Encore Capital Group, Inc.

Q4 2013 EARNINGS CALL

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

The statements in this presentation that are not historical facts, including, most importantly, those statements preceded by, or that include, the words “will,” “may,” “believe,” “projects,” “expects,” “anticipates” or the negation thereof, or similar expressions, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). These statements may include, but are not limited to, statements regarding our future operating results, earnings per share, and growth. For all “forward-looking statements,” the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company and its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in the reports filed by the Company with the Securities and Exchange Commission, including its most recent report on Form 10-K, and its subsequent reports on form 10-Q, each as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

ENCORE DELIVERED RECORD QUARTERLY EARNINGS

GAAP EPS*	Economic EPS**
$0.87	$1.05

GAAP Net Income*	Economic Net Income**
$24 million	$28 million

Collections
$351 million

Adjusted EBITDA**
$206 million

Cost to Collect***
42.1%

Estimated Remaining Collections of $4.0 billion

* From continuing operations attributable to Encore
** Please refer to Appendix for reconciliation of Economic EPS, Adjusted EBITDA, and Economic Net Income to GAAP
*** Cost to Collect is Adjusted Operating Cost / Dollars collected. See Appendix for reconciliation of Adjusted Operating Cost to GAAP

Note: All figures include Cabot Credit Management UK results unless otherwise indicated

…AND RECORD FULL-YEAR 2013 RESULTS

GAAP EPS*	Economic EPS**
$2.94	$3.86

GAAP Net Income*	Economic Net Income**
$77 million	$99 million

Collections
$1.28 billion

Adjusted EBITDA**
$784 million

Cost to Collect***
39.1%

* From continuing operations attributable to Encore
** Please refer to Appendix for reconciliation of Economic EPS, Adjusted EBITDA, and Economic Net Income to GAAP
*** Cost to Collect is Adjusted Operating Cost / Dollars collected. See Appendix for reconciliation of Adjusted Operating Cost to GAAP

Note: All figures include Cabot Credit Management UK results unless otherwise indicated

WE CONTINUE TO MAKE STRATEGIC ACQUISITIONS TO DRIVE GROWTH AND INCREASE OPTIONALITY

Refinancia

- Leader in Colombian and Peruvian NPL markets
- Purchased 51% ownership in December 2013
- Capital deployment opportunities of ~$40M+ annually; platform for Latin American expansion

Marlin Financial Services

- Provides litigation capabilities to Cabot Credit Management
- Creates uplift for current and future portfolios
- Accelerates Cabot's entry into secondary and tertiary markets

Grove Capital Management

- Market leader in bankruptcy market individual voluntary arrangements ("IVA")
- Potential deployments of $50M+ annually
- Strong servicing platform

WE REMAIN FOCUSED ON DELIVERING TOP QUARTILE RETURNS

Top Quartile Total Shareholder Return

Growth, Margin Expansion, Free Cash Flow, PE Multiple Expansion

1 Superior Analytics

- Consumer intelligence
- Data driven, predictive modeling
- Portfolio valuation at consumer level
- Consumer Credit Research Institute

2 Operational Scale & Cost Leadership

- Specialized call centers
- Efficient international operations
- Internal legal platform

3 Strong Capital Stewardship

- Sustained success at raising capital
  - Low cost of debt
  - Sustainable borrowing capacity and cash flow generation
- Prudent capital deployment

4 Extendable Business Model

- Uniquely scalable platform
- Strategic investment opportunities in geographic and asset adjacencies

Management Team • Learning Organization • Principled Intent

OUR FOCUS ON TSR DRIVES OUR GROWTH STRATEGY

Grow our core business and our subsidiaries

- Domestic core business
  - EAF - 2012
  - AACC – 2013
- Propel
  - TX competitor - 2013
- Cabot
  - Marlin – 2014
- Refinancia

Geographic expansion

- Cabot - 2013 - and Marlin - 2014 (UK)
- Grove (UK) - 2014
- Refinancia (Latin America) - 2013

Diversify into new asset classes

- Propel - 2012
- Refinancia (Credit cards, point-of-purchase guarantees) - 2013
- Grove (IVA) - 2014

This strategy allows us to deploy capital wherever we see the highest returns and continue to achieve our earnings growth rates

encore CAPITAL GROUP

IN LATE Q4, WE CLOSED THE ACQUISITION OF A 51% INTEREST IN REFINANCIA, EXPANDING OUR PRESENCE TO COLOMBIA AND PERU

With 1,000 employees, Refinancia is a leading buyer of non-performing loans in:

2013 Capital Deployed*	2013 Refinancia Market Share**
$100 million	39%

2013 Capital Deployed*	2013 Refinancia Market Share**
$13 million	64%

Investment Benefits

- New Market Opportunities
- Higher Returns
- Platform for Latin American expansion

Refinancia has deep relationships with leading financial services providers in the region

- International banks expanding their global footprint
- Local banks growing their consumer banking operations
- Specialty financial services companies

Refinancia's drivers

Data-driven Decision-making

Commitment To Consumer Rights

Extendable Business Model

* All buyers

** Refinancia estimates

REFINANCIA IS ENCORE'S ENTRY INTO THE LATIN AMERICAN MARKETS

REFINANCIA

Market Niche	Business Description
Individuals with default in their credit history	NPL portfolio purchase, servicing, and collections (Colombia, Peru) NPL portfolio servicing and collections for banks
Consumers with limited credit options at the point of purchase	Guarantee payment plans offered by merchants, check guarantee, servicing, and collections Factoring of merchant payment plans (liquidity generation for merchants) Credit risk is taken by partner bank
Banked clients with risk of credit default	First subprime credit card offered in Colombia Credit risk is taken by partner bank Market to customer base at Refinancia and partner bank

Opportunities

- Improvements in call center operations technology
- Process reengineering
- Advances in Decision Science
- Improved monitoring and strategies around legal collections

WE HAVE AGREED TO ACQUIRE A 68% INTEREST IN GROVE CAPITAL

GROVE CAPITAL MANAGEMENT

Grove specializes in the purchasing and servicing of insolvencies, consisting primarily of individual voluntary arrangements (“IVAs”) and bankruptcy receivables in the UK

IVAs

- Roughly equivalent to a chapter 13 bankruptcy in the U.S.
- Constitutes a formal repayment proposal presented to a debtor’s creditors

Grove

- An asset manager supplying business development, account level portfolio analytics, bidding management and master servicing
- Successfully deployed ~£100 million in over 50 transactions in the U.K. insolvency market since its formation

Capital Deployment Strategy

- Investment will facilitate Encore’s capital deployment strategy in the IVA asset class with an annual target of more than $50 million
- Further opportunities as Grove expands in Spain and other European countries

