Slide #	Commentary
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's first quarter 2015 earnings call. With me on the call today are Ken Vecchione, our President and Chief Executive Officer, Jonathan Clark, Executive Vice President and Chief Financial Officer, and Ashish Masih, Executive Vice President, US Debt Purchasing & Operations. Ken and Jon will make prepared remarks today, and then we will be happy to take your questions.
2 (Safe Harbor)	Before we begin, we have a few housekeeping items. Unless otherwise noted, all comparisons made on this conference call will be between the first quarter of 2015 and the first quarter of 2014. Today's discussion will include forward-looking statements subject to risks and uncertainties. Actual results could differ materially from these forward-looking statements. Please refer to our SEC filings for a detailed discussion of potential risks and uncertainties. During this call, we will use rounding and abbreviations for the sake of brevity. We will also be discussing non-GAAP financial measures. Reconciliations to the most directly comparable GAAP financial measures are included in our earnings release, which was filed on Form 8-K earlier today. As a reminder, this conference call will also be made available for replay on the Investors section of our website, where we will also post our prepared remarks following the conclusion of this call. With that, let me turn the call over to Ken Vecchione, our President and Chief Executive Officer.

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(Intro and Overview)</td><td>
Thank you, Bruce, and good afternoon. I appreciate everyone joining us today.
This afternoon we posted our first quarter 2015 financial results and we are pleased with our performance. We established new records for total collections, revenues, adjusted EBITDA and non-GAAP Economic EPS. Most importantly, we delivered these results while the US debt market remains challenging. The success in the quarter highlights two important initiatives within the company:

First, our consumer-focused programs, under the banner “Connect with the Consumer”, over the last seven quarters have gained traction and have improved liquidation while maintaining a positive consumer experience.
And second, the contribution of our international businesses to collections, revenues, and earnings continues to grow.

Turning to our results:

Encore‘s first quarter GAAP EPS rose to one dollar and 8 cents per share, compared to 82 cents per share in the first quarter of 2014, an increase of 32%.
Excluding one-time items and convertible non-cash interest, Non-GAAP Economic EPS reached a record one dollar and 23 cents per share, compared to one dollar and 8 cents per share, an increase of 14% from the first quarter of 2014.
GAAP Net income for the quarter was $29 million dollars and Adjusted income grew 13% to $32 million dollars compared to the same quarter last year.

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3 (Intro and Overview) Continued	• This quarter our earnings per share were negatively impacted by 4 cents from the stronger dollar. • Cash collections increased 7 percent to a record $425 million dollars. • Adjusted EBITDA, one of our most important measures of underlying performance, grew to a record $266 million dollars, an increase of 7 percent. • On a trailing twelve months basis, Adjusted EBITDA grew 18% to $1 billion dollars, compared to $860 million dollars a year ago. • Our overall cost-to-collect this quarter was 38.8 percent, up from 37.7 percent a year ago, as we rebalance our call center capacity after our acquisition of Atlantic Credit and Finance in the third quarter of 2014, and as we continue to invest more in our legal channel to produce additional NPV return per account. • Our Estimated Remaining Collections, or ERC, at March 31st was approximately $5.1 billion dollars, an increase of 7%, or $322 million dollars, compared to the end of the first quarter of 2014.

4 (Collections Growth Driven By Consumer-Focused Programs…)	Our collections growth in the quarter was driven - in part - by improved liquidation in our call centers and in our legal collections channel. I mentioned a moment ago that we're making good progress on two major ongoing initiatives - and the first of those initiatives I'd like to discuss involves our "Connect with the Consumer" programs. For many years, Encore leveraged a strong analytical approach to achieve success in the debt buying market. With a database containing over 50 million unique adult consumers and 70 million accounts in the United States, Encore used historical performance and deep analysis to gain a decided edge in our markets. Starting in 2013, we began to implement our "Connect with the Consumer" programs designed to improve customer contact and experience while simultaneously improving liquidation. This quarter, total collections grew year-over-year and linked quarter reflecting the rollout of these programs.

