Slide #	**Commentary**
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's fourth 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, Ashish Masih, Executive Vice President, US Debt Purchasing & Operations, and Paul Grinberg, Group Executive, International and Corporate Development. 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 fourth quarter of 2015 and the fourth 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.

	Ken Vecchione
3 (Intro)	Thank you, Bruce, and good afternoon. Encore has changed dramatically over the past three years. Since 2012, revenues and profits have grown substantially and we've increased annual capital deployments from roughly $600 million dollars domestically to over $1.2 billion dollars globally in 2015. To counter higher prices in the U.S. market, we implemented innovative consumer-centric programs aimed at increasing liquidations. These programs were initiated in the beginning of 2014 and have become increasingly successful offsetting the rising pricing trends of the past 3 years. From a strategic perspective, we took the leadership role in consolidating our marketplace, and we've expanded our business globally to reduce the risk of being overly dependent on a single geography. We are now an international company – able to capitalize on higher returns in Europe, Latin America and Australia. For those of you who compare our U.S. business now with how we've performed in prior periods, we'll be the first to admit that we're not currently generating returns in line with our peak years from 2010 to 2012. That world changed when a few large issuers left the U.S. market and removed a substantial portion of supply. That period also represented a different stage of the macroeconomic cycle. In response to these events, we expanded internationally and we are now well positioned to take advantage of other deployment opportunities around the globe. Although this was the appropriate strategic response, the combination of our platform investments, the issuers leaving the U.S. market and historically low charge-offs caused ROIC to compress over the past three years.

3 (Intro) Continued	Viewing the company over the last 12 months, we are better positioned in the international marketplace, we've done well to grow our U.S. market share and we settled our differences with the CFPB, removing a multi-year overhang on our operation. Comparing Encore's position today with where we stood a year ago, I prefer the current state of our business. As mentioned, revenues, deployments, net income and EPS of our company have improved –- yet our stock price performance has disappointed investors, management, and our Board of Directors. As our share price became dislocated from its relationship to earnings during the fourth quarter of 2015, it became clear that we needed to re-emphasize the one thing that forms the foundation of our financial results: our investment returns. It is our opinion that the market does not believe we are generating appropriate returns on our invested capital and, furthermore, there is concern that our capital deployment will stagnate. We believe that the best path to restore shareholder value - and our stock price - is to manage all of our businesses on a return-on-invested-capital-basis. Importantly, Encore has delivered strong earnings growth over the past several years, but it was not accompanied by steady growth in invested capital returns. There were two reasons for this: • One, we invested in international platforms whose value takes time to develop and • Two, the cumulative benefits of our consumer-centric programs took time to materially impact collections and to overcome price increases. I'm pleased to report that we are now seeing evidence of an inflection point in our invested capital returns.

3 (Intro) Continued	As we enter 2016, we expect higher returns on newly committed forward flows in the U.S. Today, we have commitments for $270 million dollars of capital deployment at returns that are 15 percent higher than our returns in 2015. Despite continued but modestly rising prices, our IRR's on deployed capital are rising as our consumer programs improve collections. Within our international platform, Cabot experienced steady to slightly higher returns in 2015 versus 2014 as off-market purchases and improved liquidation programs, similar to those we deployed in the U.S., were implemented. We also see the prospect for higher returns in Latin America, Spain and Ireland. Going forward, we will focus less on acquiring new large platforms and we will place more emphasis on growing our business organically. Our returns today, while not equal to the peak returns of 2010 through 2012, are still very good after-tax returns and are well in excess of our weighted average cost of capital. Today we announced the divestiture of Propel, our tax lien business. This business was an appropriate acquisition for Encore back in 2012. In fact, Propel's annual EPS contribution grew approximately 13 percent on a compounded basis over the past four years. But as a result of current market dynamics and the outsized need for Propel to leverage capital, Propel was no longer generating attractive returns when compared to the improving returns of our other investment opportunities. Propel generates exceptionally high quality assets with relatively lower returns – which is fine gauging through a risk adjusted lens. Because Encore has opportunities to deploy capital at significantly higher returns, Propel was no longer a good fit. Today we announced a definitive agreement to sell the business to Prophet Capital, a Texas-based investment advisor.