EARLIER THIS MONTH CABOT ACQUIRED MARLIN FINANCIAL GROUP

Marlin Financial Group is a UK debt buyer with a focus on litigation

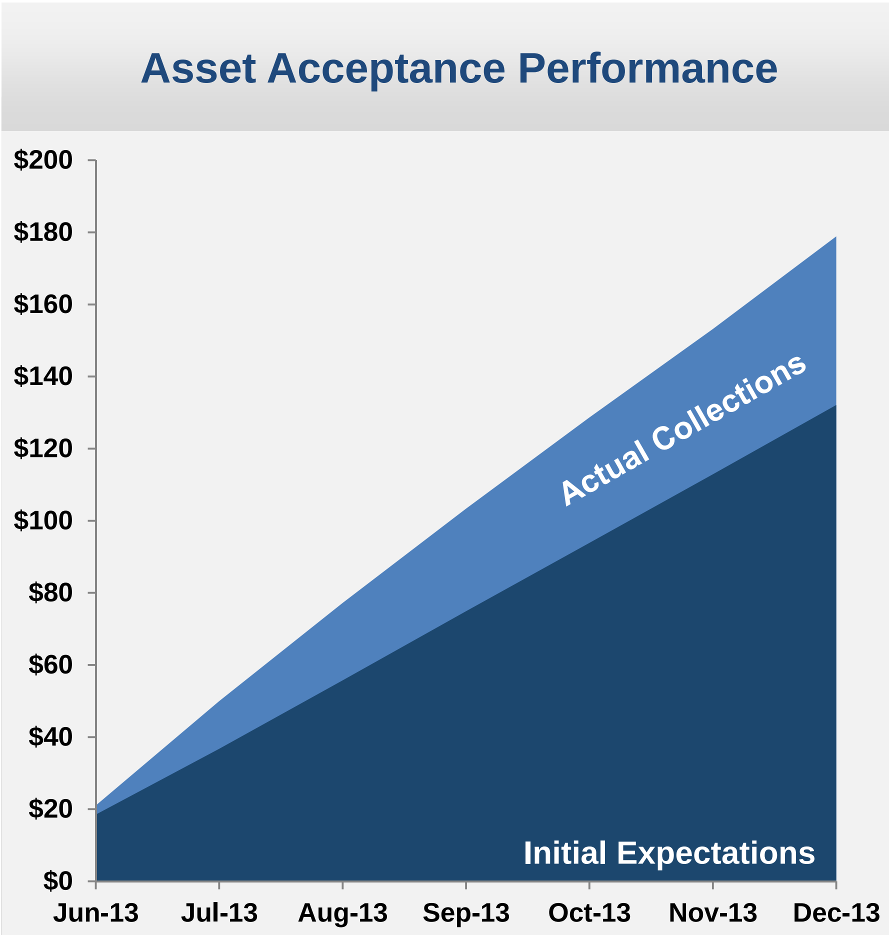
Company Portfolio	Transaction Rationale	Financing	Status
• To date, portfolio purchases have totaled £264 million with a total face value of approx. £2.2 billion and an average account balance of £4,800 • As of September 30, 2013, Marlin had ERC of £352 million	• Expected ERC lift attributed to Cabot's back book from utilizing Marlin's litigation platform for non-paying accounts • Valuable talent pool • Cabot + Marlin can leverage full extent of UK market growth with complementary niches	• Fully financed by Cabot based on the combined companies' balance sheets • No additional investment is required from Encore	• Cabot just closed the transaction and integration has begun

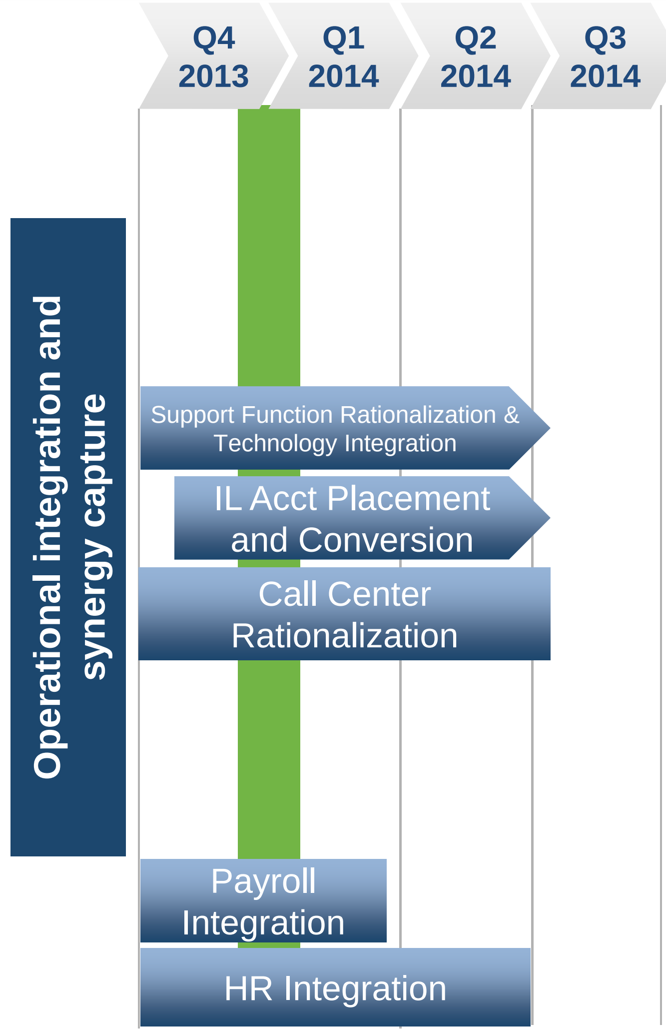
MARLIN MEANINGFULLY ENHANCES ENCORE'S UK MARKET POSITION

Creates the UK market leader by ERC	‣ Increases Encore's exposure to the high-growth UK market ‣ Strong relationships with key vendor banks make Cabot+Marlin well-placed to increasingly become the purchaser of choice
Strong growth profile	‣ Cabot+Marlin can leverage the full extent of UK market growth with complementary niches ‣ Ability to sustain IRRs on future purchases in the face of increasing competition through incremental litigation collections
Enhanced, sustainable profitability	‣ Creates the ability to optimize account scoring and collection channel across both operations ‣ Operational efficiencies and economies of scale
Deep management bench strength	‣ Valuable additional talent pool with deep industry experience

WITH OUR GROWTH HAS COME SIGNIFICANT GEOGRAPHIC DIVERSIFICATION

WE ARE CONFIDENT IN OUR ABILITY TO EXECUTE ON THE TRANSACTIONS BECAUSE OF OUR STRONG PERFORMANCE ON OUR RECENT ACQUISITIONS



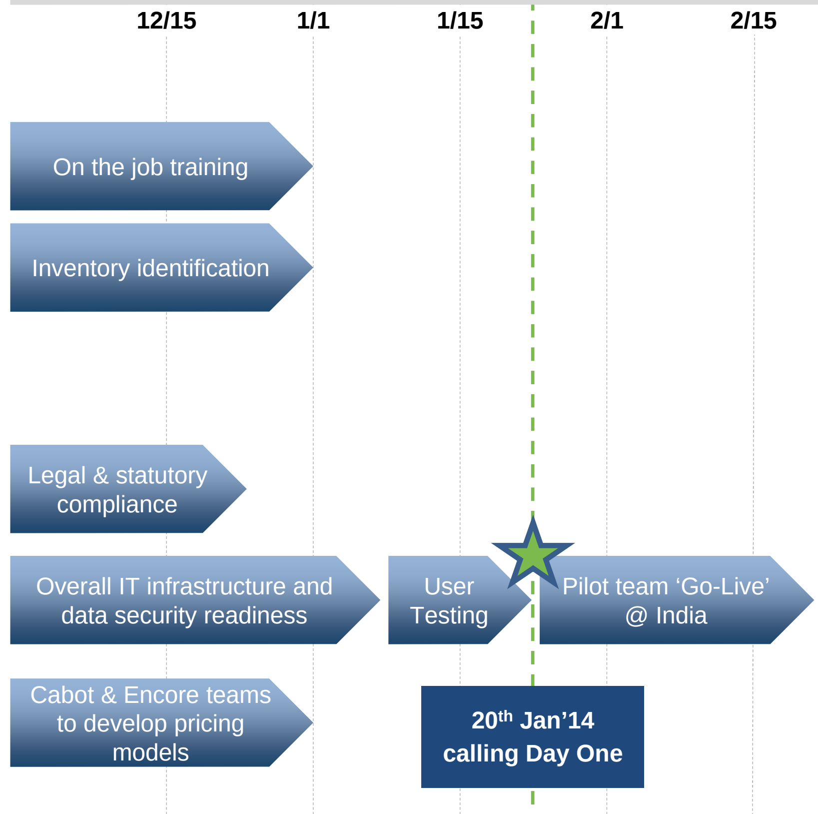


WE ARE CONFIDENT IN OUR ABILITY TO EXECUTE ON THE TRANSACTIONS BECAUSE OF OUR STRONG PERFORMANCE ON OUR RECENT ACQUISITIONS (CONT'D)

Cabot

	Cumulative (July – December 2013)
Adjusted EBITDA*	$100.4 million
Portfolio purchases	$621 million
Collections	$134.3 million
Revenues	$95.5 million
ERC	$1.5 billion
Cost to collect**	27.0%

