

# 2011 Investor Day

## FORWARD-LOOKING STATEMENTS

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*The statements in this presentation that are not historical facts, including, most importantly, those statements preceded by, or that include, the words “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 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 the most recent reports on Forms 10-K, 10-Q and 8-K, each as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.*

# INVESTMENT HIGHLIGHTS

- Investments made over the past few years have driven significant improvements in collections, cash flow and earnings
- Demonstrated ability to raise and profitably deploy capital in favorable and unfavorable business cycles
- Expanding presence in India, combined with new strategic initiatives, are expected to continue increasing cash flow from operations
- Difficult regulatory environment being managed proactively

## **Brandon Black**

President and Chief Executive Officer

## **Paul Grinberg**

EVP, Chief Financial Officer

## **Amy Anuk**

VP, Business Development

## **Manu Rikhye**

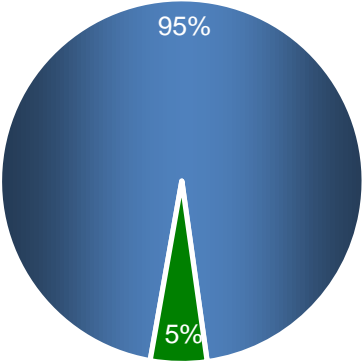
Managing Director, India Operations

# ENCORE IS A LEADER IN THE CONSUMER DEBT BUYING AND RECOVERY INDUSTRY

## Revenue Composition

As of March 31, 2011

### Debt Purchasing & Collections



- Purchase and collection of charged-off unsecured consumer receivables (primarily credit card)
- Robust business model emphasizing consumer intelligence and operational specialization
- Invested ~\$1.9 billion to acquire receivables with a face value of ~\$58 billion since inception
- Acquired ~34 million consumer accounts since inception

### Bankruptcy Servicing

- Process secured consumer bankruptcy accounts for leading auto lenders and other financial institutions
- Proprietary software dedicated to bankruptcy servicing
- Operational platform that integrates lenders, trustees, and consumers

## Global Capabilities

- Debt Purchasing & Collections
- Bankruptcy Servicing



# THE COMPANY'S FINANCIAL RESULTS OVER THE PAST TWO YEARS HAVE BEEN STRONG

## YOY Growth

(\$ millions, except EPS and ratios)

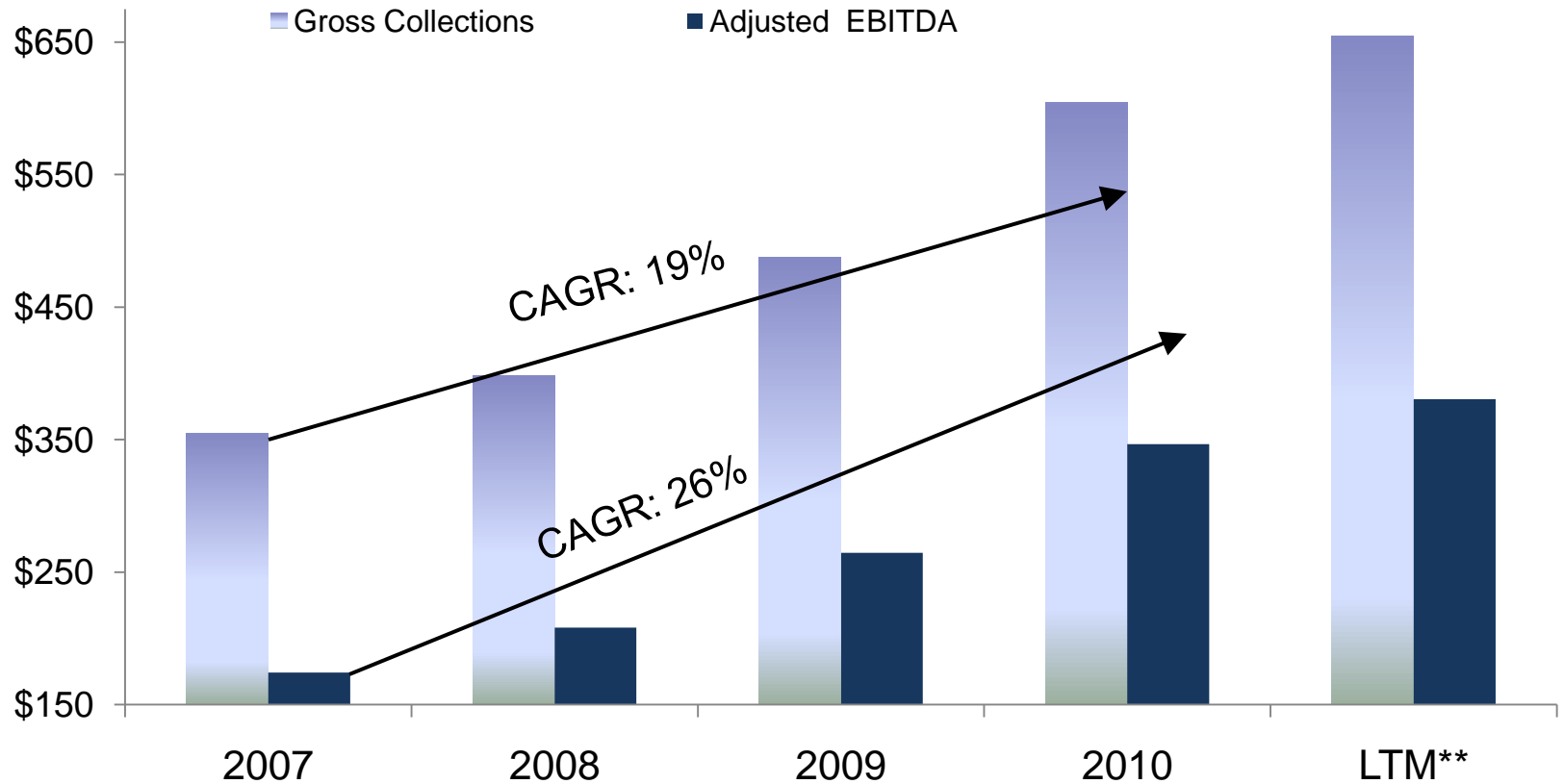
	<u>Q1 10</u>	<u>Q1 11</u>	<u>2009</u>	<u>2010</u>	<u>Annual Variance</u>	
Collections	\$141	\$191	\$488	\$605	\$117	<b>24%</b>
Revenue	\$87	\$110	\$316	\$381	\$65	<b>21%</b>
Adjusted EBITDA*	\$83	\$116	\$265	\$347	\$82	<b>31%</b>
EPS	\$0.44	\$0.54	\$1.37	\$1.95	\$0.58	<b>42%</b>
Purchases	\$82	\$91	\$257	\$362	\$105	<b>41%</b>

