shall be repaid, subject to amortization in equal quarterly installments at a rate of approximately 1 per cent. per annum prior to such maturity date, commencing in the first fiscal quarter following the Closing Date.
- (b) The final maturity of the Revolving Credit Facility shall be the sixth anniversary of the Closing Date. Loans made pursuant to the Revolving Credit Facility shall be repaid in full on such date, and all letters of credit issued under the Revolving Credit Facility shall terminate (or be cash collateralized or backstopped to the satisfaction of each letter of credit issuer) prior to such date.

### **Use of Proceeds**

Proceeds of the Term Loan Facility shall be used to pay off the existing Deutsche Bank credit facility. Proceeds of the Revolving Credit Facility shall be used for the borrower's working capital requirements and other general corporate purposes.

### **Security**

All the obligations under the loan facilities will be unconditionally guaranteed by the subsidiaries of BSG North America and will be secured against all of the assets of BSG North America and its subsidiaries.

### **Interest Rates**

The Facilities shall be subject to interest rates which are usual and customary for financings of this kind.

### **Unused Commitment Fees**

Commencing on the Closing Date, a non-refundable fee in the amount of 0.50 per cent. per annum will accrue on the daily average unused portion of the Revolving Credit Facility commitments (whether or not then available), payable quarterly in arrears and on the final maturity of the Revolving Credit Facility.

### **Voluntary Prepayment**

BSG North America may, upon at least one business day's notice in the case of Base Rate loans and three business days' notice in the case of Eurodollar loans, prepay, in full or in part, the Facilities without premium or penalty; provided that each partial prepayment of the Term Loan Facility shall be in an amount of \$1 million or an integral multiple of \$500,000 in excess thereof; provided further that any such prepayment of Eurodollar loans shall be made together with reimbursement for any funding losses of the Lenders resulting therefrom.

### **Mandatory Prepayment and Commitment Reduction**

Mandatory prepayment shall occur on receipt by the Continuing Group of (i) 70 per cent. of excess cash flow, (ii) 100 per cent. of proceeds in excess of \$2 million in the aggregate from permitted, non-ordinary course asset sales in each fiscal year (including, without limitation, casualty, insurance and condemnation proceeds subject to a 100 per cent. reinvestment right if such proceeds of such casualty, insurance or condemnation are reinvested within 6 months of receipt and (iii) 100 per cent. of proceeds from the sale or issuance of debt securities (subject to certain exceptions), in each case applied to the remaining amortization payments of term loans (including the final installment thereof) (in direct order for payments due in the subsequent 12 months and then *pro rata*), then to the repayment of the outstanding principal amount under the Revolving Credit Facility, without any reduction in the revolving loan commitments.

### **Representations and Warranties**

The loan documentation will contain representations and warranties (with respect to any guarantor, including BSG North America and its respective subsidiaries) as are usual and customary for financings of this kind.

### **Covenants**

The loan documentation shall contain affirmative, negative and financial covenants (applicable to BSG North America and any guarantor, including BSG North America's subsidiaries) as are usual and customary for financings of this kind (including customary exceptions and baskets).

**Events of Default**

The Facilities will include such events of default as are usual and customary for financings of this kind (including customary grace and cure periods).

**Conditions Precedent to Closing**

The provision of the Facilities to the Continuing Group is conditional, *inter alia*, upon the review and reasonable satisfaction of MSSF of all documentation, approval by the Lenders of the loan documentation, the Company obtaining all governmental and third party consents, due diligence as to the corporate and legal structure of the Continuing Group, the solvency of each guarantor, the receipt by MSSF of customary closing documents, payment of fees and satisfaction of no other indebtedness.

“AIM”	a market of that name operated by the London Stock Exchange;
“AIM Admission Date”	the date of the admission of the Common Shares to AIM, being 15 June 2005;
“AIM Rules”	the AIM Rules for Companies of the London Stock Exchange governing admission to and operation of AIM;
“BCIA”	BCI Acquisition, LLC, which was renamed BSG Clearing Solutions North America, LLC on 19 December 2005;
“Board” or “Directors”	the directors of BSG;
“BSG” or “Company”	Billing Services Group Limited;
“BSG Asia”	BSG Clearing Solutions Asia Limited;
“BSG Group”	BSG and its subsidiaries and subsidiary undertakings prior to Completion;
“BSG Luxembourg”	Billing Services Group Luxembourg Sarl;
“BSG North America”	Billing Services Group North America, Inc. (having changed its name from Thurston Communications Corporation on 19 December 2005);
“BSG Shareholders”	Holders of BSG Common Shares and “Shareholders” shall bear the same meaning;
“CAGR”	compound annual growth rate;
“Common Shares”	common shares of \$1.00 each (or in the case of uncertificated common shares of \$1.00 each, Depositary Interests) in the capital of the Company;
“Companies Act”	the Companies Act 1981, as amended, of Bermuda;
“Company's Registrars”	Capita Registrars whose registered office is The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU;
“Completion”	completion of the Disposal and the Refinancing;
“Continuing Group”	BSG and its subsidiaries and subsidiary undertakings other than BSG Luxembourg (and its subsidiaries) and BSG Asia;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which CRESTCo Limited is the Operator (as defined in such regulations);
“Deutsche Bank”	Deutsche Bank AG New York Branch;
“Disposal”	the proposed disposal of BSG Luxembourg and BSG Asia by the Company pursuant to the Disposal Agreement;
“Disposal Agreement”	the share purchase agreement between BSG, the Purchaser and Syniverse dated 1 April 2007 relating to the Disposal;
“EBITDA”	earnings before interest, taxes, depreciation and amortization;
“EDS IOS”	EDS Interoperator Services GmbH (which was merged into BSG Germany on 25 August 2005);

“LEC”	local exchange carrier;
“London Stock Exchange”	London Stock Exchange plc;
“Purchaser”	Highwoods Corporation, a subsidiary of Syniverse;
“Refinancing”	the provision of financing to the Continuing Group by Morgan Stanley Funding for \$105 million;
“Shareholders”	BSG Shareholders (and “Shareholder” shall be construed accordingly);
“Syniverse”	Syniverse Technologies, Inc.;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
“US Regulation D”	Regulation D promulgated by the US SEC under the US Securities Act, including the preliminary notes thereto;
“US Regulation S”	Regulation S promulgated by the US SEC under the US Securities Act, including the preliminary notes thereto;
“US SEC” “US Securities Act”	the United States Securities and Exchange Commission; the United States Securities Act of 1933, as amended;
“VoiceLog”	VoiceLog, LLC
“Wireless Business”	the business conducted by BSG Asia, BSG Luxembourg and the subsidiaries of BSG Luxembourg;
“Wireline Business”	the business conducted by BSG North America and its subsidiaries.