5 (Last Year – After 12 Months of Collections)	At Encore's Investor Day last year, we showed a slide that reflected our early progress in eventually delivering what we called an "audacious" goal of 50% liquidation improvement by 2016. We are now focused on continually identifying areas of potential improvement. We're transforming our call center approach as we've changed how our account managers interact with consumers in different and more effective ways. We've also changed the way we manage our legal channel, modifying the way we manage inventory and establishing new ways of applying data analysis. I'd like to take a moment to refresh your memory on this chart we showed you at last year's Investor Day. Year one performance for the 2012 vintage when compared to year one performance for the 2009 vintage was 31 percent higher. And the target we shared at that point was year one performance for the 2016 vintage of 50 percent higher than the 2009 vintage.

6 (This Year – After 24 Months of Collections)	Our record level of collections in the first quarter is evidence that we are delivering improved results that stem from our consumer-focused programs. In creating these programs, we look to establish a mutually constructive dialogue with consumers. Our goal is to establish a connection with them in which they have an opportunity to resolve their debts and regain their own economic empowerment. Consequently, we achieve improved customer satisfaction as measured by lower numbers of complaints. We are making progress on all of these aspects of our programs - and it is resulting in increased liquidation rates. After implementing these programs, the passage of time allows us to examine the ongoing impact of this consumer-focused approach. The 31-dollar improvement in liquidation after collecting on 2012 vintage paper for one year, became a 63-dollar improvement in liquidation after collecting for 2 years. We believe we can continue this trend. These initiatives are designed to continuously improve ongoing liquidation in the future. We will provide a broader overview of these initiatives on Investor Day.

7 (Collections Growth Also Driven By Europe)	The other driver for our collections performance in Q1 was the growth of our international business Over the past two years, we have put capital to work in order to diversify our business, expand our footprint and provide Encore with optionality when we make capital allocation decisions. Establishing leadership positions in markets outside the United States has been a primary goal of Encore's overall growth strategy. In Q1, our collections from our international business grew 29% compared to last year, reflecting the critical mass that our geographic expansion has achieved.
8 (Cash Flows)	Strong collections performance leads to strong cash flows. In the first quarter, we generated a record $266 million dollars of Adjusted EBITDA, an increase of 7 percent over the first quarter of 2014. Adjusted EBITDA is one of the most important ways that we measure our company's operating performance. It helps us determine amounts available for future purchases, capital expenditures, debt service, and taxes - and it gives investors a clear picture of the strong cash flow generated by our business. On a trailing 12 months basis, adjusted EBITDA grew 18 percent to over $1 billion dollars.

9 (Debt and Debt Leverage)	Increasing cash collections creates several important advantages: • We're now able to generate more earnings from each invested dollar in our core business. • We can be more selective in our deployed capital. • We can continue to bid to acceptable corporate hurdle rates as pricing remains elevated in the US. These advantages have provided us with increased optionality in our core business. We've reduced our debt somewhat over the past two quarters. Our collections over the same time period continued to grow and we have seen reductions in debt leverage, with our debt to Adjusted EBITDA ratio declining from 3.04 times to 2.65 times on a trailing twelve months basis. Although the trend is favorable – and we pay close attention to our leverage – we are also constantly looking for additional opportunities to deploy capital at or above our hurdle rates, which may impact our debt level and our leverage from time to time.
10 (Cabot)	Cabot delivered solid performance in the first quarter as revenues grew 28% year over year, assisted by the purchase of Marlin in February of 2014. Cabot generated nearly $100 million dollars of collections, reflecting more than 20% growth over the first quarter of 2014. Cabot's Economic EPS contribution to Encore's results rose to 28 cents this quarter as they continue to enhance their collections through Marlin's capabilities on non-performing paper.