CABOT INDIA OPERATIONS LAUNCH



* Please refer to Appendix for reconciliation of Adjusted EBITDA to GAAP

** Cost to Collect is Adjusted Operating Cost / Dollar collected. See Appendix for reconciliation of Adjusted Operating Cost to GAAP

CFPB RULEMAKING OVERVIEW

Advance Notice of Proposed Rulemaking (ANPR)	Small Business Regulatory Enforcement Fairness Act (SBREFA) Panel	Notice of Proposed Rulemaking (NPR)	Final Rulemaking	Effective Date
Comments due 2/28/14	Spring – Summer 2014	Summer 2014	Late 2014 – Mid 2015	30 days – 1 year

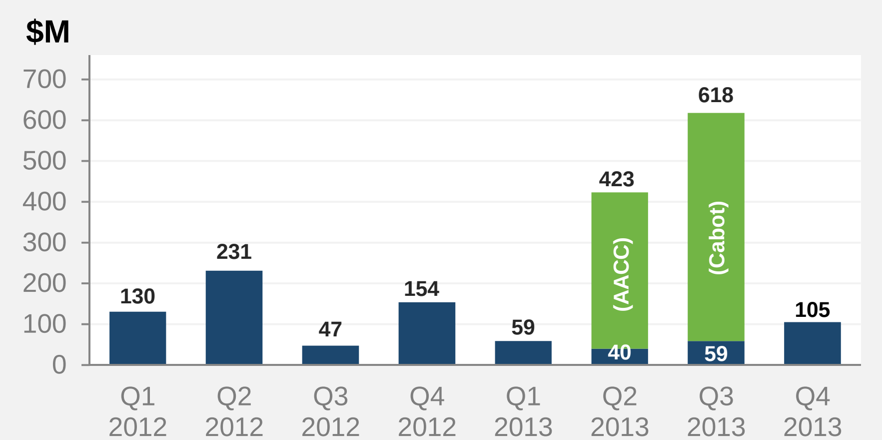
Encore's ANPR response will show thought leadership in advocating for higher industry standards

- Standardization of data/documents needed for collections
- Robust validation notices
- Comprehensive disclosures on interest, statute of limitations & credit reporting
- No reinstatement of expired debt upon payment
- Fostering consumer communications using modern technologies