\* Adjusted EBITDA is a non-GAAP number. The Company considers Adjusted EBITDA to be a meaningful indicator of operating performance and uses it as a measure to assess the operating performance of the Company. See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of this presentation.

# WE HAVE GENERATED STRONG RESULTS DESPITE THE MACROECONOMIC DOWNTURN

## Adjusted EBITDA\* and Gross Collections by Year

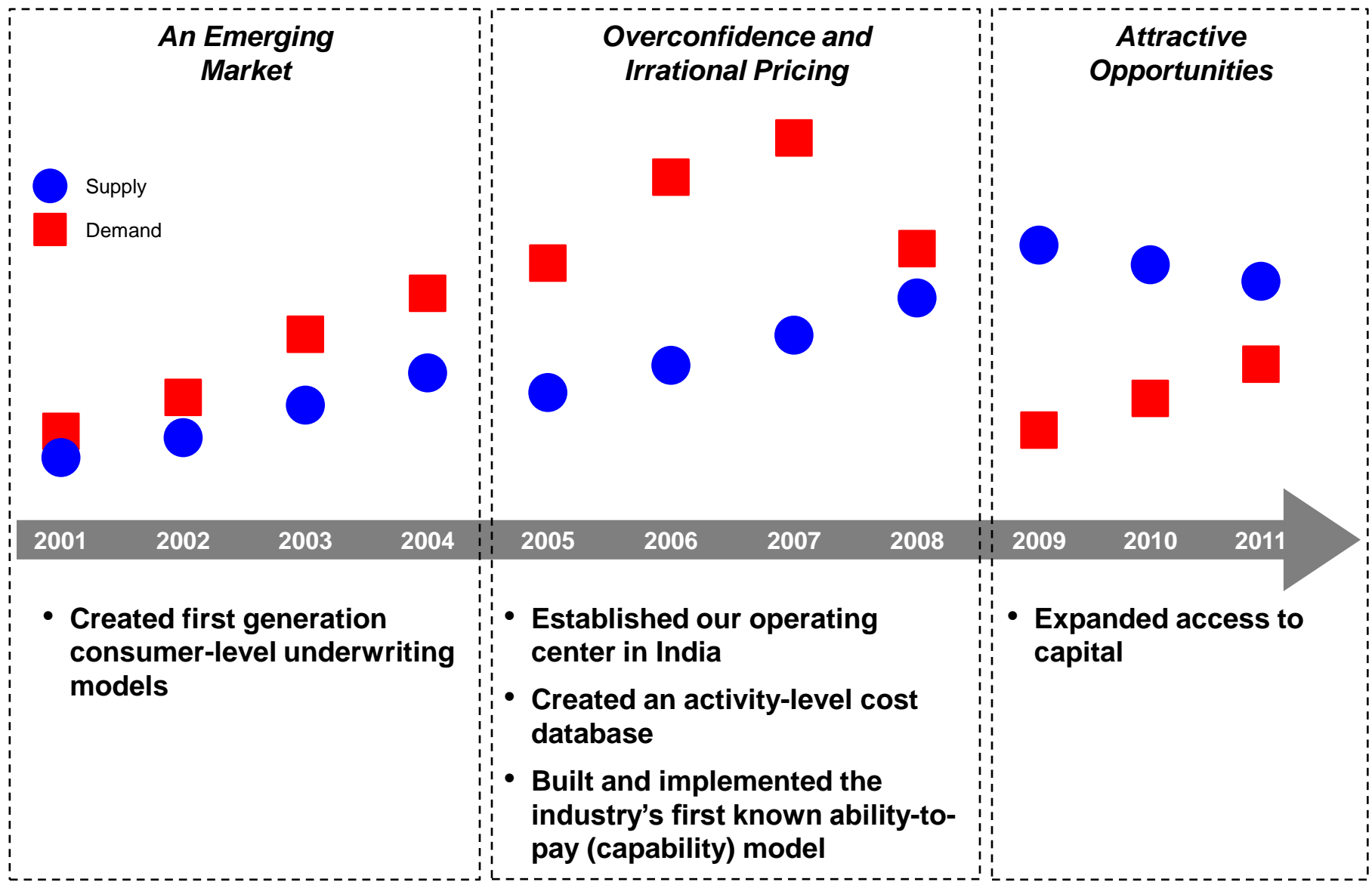
(\$ millions)