11 (Atlantic)	We acquired Atlantic Credit and Finance to augment our domestic debt buying business. Atlantic provided us with greater collection and deployment opportunity in the high-balance, fresh paper channel. This has proven to be extremely important as the majority of charged-off receivables sold in the market today are fresh portfolios. Atlantic's platform enables us to competitively bid on and purchase fresh paper forward flow opportunities. With that, I will turn it over to Jon, who will go through the financial results in more detail. Jon…

	Jonathan Clark
12 (Detailed Financial Discussion)	Thank you, Ken. Before I go into our financial results in detail, I would like to remind you that, as required by US GAAP, we are showing 100 percent of Cabot, Grove and Refinancia's results in our financial statements. Where indicated, we will adjust the numbers to account for non-controlling interests.
13 (Deployments)	In total, we deployed $179 million dollars in the first quarter. Of that total, we purchased $125 million dollars of credit card receivables, including $99 million dollars in the US, $22 million dollars in Europe, and $5 million dollars in Latin America. An additional $54 million dollars was deployed by Propel for tax liens. As Ken mentioned earlier, our increased liquidation rates have enabled us to be more selective in our deployments, which is reflected in our purchasing activity. Our ability to deploy capital at solid returns - in multiple markets – allows us to allocate capital to the areas with the highest returns and insulates us from the pricing and volume volatility that reliance on one market can cause.

14 (Collections Detail)	Ken covered some of the information about our first quarter collections during his remarks. Collections for our domestic business in the first quarter were up slightly compared to the same quarter a year ago. In Latin America, collections grew 28% in the first quarter compared to Q1 of 2014. For the quarter, our call centers contributed 45 percent of total collections, increasing to $190 million dollars, compared to 47 percent of total collections, or $188 million dollars, in the same quarter a year ago. Legal channel collections accounted for 42 percent of total collections and grew to $177 million dollars in the first quarter, compared to $159 million dollars, and 40 percent of collections a year ago. In the past, as we have transitioned accounts away from collection agencies and onto our own platform, the portion of collections from agencies has declined. However, in the first quarter this year, agency collections increased from 13% to 14% of total collections, primarily as a result of Grove's growth in the UK, whose business employs agencies for collections.

15 (Revenues)	Revenue in the quarter was $286 million dollars, an increase of 13 percent over the $254 million dollars in the first quarter of 2014, and was the 9th consecutive quarter of revenue growth for Encore. Revenues in the United States were $190 million dollars in the first quarter, up 4% compared to $183 million dollars last year. In Europe, revenues were $87 million dollars, up 39% compared to $63 million dollars a year ago. In Latin America, revenues were $8 million dollars and were up 1% compared to last year. Our revenue recognition rate, excluding the effects of allowance reversals, was 61.5 percent, compared to 59.1 percent in the first quarter of 2014. For the quarter, we had $3 million dollars of allowance reversals, equal to the $3 million dollars of allowance reversals in the first quarter of 2014. We had no portfolio allowances in the quarter. As many of you know, once we have evidence of sustained over-performance in a pool, we will increase that pool's yield. Consistent with this practice, and as a result of continued over-performance, we increased yields in the first quarter, primarily in the 2009 through 2013 vintages.

16 (Cost-to-Collect)	Turning to cost-to-collect, excluding acquisition-related and other one-time costs, our overall cost-to-collect for the first quarter was 38.8 percent. Breaking the overall cost-to-collect into its components, Cabot's cost-to-collect in the quarter was lower than our overall cost-to-collect. Cabot's portfolio includes many consumers who are already on payment plans, and historically involves very little litigation. Marlin has marginally increased Cabot's cost-to-collect due to its litigation-focus. As more of Cabot's accounts are serviced through Marlin's legal channel, we expect to see incremental net collections and a higher overall return. Within our U.S. business, direct cost-per-dollar collected in our call centers was 7.7 percent in the first quarter, compared to 6.2% last year. Direct cost-per-dollar collected in the domestic legal channel was 35.9 percent, an 80 basis point improvement from 36.7 percent in the first quarter of 2014. While cost-to-collect is an important metric, we don't focus on it in isolation. Overall, success in our business is driven by generating the greatest net return per dollar invested. In some instances, it makes sense to spend more to collect more.