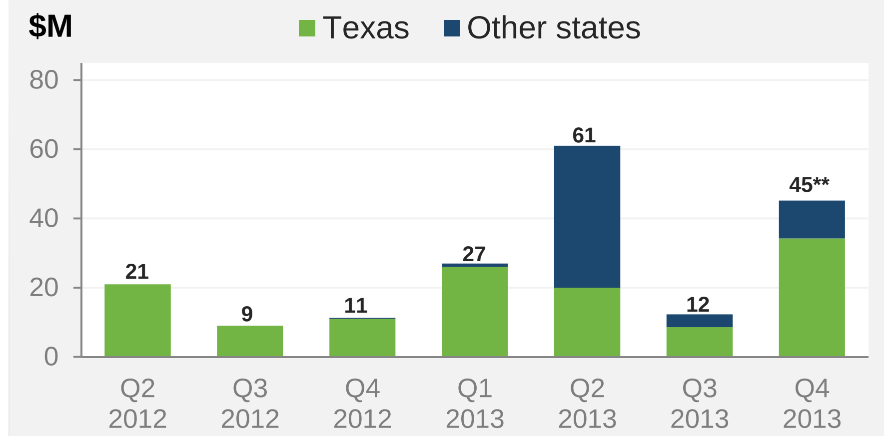
Detailed Financial Discussion

GROWTH IN DEPLOYMENTS WAS LED BY CABOT CREDIT MANAGEMENT AND ASSET ACCEPTANCE

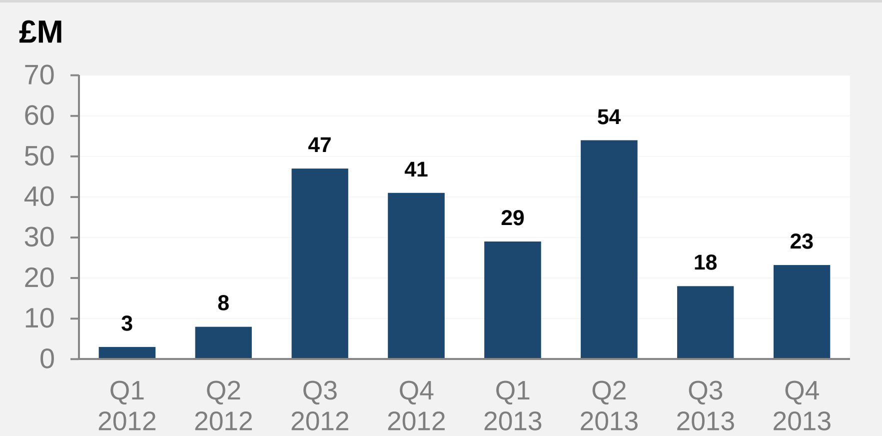
RECEIVABLE PORTFOLIO DEPLOYMENTS



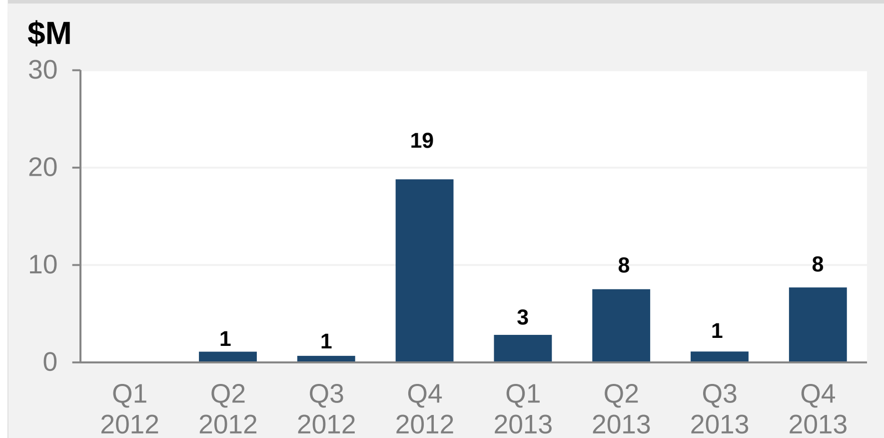
PROPEL DEPLOYMENTS



CABOT DEPLOYMENTS*



REFINANCIA DEPLOYMENTS*

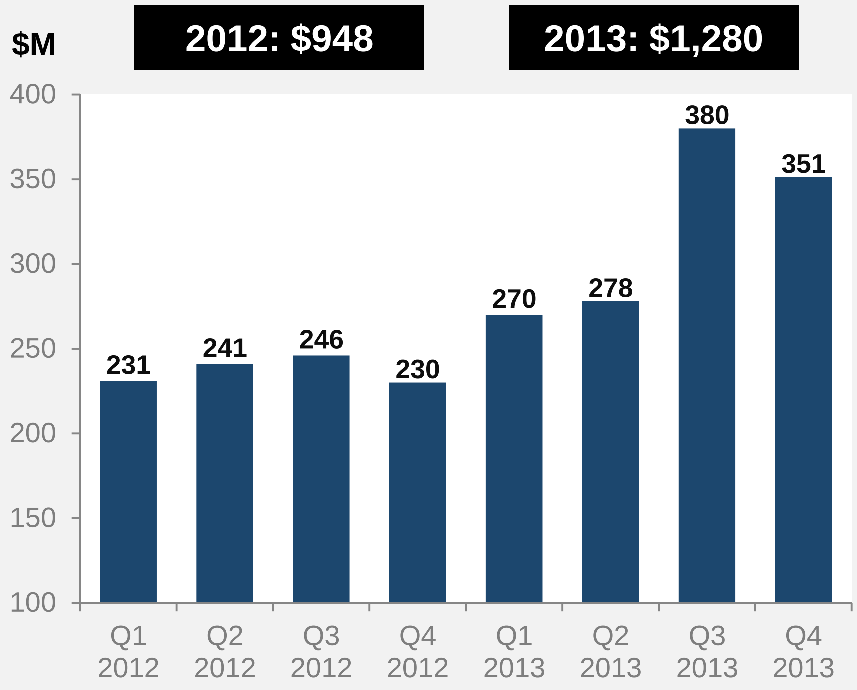


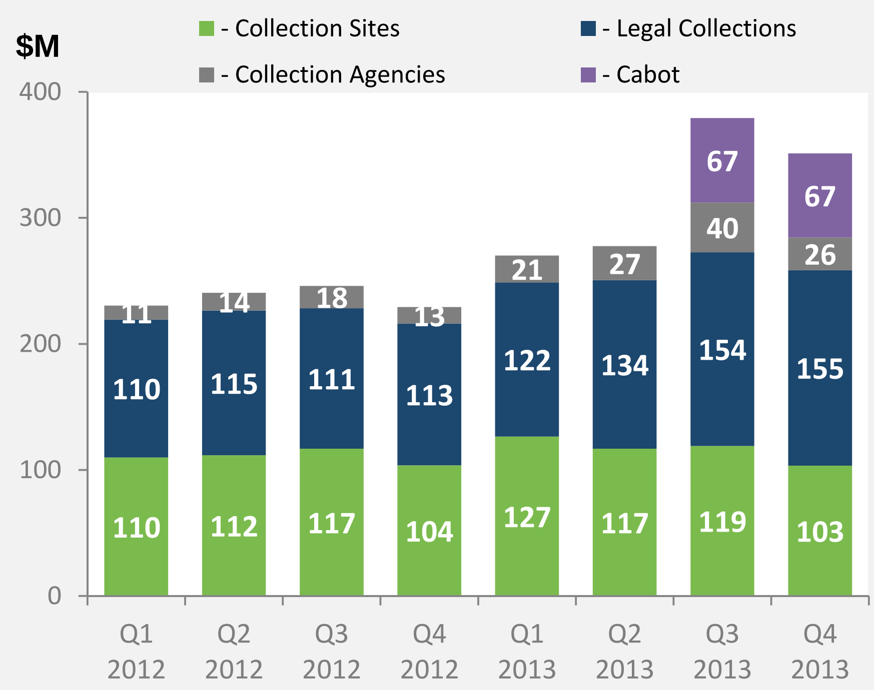
*Includes deployments on behalf of others as well for own account

** Includes $29 million related to the acquisition of a competitor

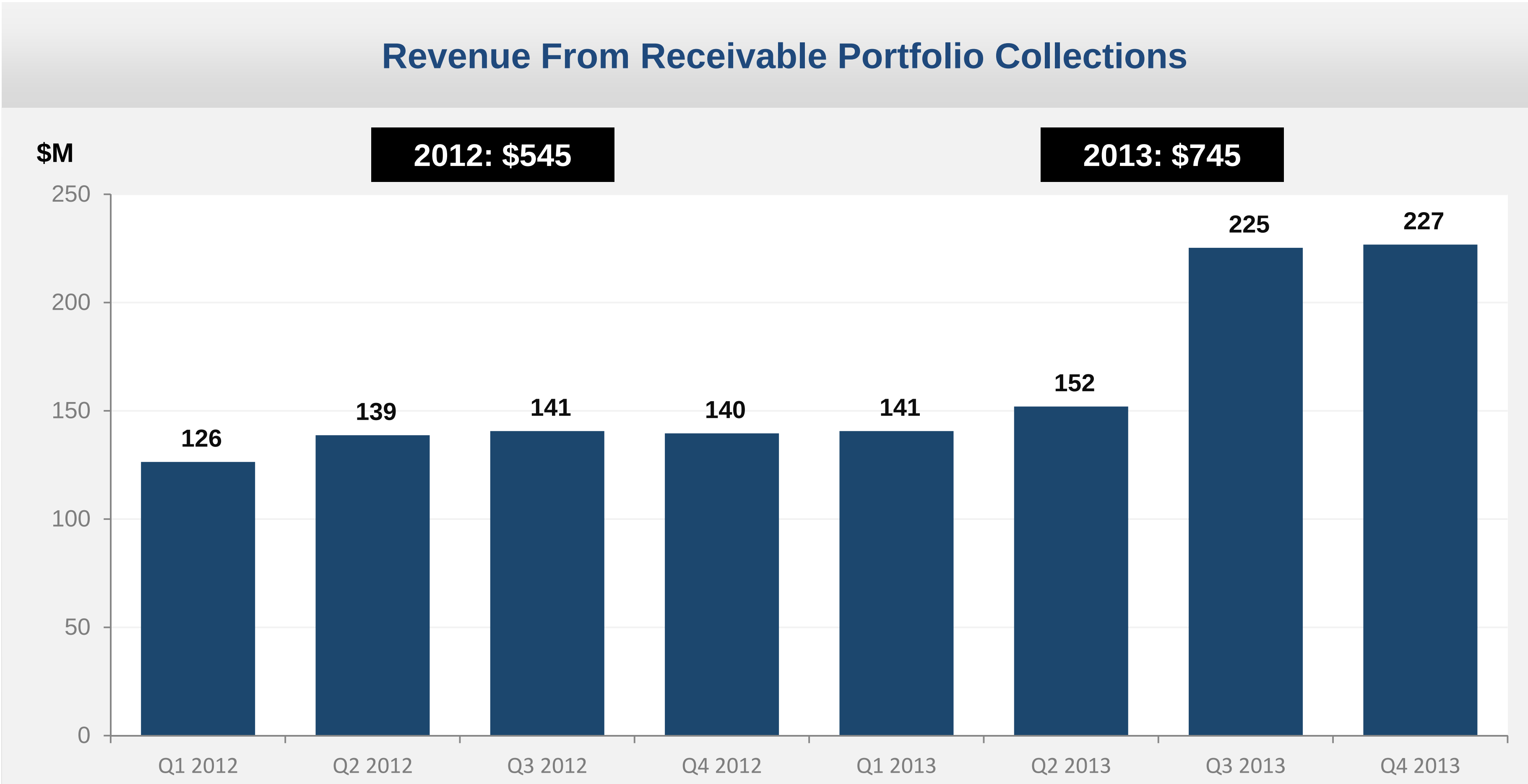
THE AACC AND CABOT ACQUISITIONS ACCELERATED 2013 COLLECTIONS