\* Adjusted EBITDA is a non-GAAP number. The Company considers Adjusted EBITDA to be a meaningful indicator of operating performance and uses it as a measure to assess the operating performance of the Company. See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of this presentation

\*\* LTM data as of 03/31/2011

# STRATEGIC DECISIONS MADE OVER THE PAST DECADE DEMONSTRATE OUR ABILITY TO FORESEE AND ADAPT TO CHANGES



- Created first generation consumer-level underwriting models

- Established our operating center in India
- Created an activity-level cost database
- Built and implemented the industry's first known ability-to-pay (capability) model

- Expanded access to capital



# WE HAVE ALSO POSITIONED OURSELVES TO ADDRESS REGULATORY CHALLENGES AS THEY EMERGE

## Consumer Alignment

Revamped our consumer relations process and introduced a Consumer Bill of Rights

## Regulatory Outreach

Met with leadership of the CFPB and the staff of key federal and state legislators

## Advisors

Hired a government relations firm and lobbyists in key states

## Analytics

Building a consumer intelligence platform, focused on financially distressed consumers, that can inform policy discussions and identify strategies to promote financial recovery

# OUR BUSINESS MODEL IS CRITICALLY IMPORTANT, AS IT PROVIDES THE CONSUMER WITH TIME TO RECOVER

**Timeframe**

**Process and relationship with consumers**

**Outcome**

**ORIGINAL CREDITOR**

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- Charge-off threshold extends a maximum of 6 months

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**Transactional**

- Attempt immediate resolution during delinquency cycle (days 30 – 180)
- Consumer is “charged-off” by issuer on day 181

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- Issuer offers to sell unsecured, charged-off debt or service through 3rd party agencies

**CONTINGENCY COLLECTION AGENCY**

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- Four-to-six month collection cycle


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**Pressured**

- Artificial deadlines
- Multiple collection companies
- Counterproductive incentive structure

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- Consumer is confused and frustrated



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- Consumer has 84 months to recover financially