17 (US Legal Outsourcing & Internal Legal)	Our legal channel in the United States, which includes both legal outsourcing and our internal legal operations, generated $159 million dollars in first quarter collections, growing 5% compared to $151 million dollars a year ago. Our legal outsourcing channel in the US collected $130 million dollars in the first quarter, up 8% over the $120 million dollars collected in Q1 of 2014. This increase was the result of our decision to invest more heavily in legal collection opportunities. Cost-to-collect for our legal outsourcing channel was 35.3 percent, representing an 80 basis point improvement over the 36.1 percent cost-to-collect in Q1 of 2014. Our internal legal channel in the US collected $29 million dollars in the first quarter, at a cost-to-collect of 38.4 percent, representing a 50 basis point improvement over the 38.9 percent cost-to-collect in Q1 of 2014. Even though we expect that our internal legal cost-to-collect will continue to improve over time, as we place more volume in this channel, it's important to understand that our primary financial goal is to maximize the net present value of each collection opportunity. I'd also like to reiterate that our long-stated preference is to work with our consumers to negotiate a mutually acceptable payment plan, tailored to their personal financial situation. These plans almost always involve substantial discounts from what the consumer owes. We not only believe that this is the right thing to do for our consumers, but the right thing to do for our business. For Encore, legal action is always a last resort and is pursued only after numerous attempts to communicate and reach an acceptable agreement with a consumer.

18 (ERC)	Our Estimated Remaining Collections, or ERC, at the end of the first quarter was $5.1 billion dollars, an increase of 7 percent over last year but was down compared to a quarter ago. This decrease resulted from the combination of strong collections in Q1 coupled with lower deployments in the quarter as we exercised restraint, choosing not to buy portfolios that failed to satisfy our hurdle rates. We believe that our ERC, which reflects the value of portfolios that we have already acquired, is conservatively stated, because of our cautious approach to setting initial curves and our practice of only increasing future expectations after a sustained period of overperformance.
19 (Q1 Cabot EPS)	In the first quarter, Cabot contributed just under $7 million dollars of income to Encore's Q1 results, which equates to 28 cents of economic earnings per share. Because we own our interest in Cabot together with our partner JC Flowers, Cabot's contribution to Encore's profit is calculated by backing out JC Flowers' interest and managements' interest, along with the Preferred Equity Certificates attributable to Encore, which eliminate in consolidation. From a financing standpoint, Cabot recently amended their senior revolving credit facility, increasing its size to 195 million pounds.

20 (Q1 EPS Walk)	For Encore as a whole, there were certain one-time and non-cash items that affected our results this quarter. 6 cents were related to the non-cash interest and issuance costs associated with our convertible notes and 5 cents were related to one-time acquisition, integration and restructuring costs. After these adjustments, we end up with one dollar and 19 cents per fully diluted share, and one dollar and 23 cents on a non-GAAP Economic basis. In calculating our EPS, on a non-GAAP Economic basis, we exclude those shares associated with our convertible debt that are reflected in our EPS denominator from an accounting perspective, but which will not be issued as a result of the call spread we entered into at the time we issued the convert. For the first quarter, we excluded approximately nine hundred thousand shares from the calculation as a result of the call spread. With that, I'd like to turn it back over to Ken.

	Ken Vecchione
21 (Closing)	Thanks, Jon. I mentioned on our last call that we were in discussions with the CFPB. We continue to have a fluid, ongoing dialogue with them. However, in essence, there is nothing new to report at this time. I would like to remind you that there are more issues that we agree upon than we disagree upon regarding consumer protection. However, we continue to believe strongly that the CFPB's ongoing rulemaking process provides the most appropriate method of driving change and ensuring a level playing field across the industry. I know that it's likely you'll have questions for us about the CFPB, but at this time we simply have nothing new to report. In summary, the Encore team delivered new records for cash collections, revenue, cash flows and Economic EPS. We continue to make progress on our consumer-focused programs, connecting with our consumers and increasing liquidations. Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
Q&A Session	
(Sign Off)	That concludes the call for today. Thanks for taking the time to join us and we look forward to seeing many of you at our 9th Annual Investor Day on June 4th in New York.