Core Collections

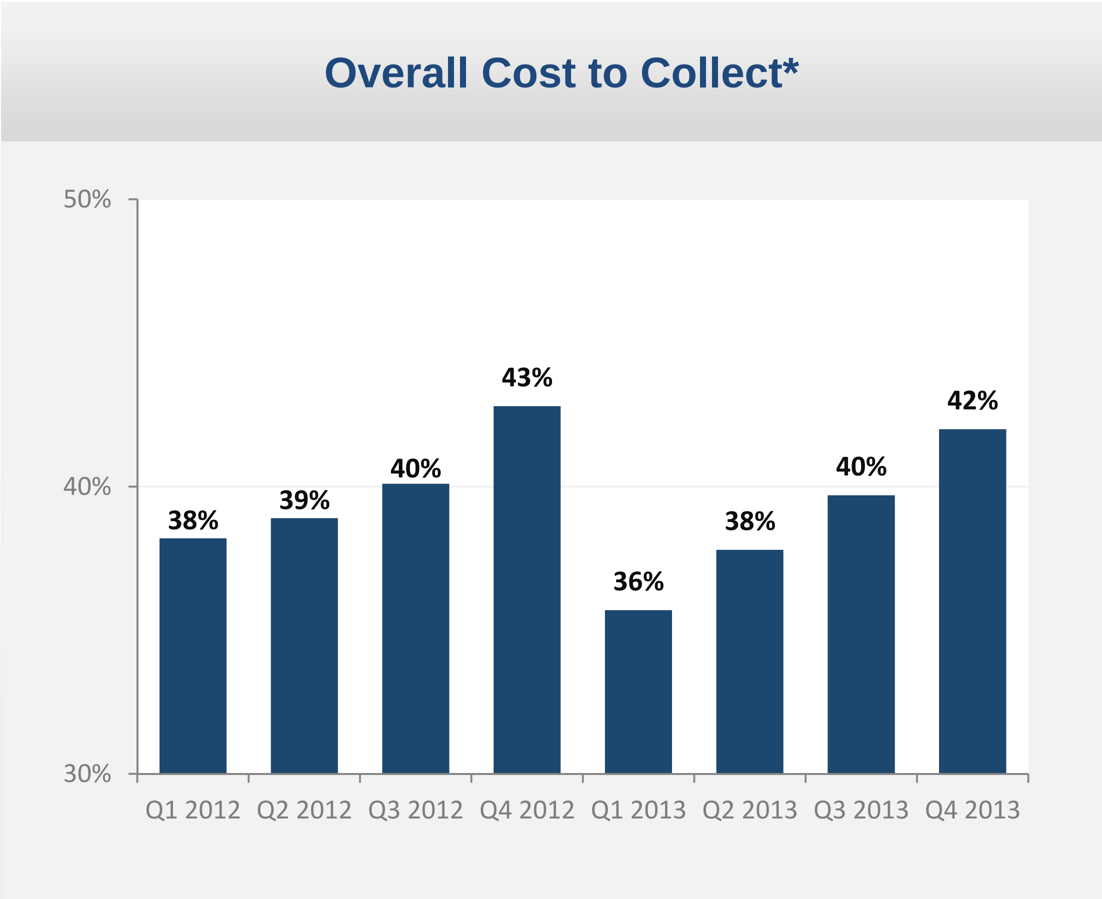




STRONG COLLECTIONS LED TO SOLID REVENUE GROWTH



ENCORE'S COST TO COLLECT FULLY REFLECTS AACC'S AND CABOT'S OPERATIONS



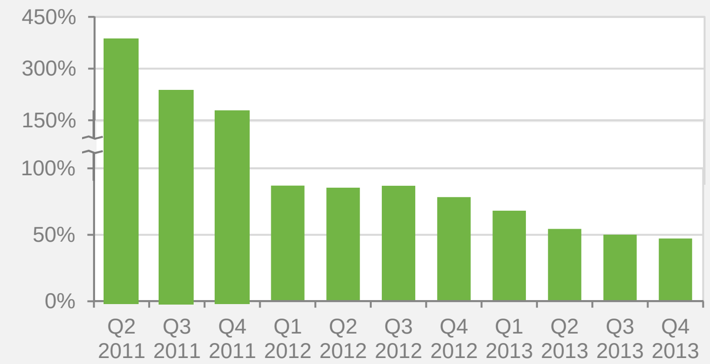
Channel	Q4 2013 CTC	Q4 2012 CTC
Cabot	26.7%	24.8%
Legal	36.8%	43.2%
Core sites	8.9%	7.3%

*** Cost to Collect is Adjusted Operating Cost / Dollar collected. See Appendix for reconciliation of Adjusted Operating Cost to GAAP.**

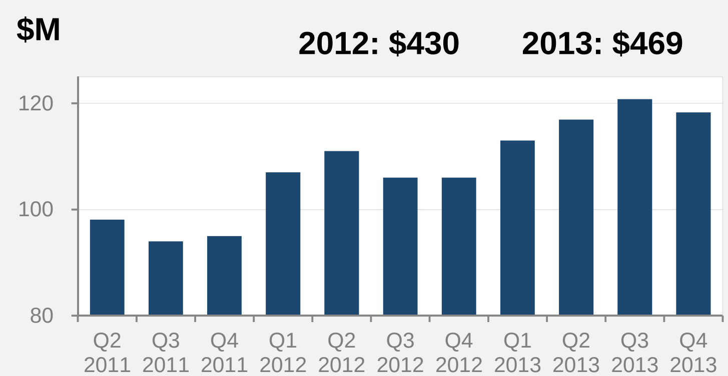
AFTER SEVERAL QUARTERS OF INVESTMENT, COST TO COLLECT IN INTERNAL LEGAL IS DECLINING