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**Partnership**

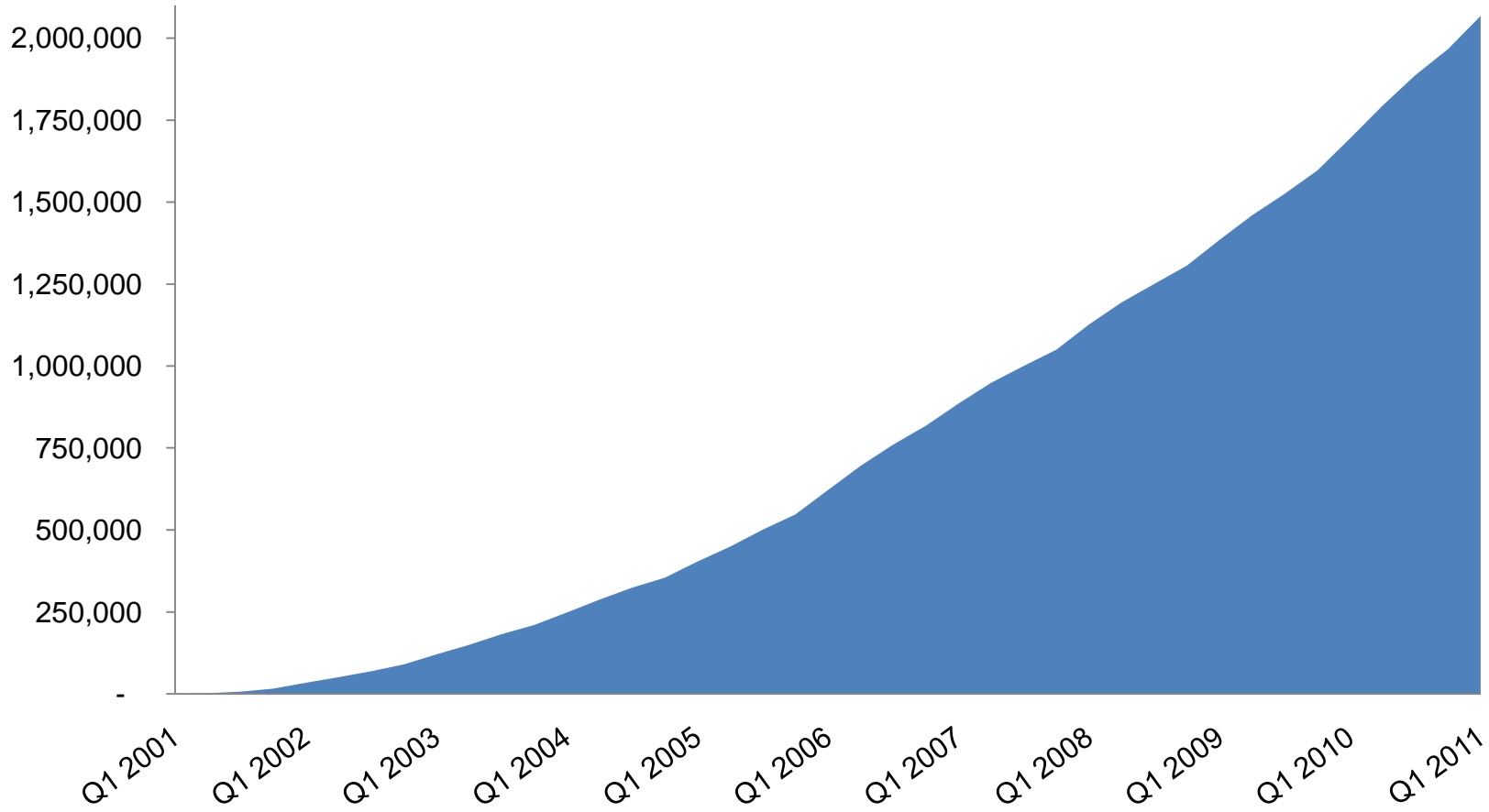
- Create partnership strategy and set goals
- Tailor work strategies to individual circumstances, giving them time for a consumer to recover

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- Maximizes likelihood of repayment, creates consistency, and ensures that consumers are treated fairly

# OUR LONG-TERM MODEL HAS ALLOWED MORE THAN TWO MILLION CONSUMERS TO MOVE TOWARD FINANCIAL RECOVERY

## Consumers with Whom We Have Partnered to Retire Their Debt (Cumulative)



# WE HAVE TAKEN A LEADERSHIP STANCE BY OUTLINING OUR CORE PRINCIPLES IN AN INDUSTRY-FIRST CONSUMER BILL OF RIGHTS

- Clearly states what our consumers should expect during the collection process
- Gives consumers concrete assurances about our conduct
  - No interest once payments are established, if maintained
  - No systematic messages left
  - Cessation of collections under certain circumstances
- Positions Encore as a company that governmental entities should consult with prior to enacting regulations that impact the industry

**ENCORE**  
CAPITAL GROUP

**mcm**  
midland credit management, inc.

## CONSUMER BILL OF RIGHTS

*In all that we do, we strive to treat consumers with respect and integrity. We are committed to engaging in dialogue that is respectful and constructive, creating solutions for our consumers that resolve their debt, and ensuring that those who work on our behalf adhere to these same standards. We operate in compliance with the laws that regulate our industry, and we hope to play an important and productive role in people's lives.*

**Article 1: Contacting Consumers in a Timely and Effective Manner**

- At the outset of collection activity, we will send a debt validation notice informing the consumer that their account has been purchased, identifying the creditor that held the debt at default, clearly stating the balance owed, and giving the consumer an opportunity to both request further information and resolve the debt.
- Before sending the debt validation notice, we will use reasonable efforts to verify the consumer's current address.
- If any debt validation notice to a consumer is returned, we will disable that address, use reasonable efforts to verify the consumer's current address, and, if found, send another validation letter to the new address.
- All collection letters we mail to a consumer will identify the creditor that held the debt at default, the creditor's account number, and the current balance owed, along with other identifying information, as appropriate.