3 (Intro) Continued	Upon its closing in March, the Propel sale is expected to provide us with a number of key benefits: • First, to provide the liquidity to deleverage our company and pay down our debt • Second, to improve overall corporate ROIC • And third, to provide us additional liquidity for maximum investment capital flexibility. We have always and will always continue to use IRR's to drive our deployment decisions, but we will manage our businesses with more emphasis on ROIC. When we have an opportunity to deploy capital at higher returns, we will do so. And when returns are less attractive, our deployment levels may shrink. Our intention is to deliver attractive earnings per share growth alongside appropriate invested capital returns. We believe it is this combination that will deliver improved total shareholder return. To ensure management and investors are aligned, we are working with the Board to have more of our long-term compensation focused on Total Shareholder Return and have short-term bonuses overlayed with the Board's judgement regarding our improvement in ROIC. Now let's move to the results and then your questions.
4 (Q4 Results)	Turning now to our results: In the fourth quarter, Encore recorded some sizable tax benefits and we decided to opportunistically invest the resulting savings in Cabot's legal collections business in order to drive higher than planned returns in that channel. As a result, Encore's fourth quarter financials reflect higher than normal expenses and a much lower than normal tax rate.

4 (Q4 Results) Continued	In addition, the divestiture of Propel triggered a non-cash goodwill impairment charge that reduced our GAAP EPS from one dollar and 16 cents per share, to a net loss of 4 cents for the quarter. In more specific terms: • In the fourth quarter, Encore generated a GAAP loss of 1 million dollars, or 4 cents per share, as a result of the non-cash goodwill impairment associated with Propel. • Economic EPS reached one dollar and 31 cents per share, compared to one dollar and 17 cents per share, an increase of 12 percent from the fourth quarter of 2014. Without the foreign exchange headwinds in the quarter, our Economic EPS would have been 5 cents higher increasing our growth rate from 12% to 16%. • Adjusted income grew 10 percent over last year, to $34 million dollars. • Cash collections increased 6 percent to $417 million dollars. • Adjusted EBITDA, one of our most important measures of underlying performance, grew to $248 million dollars, an increase of 3 percent. • On a trailing twelve months basis, Adjusted EBITDA grew 6 percent to one billion, 60 million dollars, compared to $999 million dollars a year ago. • Our overall cost-to-collect this quarter was 41.5 percent, up 170 basis points from 39.8 percent last year, reflecting the higher concentration of legal collections at Cabot compared to a year ago.

4 (Q4 Results) continued	• Our Estimated Remaining Collections, or ERC, at December 31st was approximately $5.7 billion dollars, an increase of 10 percent, or $508 million dollars, compared to the end of 2014. In constant currency terms, ERC grew 14% on a year-over-year basis.
5 (2015 Results)	• For the year, Encore generated net income of $45 million dollars, which includes the non-cash Propel goodwill impairment and the $43 million dollar one-time charge related to our settlement with the CFPB during the third quarter. This drove GAAP EPS to 1 dollar and 69 cents per share. • Adjusted income grew to $134 million dollars, compared to $119 million dollars in 2014, and our Economic earnings per share was 5 dollars and 15 cents, compared to 4 dollars and 52 cents per share in 2014, an increase of 14% on a year-over-year basis. • We collected over $1.7 billion dollars in 2015, up 6% for the calendar year.
6 (Deployments)	Deployments totaled $345 million dollars in the fourth quarter. In the U.S., the majority of our $200 million dollars of deployments represented charged-off credit card paper, mostly comprised of fresh accounts. This purchasing level reflects our substantial domestic market share and reinforces the fact that the U.S. core market still provides us with solid opportunities to deploy capital. As I mentioned earlier, I'm pleased to say that in 2016, based upon approximately $270 million dollars in forward flow commitments in the U.S., we are seeing expected investment IRR's improving and they are now 15 percent higher than a year ago.

6 (Deployments) continued	Our operations in Cabot and Grove deployed $69 million dollars in Europe during the fourth quarter. We deployed $76 million dollars in other geographies in the fourth quarter, including the portfolio we acquired as part of the Baycorp acquisition in Australia. We are seeing very strong after-tax IRR's in Latin America. These are the facts that give us confidence that our return on invested capital going forward will be higher than it has been in the previous two years. And this is why attractive returns in our businesses are less reliant on a better pricing environment. Prices will go up and down over time. However, we will be emphasizing our overall returns - which are now rising despite the pricing environment. In simple terms, the dollars we are investing today will have a higher return than the dollars that have been invested in the recent past.
7 (Cabot)	Cabot continues to improve its position in the growing UK debt market and delivered solid performance in the fourth quarter and overall in 2015. Cabot's revenues grew 23 percent in the fourth quarter compared to the same quarter a year ago and grew 22 percent in 2015 compared to 2014. Cabot's collections grew 14 percent in the fourth quarter compared to the same quarter a year ago. Cabot's collections grew to $454 million dollars in 2015, which was up 18% compared to the $384 million dollars collected in 2014. For the year, Cabot deployed $400 million dollars, including the portfolio purchased as part of the dlc acquisition.