Legal Outsourcing Cost to Collect

Internal Legal Cost to Collect

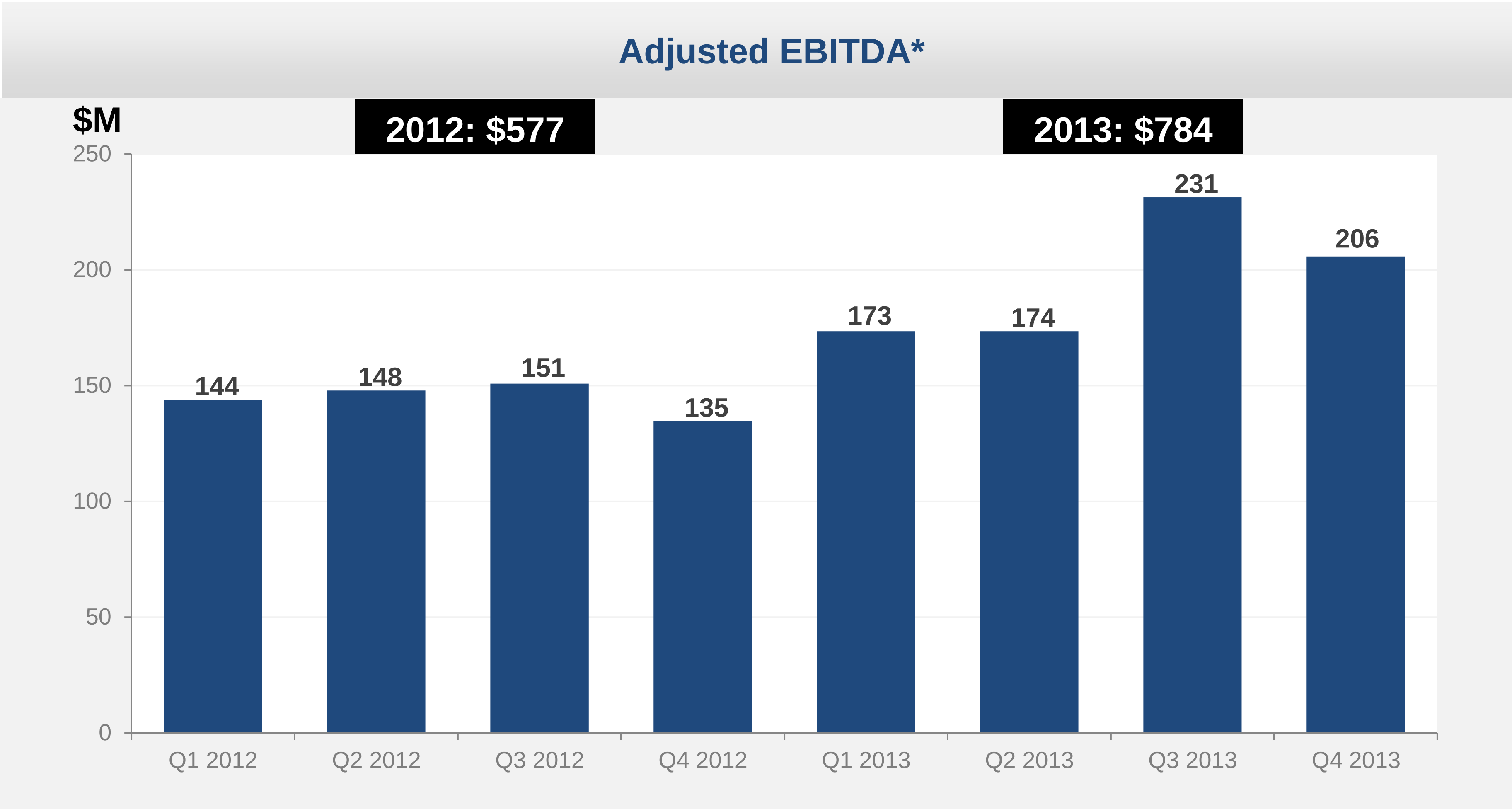


Legal Outsourcing Collections



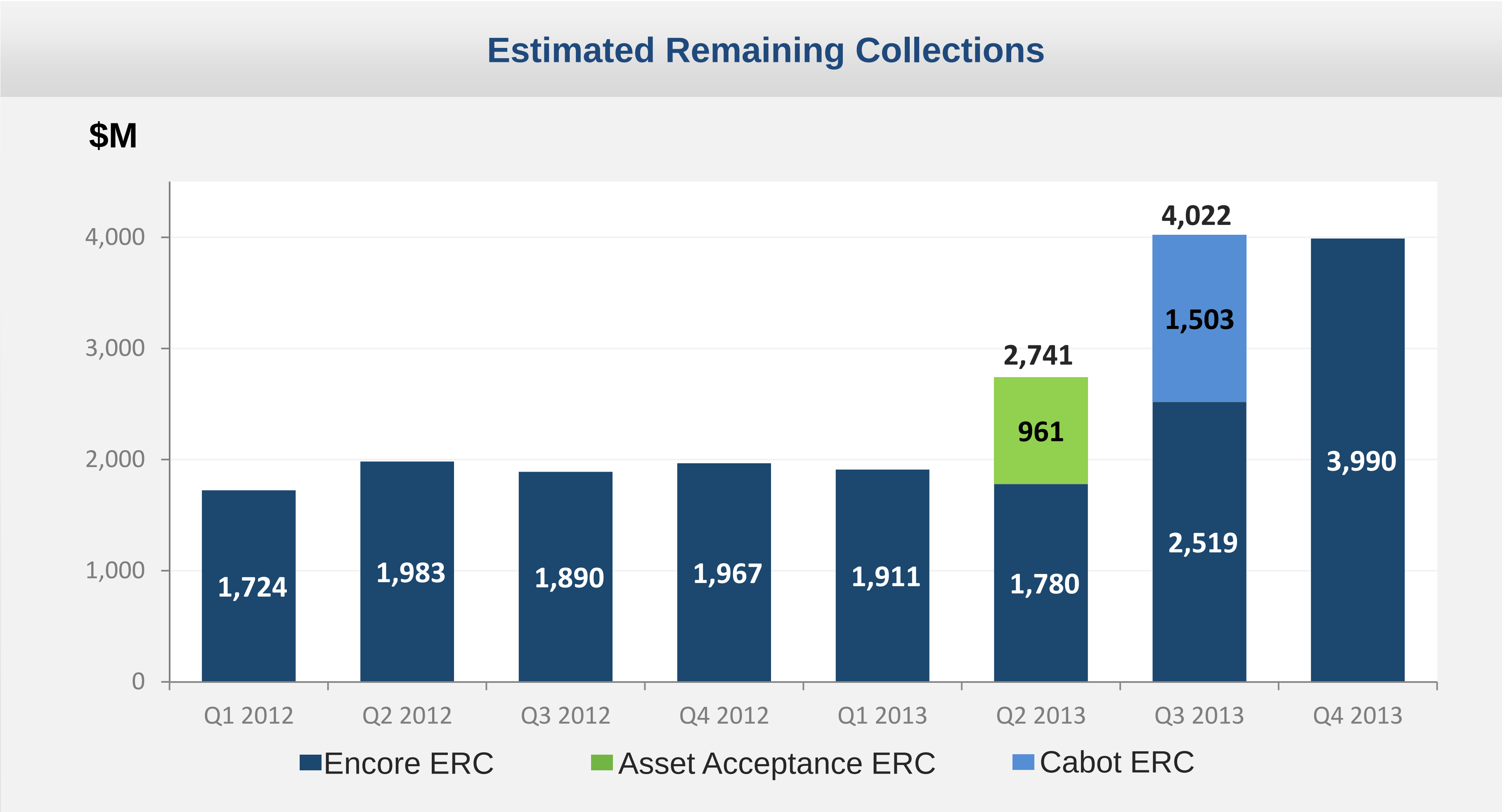
Internal Legal Collections

COLLECTIONS GROWTH AND COST IMPROVEMENTS LED TO IMPROVED CASH FLOWS



*** Please refer to Appendix for reconciliation of Adjusted EBITDA to GAAP**

THE CABOT AND AACC TRANSACTIONS RESULTED IN STRONG GROWTH IN ERC



CABOT CONTRIBUTED $0.36 TO ENCORE'S 2013 ECONOMIC EPS

In 000's except per share amounts	Janus	Encore Europe Holdings	EEH Consolidated
Revenue / other income	$95,491	-	$95,491
Total Expenses	(48,890)	-	(48,890)
EBITDA	46,601	-	46,601
Non-PEC Interest Expense	(26,265)	-	(26,265)
PEC Interest Expense	(21,616)	10,235	(11,381)
Other Income	98	-	98
Earnings Before Income Tax	(1,182)	10,235	9,053
Income tax	(1,574)	-	(1,574)
Net (loss) / profit before minority interest	(2,756)	10,235	7,479
JCF / Mgmt non-controlling interest	392	1,167	1,559
Net (loss) / profit attributable to Encore	$(2,364)	$11,402	$9,038

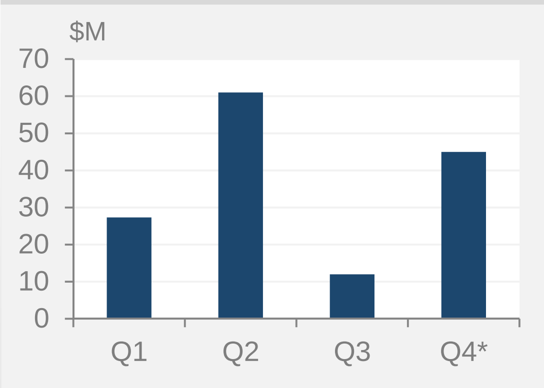
PROPEL CONTINUES TO GROW AND CONTRIBUTE TO ENCORE