**Article 2: Resolving Accounts Quickly and Honestly**

- Our employees who interact with consumers will be trained on, and expected to comply with, applicable federal, state and local laws and regulations concerning fair and ethical collection practices. Employees' conduct in this regard will be monitored for compliance.
- When interacting with consumers, our employees will listen and work hard to understand their consumers' needs.
- Our employees will strive to develop and present innovative payment options that allow for the effective repayment of the obligation and accommodate the consumer's financial situation. Payment options will be discussed with the consumer in plain and simple language.

# **A Closer Look at Our Consumers and Our Financial Results**

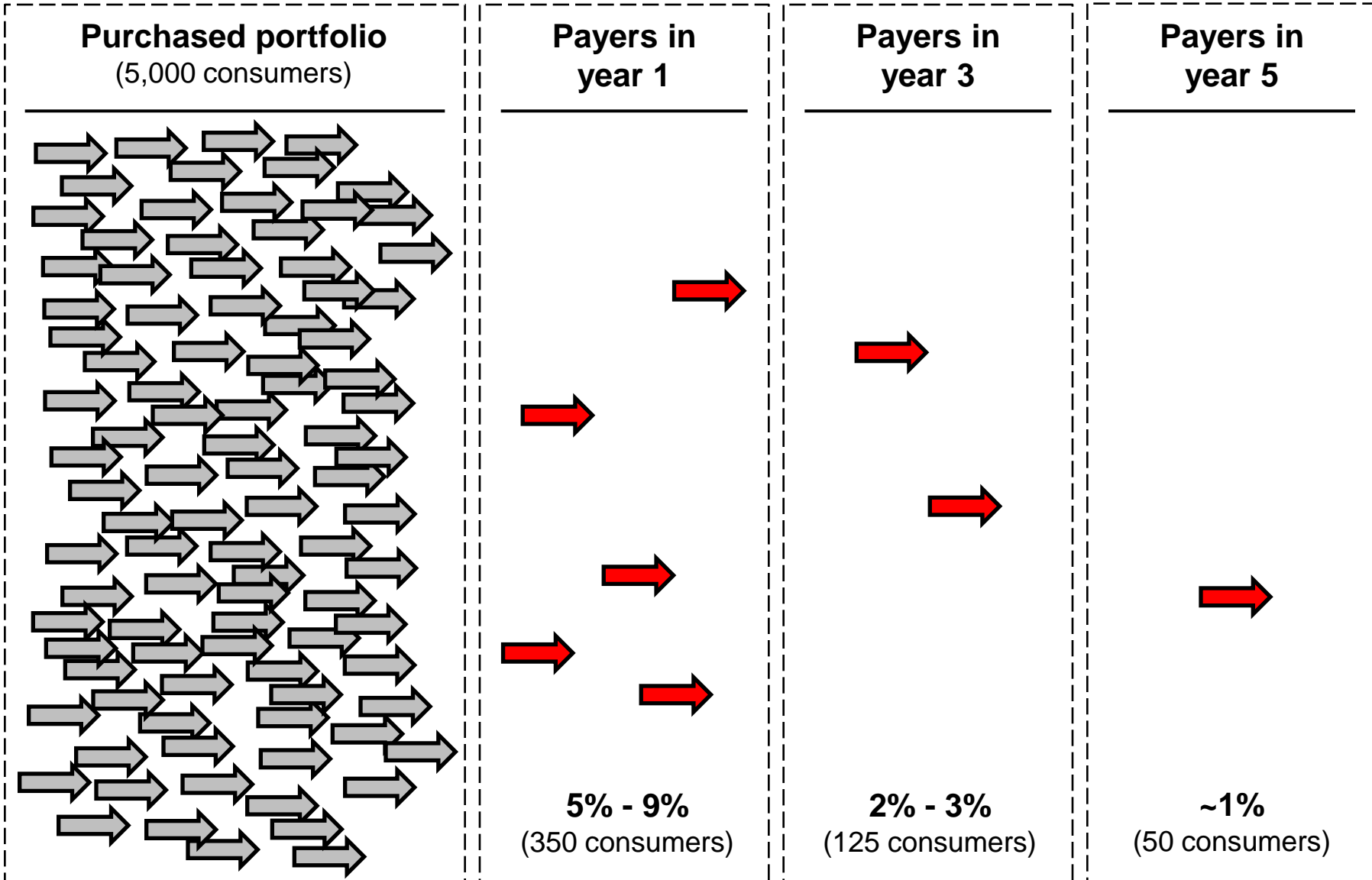
# OUR BUSINESS MODEL DEPENDS UPON A VERY SMALL PERCENTAGE OF PAYERS