7 (Cabot) continued	Cabot's Estimated Remaining Collections at the end of 2015 was $2.7 billion dollars, up from $2.3 billion dollars at the end of 2014, including the impact of foreign currency exchange rates. Cabot contributed 35 cents of Economic EPS to Encore's results in the fourth quarter of 2015, up 35 percent from the same quarter a year ago. For the year, Cabot generated one dollar and 20 cents in economic earnings per share for Encore, compared to 87 cents in 2014, that's an increase of 38%, helped along by the purchase of dlc.
8 (Propel Sale)	Over the past few years, we've diversified Encore's business by expanding into new global markets and asset classes. As a result, we now have access to attractive opportunities to deploy capital more efficiently at higher unlevered returns. In order to achieve returns similar to our other businesses, Propel's tax lien investments require higher levels of leverage. This is inconsistent with our longer term goal of deleveraging our balance sheet. The divestiture of Propel provides significant benefits for Encore. This transaction improves our overall corporate invested capital returns, reduces our debt, provides liquidity, and allows us to take advantage of new opportunities for higher returns we're seeing in the U.S. and around the world. We expect the sale transaction to close before the end of Q1. As a byproduct of selling Propel, we booked a non-cash goodwill impairment charge of $49 million dollars in the fourth quarter. On a cash-on-cash IRR basis, Encore's ownership of Propel will end up nearly break-even.

9 (Encore and Cabot Debt)	The pending sale of Propel provides us with an opportunity to remind investors how to view our leverage. In the current slide, we've provided pro forma views of our debt leverage statistics with and without Propel as well as with and without Cabot. Without Propel, our debt to equity ratio moves from 5.02 times to 4.38 times. If you then exclude Cabot, our debt to equity ratio moves from 4.38 times to 1.92 times. It's important to remember that we fully consolidate Cabot's debt on our balance sheet because we have a 43% economic interest in Cabot and we control their board. Nonetheless, Cabot's debt has no recourse to Encore. Consequently, not only is Encore far less levered than a casual glance at our financials would indicate, but the Propel sale provides an opportunity to even further reduce our debt leverage. I'll now turn it over to Jon, who will go through the financial results in more detail. Jon…

	Jonathan Clark
10 (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 the results for Cabot, Grove, Refinancia and Baycorp in our financial statements. Where indicated, we will adjust the numbers to account for non-controlling interests.

11 (Q4 Collections)	Worldwide collections grew 6 percent, to $417 million dollars in the fourth quarter of 2015, compared to $394 million dollars in the fourth quarter a year ago, driven primarily by the continued growth of our international business. In constant currency terms, collections grew 8 percent in the quarter. In the fourth quarter, collections from our international business grew 27 percent compared to last year, and comprised 34 percent of our total collections, reflecting our continued growth outside of the United States. For the quarter, our call centers contributed 43 percent of total collections, or approximately $181 million dollars, compared to 47 percent of total collections, or $185 million dollars, in the same quarter a year ago. Legal channel collections accounted for 43 percent of total collections and grew to $181 million dollars in the fourth quarter, compared to $160 million dollars, and 41 percent of collections a year ago. Agency collections in the third quarter were 13 percent of total collections, compared to 12 percent of collections a year ago.
12 (2015 Collections)	Globally, collections grew 6 percent to $1.70 billion dollars in 2015, compared to $1.61 billion dollars in 2014, with the majority of our collections growth coming from Cabot. In constant currency terms, collections grew 9 percent on a year-over-year basis. In 2015, collections from our international business grew 25 percent compared to last year, and comprised 31 percent of our total collections, reflecting our sustained progress in diversifying our business geographically.

13 (Cash Flows)	Adjusted EBITDA is an important measure of our operating performance and helps us determine how much capital we have available for future purchases, capital expenditures, debt service, and taxes. It also serves as a clear indicator of the strong cash flow generated by our business. Our collections performance in the fourth quarter and for all of 2015 led to higher cash flows. In Q4, we generated $248 million dollars of Adjusted EBITDA, an increase of 3 percent over the fourth quarter of 2014. For the calendar year, we generated adjusted EBITDA of $1 billion, 60 million dollars, which was up 6 percent compared to the prior year.
14 (Q4 Revenues)	Revenue in the quarter was $298 million dollars, an increase of 8 percent over the $277 million dollars of revenue we generated in the fourth quarter of 2014. In constant currency terms, revenues grew 11 percent in the quarter. International revenues grew 38 percent in Q4 driven primarily by the dlc acquisition. Once again, we had no portfolio allowances in the fourth quarter. Our overall revenue recognition rate, excluding the effects of allowances and allowance reversals, was 64.7 percent in the fourth quarter of 2015, compared to 63.5 percent in the fourth quarter of 2014. We recorded $3 million dollars of net portfolio allowance reversals in Q4, compared to $5 million dollars of allowance reversals in the same quarter a year ago. In the fourth quarter, we increased yields primarily in the 2010 through 2014 vintages as a result of sustained over-performance by pools within those vintages.