Over $145 million of capital deployed in 2013

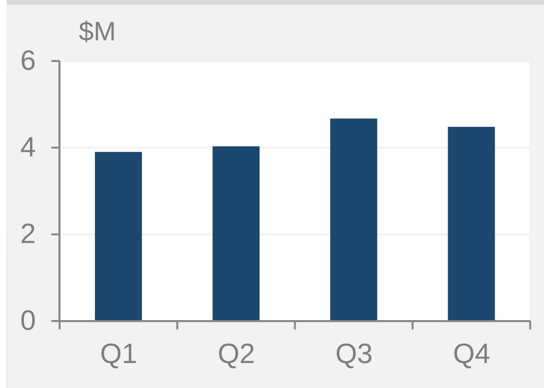
Now operating in 10 states

Q4 2013 competitor acquisition

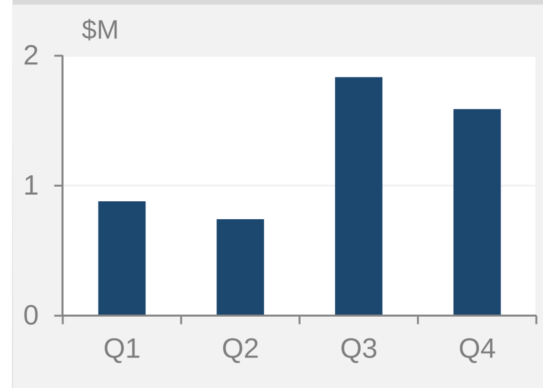
Capital Deployed



Total Revenue

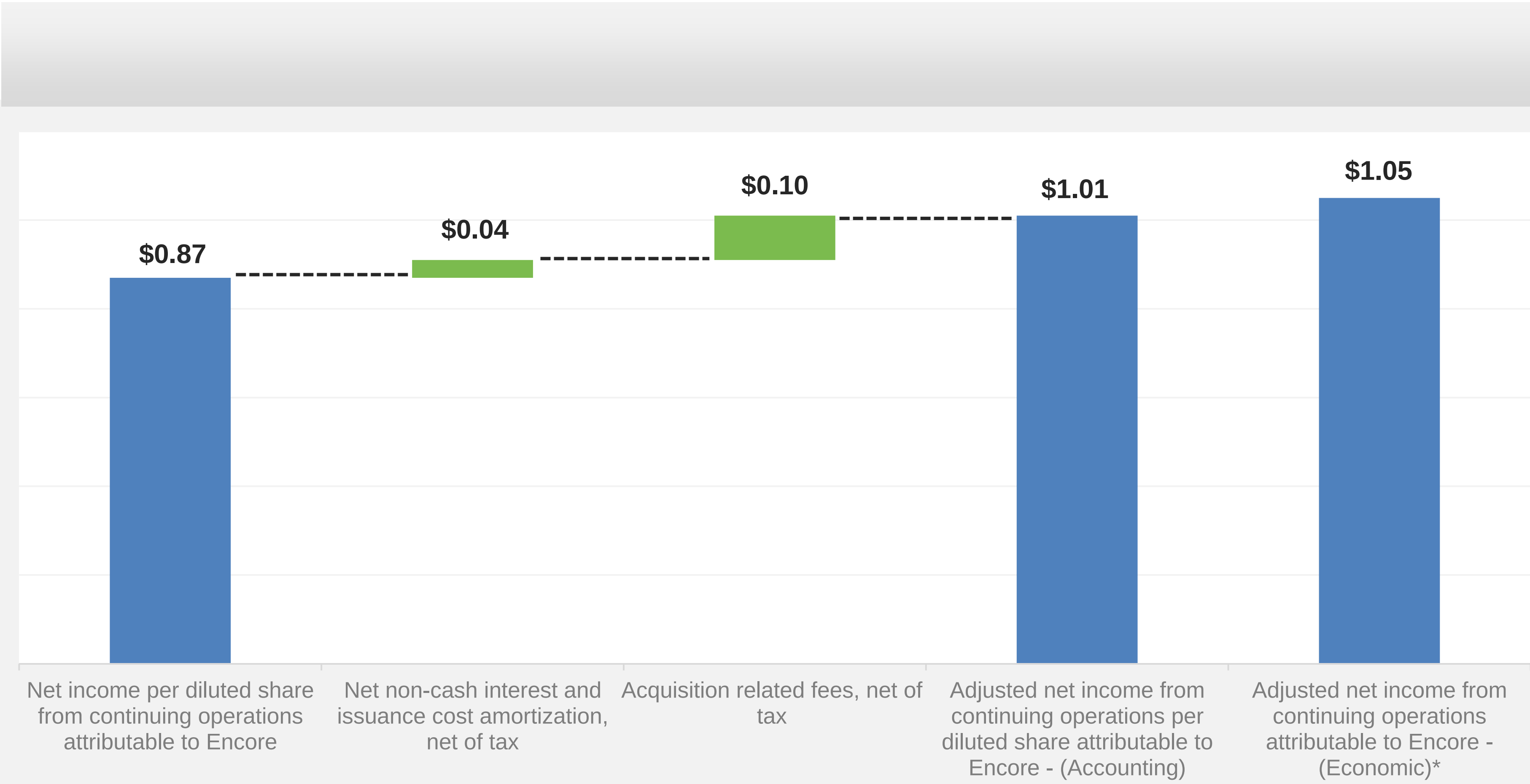


Operating Income



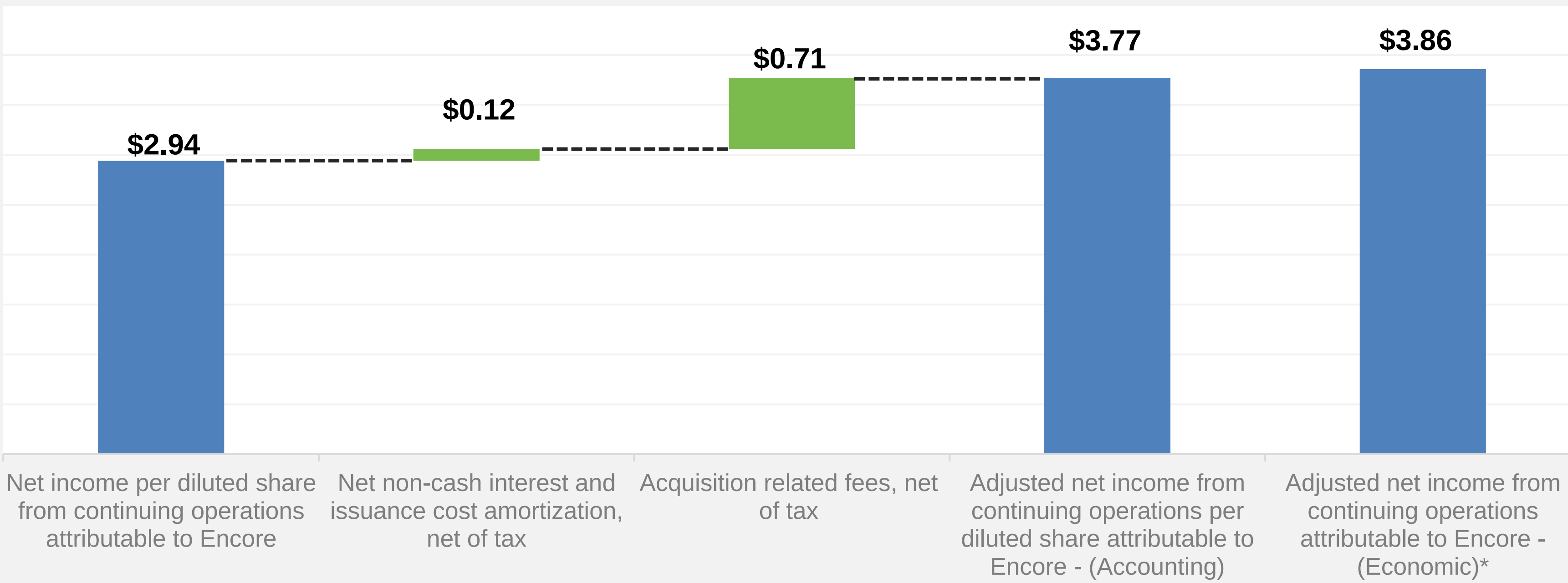
*** Includes $29 million related to the acquisition of a competitor**

ENCORE'S Q4 ADJUSTED EPS SET A RECORD OF $1.05 PER FULLY DILUTED SHARE



*** Please refer to Appendix for reconciliation of Adjusted EPS measurements to GAAP**

ENCORE'S 2013 ADJUSTED EPS SET A RECORD OF $3.86 PER FULLY DILUTED ECONOMIC SHARE



*** Please refer to Appendix for reconciliation of Adjusted EPS measurements to GAAP**

WE MADE SEVERAL KEY AMENDMENTS TO OUR CORE CREDIT FACILITY TO SUPPORT ENCORE'S GROWTH

Credit Facility Summary

Key Factors	Previous	Current
Facility Size	$754.5M	$846.3M
Transaction Limit	$50M (Single) / $75 (Aggregate)	$75M (Single) / $150 (Aggregate)
Maturity	2017	2019
Accordion	$162.5M	$250M
Propel	$300M	$400M
Convertibles	$300M	$450M
Foreign Portfolios	$150M	$200M
Stock Repurchase	($0) filled	$50M
Rentals	$15M per year	$20M per year
Capital Expenditures	$20M per year	$30M per year

ENCORE'S LONG-TERM PROSPECTS CONTINUE TO BE FAVORABLE

Operating Results & Deployment	Liquidity & Capital Access	Solid Cash Flows	Geographic & Asset Class Diversification
A culture of constant improvement drives improved results	Strong liquidity and access to capital enhance our ability to take advantage of consolidating markets and new opportunities	Additional asset classes and geographies continue to enhance ERC and collections	We are an international company in several asset classes, positioned for strong earnings growth going forward

Appendix

NON-GAAP FINANCIAL MEASURES

This presentation includes certain financial measures that exclude the impact of certain items and therefore have not been calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company has included information concerning Adjusted EBITDA because management utilizes this information, which is materially similar to a financial measure contained in covenants used in the Company's revolving credit facility, in the evaluation of its operations and believes that this measure is a useful indicator of the Company’s ability to generate cash collections in excess of operating expenses through the liquidation of its receivable portfolios. The Company has included information concerning Adjusted Operating Expenses in order to facilitate a comparison of approximate cash costs to cash collections for the portfolio purchasing and recovery business in the periods presented. The Company has included Adjusted Income from Continuing Operations per Share because management believes that investors regularly rely on these measures to assess operating performance, in order highlight trends in the Company’s business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP. Adjusted EBITDA, Adjusted Operating Expenses and Adjusted Income from Continuing Operations and Adjusted Income from Continuing Operations per Share have not been prepared in accordance with GAAP. These non-GAAP financial measures should not be considered as alternatives to, or more meaningful than, net income, net income per share, and total operating expenses as indicators of the Company’s operating performance. Further, these non-GAAP financial measures, as presented by the Company, may not be comparable to similarly titled measures reported by other companies. The Company has attached to this presentation a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