**ILLUSTRATIVE**

<i>Portfolio Face Amount</i>	<b>\$15,000,000</b>
<i>Average Balance</i>	<b>\$3,000</b>
<i>Number of Accounts</i>	<b>5,000</b>
<i>Purchase Factor</i>	<b>\$0.05</b>
<i>Purchase Price</i>	<b>\$750,000</b>
<i>Projected Return (2.5x)</i>	<b>\$1,875,000</b>

**As a result, we only need 19% of all consumers to pay us two-thirds of what they owe, over a seven year period, to achieve significant returns**

# TRYING TO UNDERSTAND AND PREDICT BEHAVIOR IS EVEN MORE DIFFICULT WHEN IT OCCURS INFREQUENTLY



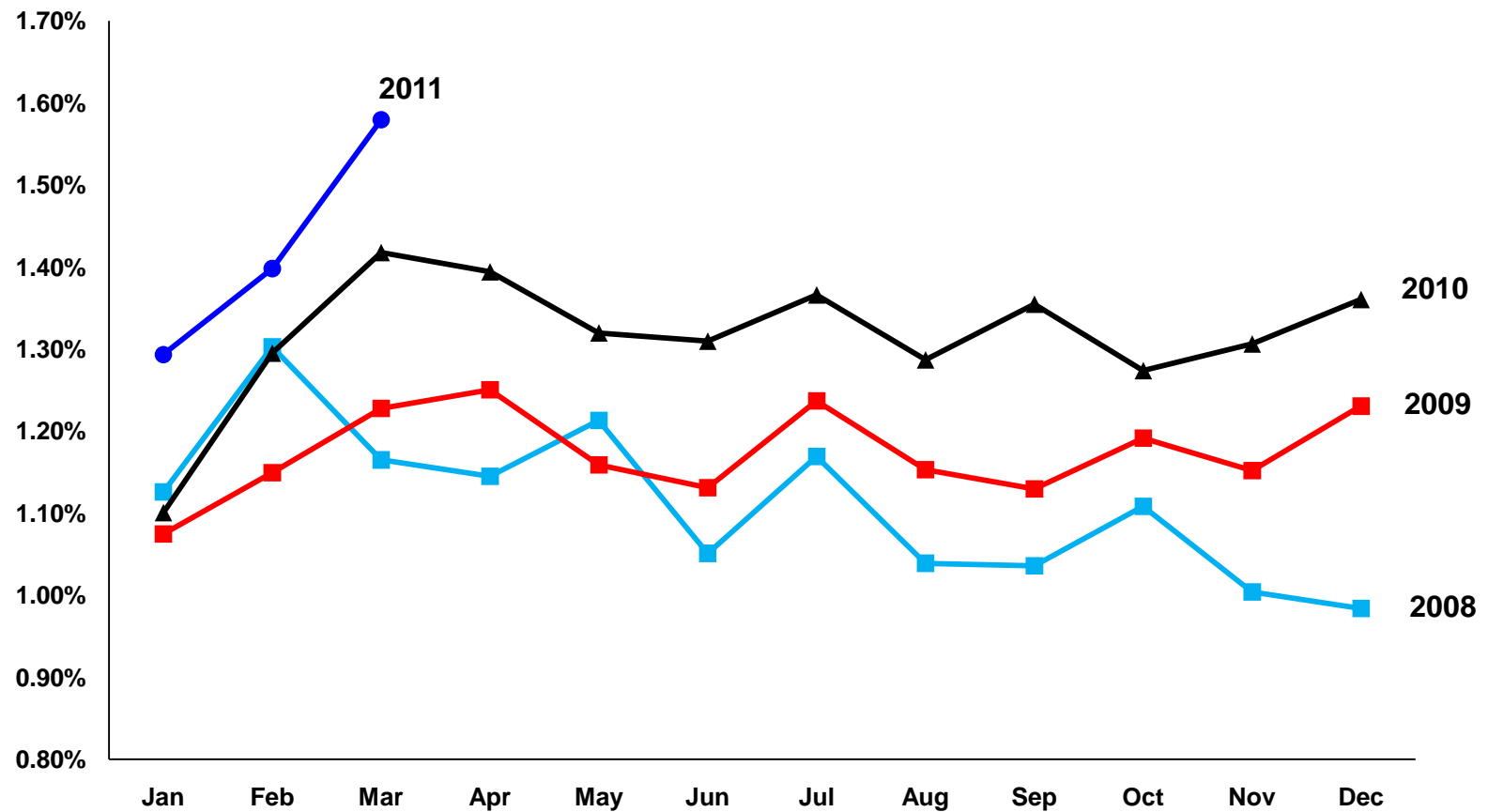
# OUR CONSUMERS HAVE SHOWN THAT THEY ARE RESILIENT DESPITE THE MACROECONOMIC ENVIRONMENT