15 (2015 Revenues)	Revenue for the full year of 2015 was $1.16 billion dollars, an increase of 8 percent over the $1.07 billion dollars of revenue we generated in 2014. In constant currency terms, revenues grew 12 percent year-over-year. International revenues grew 31 percent in 2015 driven primarily by our acquisition of dlc. Our overall revenue recognition rate, excluding the effects of allowances and allowance reversals, was 62.7 percent in 2015, compared to 60.7 percent in 2014. Excluding the impact of the $8 million dollar allowance associated with the CFPB settlement from the third quarter, we recorded $15 million dollars of net portfolio allowance reversals in 2015, compared to $17 million dollars of allowance reversals in 2014.
16 (Cost-to-Collect)	Turning to cost-to-collect, excluding acquisition-related and other one-time costs, our overall cost-to-collect for the fourth quarter was 41.5 percent, compared to 39.8 percent in the same quarter a year ago, reflecting a higher concentration of legal collections occurring within our U.K. operations. For the full year, our cost-to-collect was 39.2 percent in 2015, up 60 basis points from 38.6% in the prior year. Although cost-to-collect remains an important metric for our business, we concentrate on generating the greatest net return per dollar invested in order to maximize our return on invested capital. We encountered an opportunity in the fourth quarter as we re-invested some of our general cost savings back into Cabot's legal collections practice to produce above-standard net present values for those opportunities.

16 (Cost-to-Collect) continued	As a reminder, our long-stated preference is to work with our consumers to negotiate a mutually acceptable payment plan, tailored to their personal financial situation. In the past, these plans almost always involved substantial discounts from what the consumer owes. More recently, we've been successful in developing stronger relationships with our consumers which have resulted in scheduled payment plans with far less discounting rather than the highly discounted payment plans of the past. These payments over time are yielding a greater net return per invested dollar.
17 (ERC)	Our Estimated Remaining Collections, or ERC, at the end of 2015 was $5.7 billion dollars, an increase of 10 percent compared to the end of 2014. In constant currency terms, our ERC grew 14 percent on a year-over-year basis.
18 (Q4 EPS Walk)	In the fourth quarter, we recorded a GAAP loss of 4 cents per share, largely driven by the non-cash goodwill impairment charge associated with Propel of $1.20 per share. Other one-time and non-cash items included seven cents related to the non-cash interest and issuance costs associated with our convertible notes, and an additional seven cents related to one-time acquisition, integration and restructuring costs. After these adjustments, we end up with one dollar and 30 cents per fully diluted share, and our non-GAAP Economic EPS was one dollar and 31 cents. Without the impact of foreign currency exchange rates, we would have earned an additional 5 cents of economic EPS in the quarter. 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 transactions we entered into at the time we issued the convertible notes. For the fourth quarter, we excluded approximately three hundred thousand shares from the calculation as a result of the call spread.

19 (2015 EPS Walk)	There were also certain one-time and non-cash items that affected our full-year 2015 results. Specifically, the $43 million dollar one-time charge related to our settlement with the CFPB and other state regulatory matters equates to one dollar and 60 cents per share. For the year, the Propel goodwill impairment charge equates to one dollar and 17 cents. 26 cents were related to the non-cash interest and issuance costs associated with our convertible notes and 30 cents were related to one-time acquisition, integration and restructuring costs. After these adjustments, we end up with adjusted income of five dollars and 2 cents per fully diluted share, and our non-GAAP Economic EPS was five dollars and 15 cents. Without the impact of foreign currency exchange rates, we would have earned an additional 21 cents of economic EPS in 2015. For the year, we excluded approximately seven hundred thousand shares from the calculation of Economic EPS as a result of the call spread. With that, I'd like to turn it back over to Ken.

	Ken Vecchione
20 (Encore's Prospects)	Thanks, Jon. • As mentioned, we have already secured $270 million dollars in forward flow commitments within our U.S. business. • We expect these commitments to provide higher returns compared to last year. Presently, we see 15% higher returns from these portfolios based on moderating price increases and continued improvement in liquidations. • We continue to grow and improve our businesses in expansion markets. In particular, we're seeing attractive after-tax IRR's in Latin America. • And most importantly, we expect our overall return on invested capital to rise. • We believe that the prior phase of large platform acquisitions has run its course for now. Currently, we see no large strategic acquisitions in the near-term. Additionally, all future deployments and acquisitions must pass through our ROIC filter. • And finally, the divestiture of Propel itself will raise our overall ROIC by allowing us to deploy more capital in opportunities with higher returns.
21 (Q&A Session)	Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
21 (Sign Off)	That concludes the call for today. Thanks for taking the time to join us and we look forward to providing our first quarter 2016 results in May.