RECONCILIATION OF ECONOMIC / ADJUSTED NET INCOME AND ECONOMIC / ADJUSTED EPS

Reconciliation of Adjusted Net Income and Adjusted EPS to GAAP EPS (Unaudited, in thousands, except per share amounts), Three Months Ended

	December 31,					
	2013			2012		
	$	Per Diluted Share – Accounting	Per Diluted Share – Economic*	$	Per Diluted Share – Accounting	Per Diluted Share – Economic
Net income from continuing operations attributable to Encore	24,385	$0.87	$0.90	20,167	$0.79	$0.79
Adjustments:						
Net non-cash interest and issuance cost amortization, net of tax	1,185	$0.04	$0.05	191	$0.01	$0.01
Acquisition related legal and advisory fees, net of tax	2,770	$0.10	$0.10	-	-	-
Acquisition related integration and consulting fees, net of tax	-	-	-	-	-	-
Acquisition related other expenses, net of tax	-	-	-	-	-	-
Adjusted net income from continuing operations attributable to Encore	28,340	$1.01	$1.05	$20,358	$0.80	$0.80

* Excludes approximately 1,041,000 shares issuable upon the conversion of the company's convertible senior notes due 2017 that are included for accounting purposes but will not be issued due to certain hedge and warrant transactions

RECONCILIATION OF ECONOMIC / ADJUSTED NET INCOME AND ECONOMIC / ADJUSTED EPS

Reconciliation of Adjusted Net Income and Adjusted EPS to GAAP EPS (Unaudited, in thousands, except per share amounts), Full Year

	2013			2012		
	$	Per Diluted Share – Accounting	Per Diluted Share – Economic*	$	Per Diluted Share – Accounting	Per Diluted Share – Economic
Net income from continuing operations attributable to Encore	77,039	$2.94	$3.01	78,571	$3.04	$3.04
Adjustments:						
Net non-cash interest and issuance cost amortization, net of tax	3,274	$0.12	$0.13	191	$0.01	$0.01
Acquisition related legal and advisory fees, net of tax	12,981	$0.50	$0.51	2,567	$0.10	$0.10
Acquisition related integration and consulting fees, net of tax	3,304	$0.13	$0.13	-	-	-
Acquisition related other expenses, net of tax	2,198	$0.08	$0.08	-	-	-
Adjusted net income from continuing operations attributable to Encore	98,796	$3.77	$3.86	$81,329	$3.15	$3.15

* Excludes approximately 595,000 shares issuable upon the conversion of the company's convertible senior notes due 2017 that are included for accounting purposes but will not be issued due to certain hedge and warrant transactions

RECONCILIATION OF ADJUSTED EBITDA

Reconciliation of Adjusted EBITDA to GAAP Net Income (Unaudited, In Thousands) Three Months Ended

	6/30/08	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11
GAAP net income, as reported	6,162	3,028	(2,095)	8,997	6,641	9,004	8,405	10,861	11,730	12,290	14,171	13,679
(Gain) loss from discontinued operations, net of tax	(89)	46	(483)	(457)	(365)	(410)	(901)	(687)	(684)	(315)	28	(397)
Interest expense	4,831	5,140	5,401	4,273	3,958	3,970	3,959	4,538	4,880	4,928	5,003	5,593
Provision for income taxes	4,161	2,429	(1,781)	5,670	3,936	5,676	4,078	6,080	6,356	6,474	9,057	8,349
Depreciation and amortization	482	396	391	410	402	443	516	522	591	650	789	904
Amount applied to principal on receivable portfolios	35,785	35,140	46,364	42,851	48,303	49,188	47,384	58,265	64,901	63,507	53,427	85,709
Stock-based compensation expense	1,288	860	382	1,080	994	1,261	1,049	1,761	1,446	1,549	1,254	1,765
Adjusted EBITDA	**52,560**	**47,039**	**48,179**	**62,824**	**63,869**	**69,132**	**64,490**	**81,340**	**89,220**	**89,083**	**83,729**	**115,602**

	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	12/31/13
GAAP net income, as reported	14,775	15,370	17,134	11,406	16,596	21,308	20,167	19,448	11,012	21,064	22,216
(Gain) loss from discontinued operations, net of tax	(9)	(60)	101	6,702	2,392	-	-	-	-	308	1,432
Interest expense	5,369	5,175	4,979	5,515	6,497	7,012	6,540	6,854	7,482	29,186	29,747
Provision for income taxes	9,475	9,834	10,418	11,660	12,846	13,887	13,361	12,571	7,267	10,272	15,278
Depreciation and amortization	958	1,054	1,165	1,240	1,420	1,533	1,647	1,846	2,158	4,523	5,020
Amount applied to principal on receivable portfolios	83,939	73,187	69,462	104,603	101,813	105,283	90,895	128,481	127,370	154,283	124,520
Severance and Stock-based compensation expense	1,810	2,405	1,729	2,266	2,539	1,905	2,084	3,001	5,364	3,983	3,486
Acquisition related expense	-	-	-	489	3,774	-	-	1,276	12,848	7,752	4,260
Adjusted EBITDA	**116,317**	**106,965**	**104,988**	**143,881**	**147,877**	**150,928**	**134,694**	**173,477**	**173,501**	**231,371**	**205,959**

Note: The periods 6/30/08 through 12/31/08 have been adjusted to reflect the retrospective application of ASC 470-20. All periods have been adjusted to show discontinued ACG operations.

RECONCILIATION OF ADJUSTED OPERATING COST

Reconciliation of Adjusted Operating Cost to GAAP Operating Cost (Unaudited, In Thousands) Three Months Ended

	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	12/31/13
GAAP total operating expenses, as reported	91,394	102,809	103,621	103,872	105,872	126,238	174,429	168,466
Adjustments:								
Stock-based compensation expense	(2,266)	(2,539)	(1,905)	(2,084)	(3,001)	(2,179)	(3,983)	(3,486)
Operating expense related to other operating segments	(331)	(2,815)	(3,053)	(3,092)	(5,274)	(6,367)	(12,115)	(12,755)
Acquisition related integration and consulting fees and severance costs	-	-	-	-	-	(5,455)	-	
Acquisition related legal and advisory fees	(489)	(3,774)	-	-	(1,276)	(6,948)	(7,752)	(4,260)
Adjusted operating expenses for the portfolio purchasing and recovery business	88,308	93,681	98,663	98,696	96,321	105,289	150,579	147,965

RECONCILIATION OF ADJUSTED EBITDA - CABOT

Reconciliation of Adjusted EBITDA to GAAP Net Income (Unaudited, In Thousands) Six Months Ended

	December 31, 2013
GAAP net income attributable to Encore Europe Holdings s.a.r.l.	9,038
Loss from noncontrolling interest	(1,559)
GAAP net income	7,479
Adjustments:	
Interest expense	37,646
Provision for income taxes	1,573
Depreciation and amortization	3,096
Amount applied to principal on receivable portfolios	49,849
Acquisition related legal and advisory fees	800
Adjusted EBITDA	100,443

RECONCILIATION OF ADJUSTED OPERATING COST - CABOT

Reconciliation of Adjusted Operating Cost to GAAP Operating Cost (Unaudited, In Thousands) Six Months Ended

	December 31, 2013
GAAP total operating expenses, as reported	$48,890
Adjustments:	
Operating expense related to other operating segments	(11,876)
Acquisition related legal and advisory fees	(800)
Adjusted operating expenses for the portfolio purchasing and recovery business	$36,214

Encore Capital Group, Inc.

Q4 2013 EARNINGS CALL