<i>Metric</i>	<i>Recent trend</i>
<ul style="list-style-type: none"><li>• Payer rates</li></ul>	<ul style="list-style-type: none"><li>• Upward</li></ul>
<ul style="list-style-type: none"><li>• Average payment size</li></ul>	<ul style="list-style-type: none"><li>• Stable</li></ul>
<ul style="list-style-type: none"><li>• Payment style</li></ul>	<ul style="list-style-type: none"><li>• More payment plans</li></ul>
<ul style="list-style-type: none"><li>• Broken payer rates</li></ul>	<ul style="list-style-type: none"><li>• Mild improvement</li></ul>
<ul style="list-style-type: none"><li>• Settlement rates</li></ul>	<ul style="list-style-type: none"><li>• Stable</li></ul>



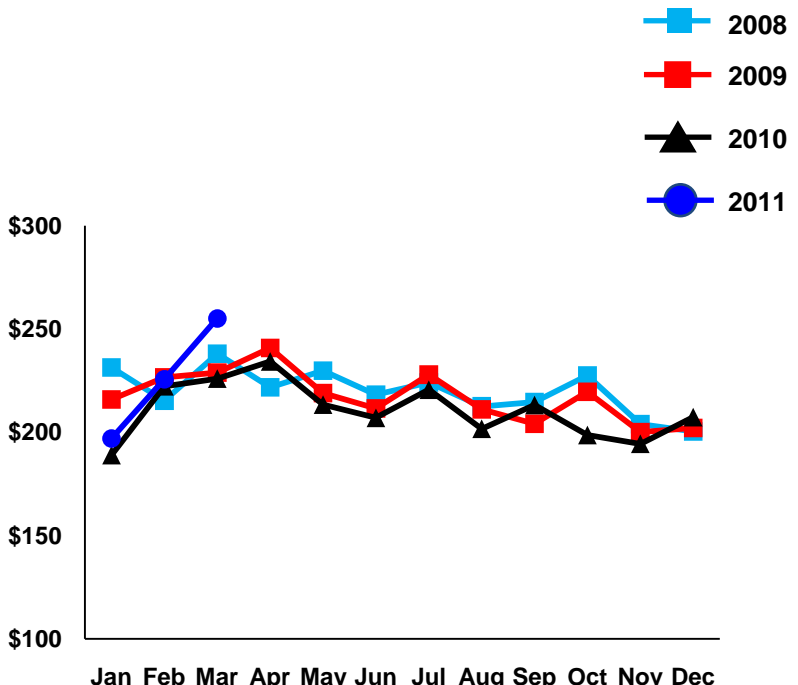
# PAYER RATES HAVE ACTUALLY INCREASED OVER THE PAST FEW YEARS

## Overall Payer Rate For All Active Inventory

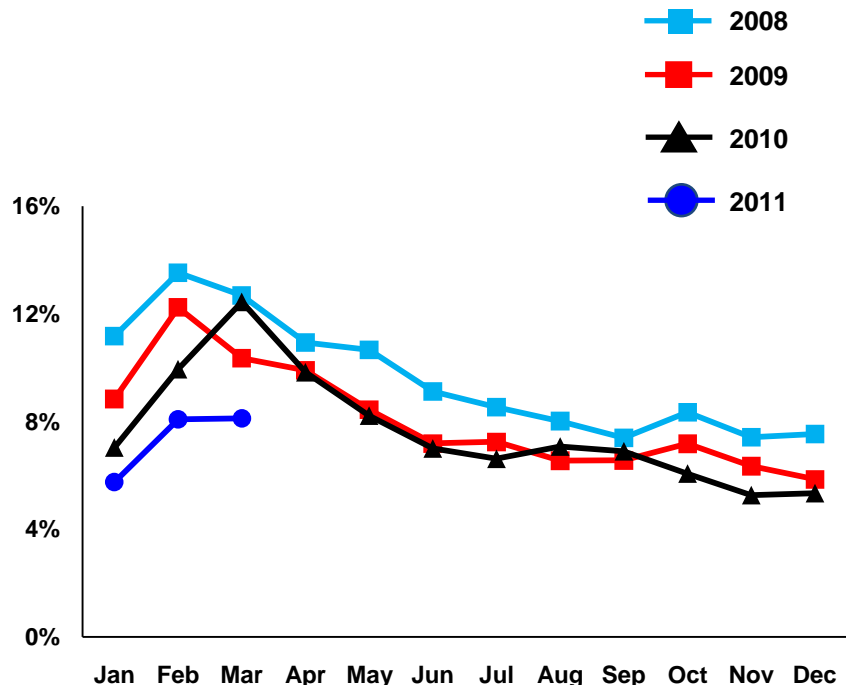


# AVERAGE PAYMENT SIZE REMAINS CONSISTENT, EVEN AS PAYMENT PLANS CONTINUE TO BE THE NORM

Average Payment Size For All Paying Accounts

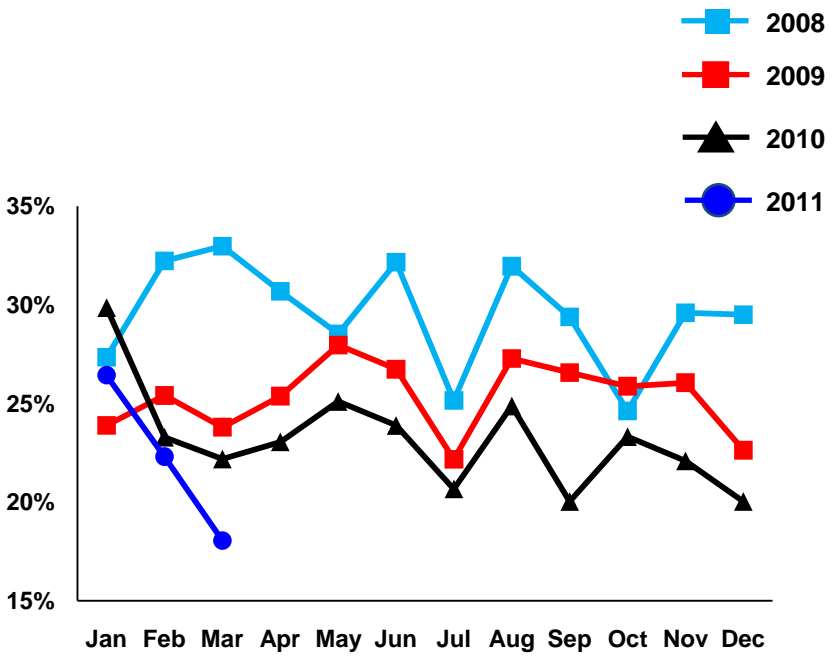


Single Settlement Payers as a Percentage of Total Payers

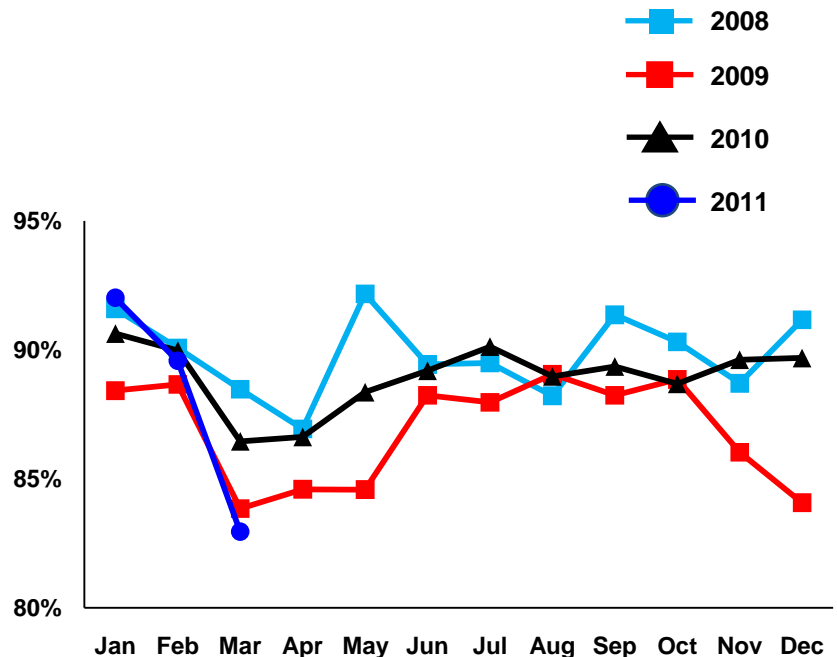


# OUR CONSUMERS ARE HONORING THEIR OBLIGATIONS AND SETTLING THEIR ACCOUNTS AT RATES CONSISTENT WITH PAST PERIODS

Overall “Broken” Payer Rate, Excluding Settled Accounts Through Time

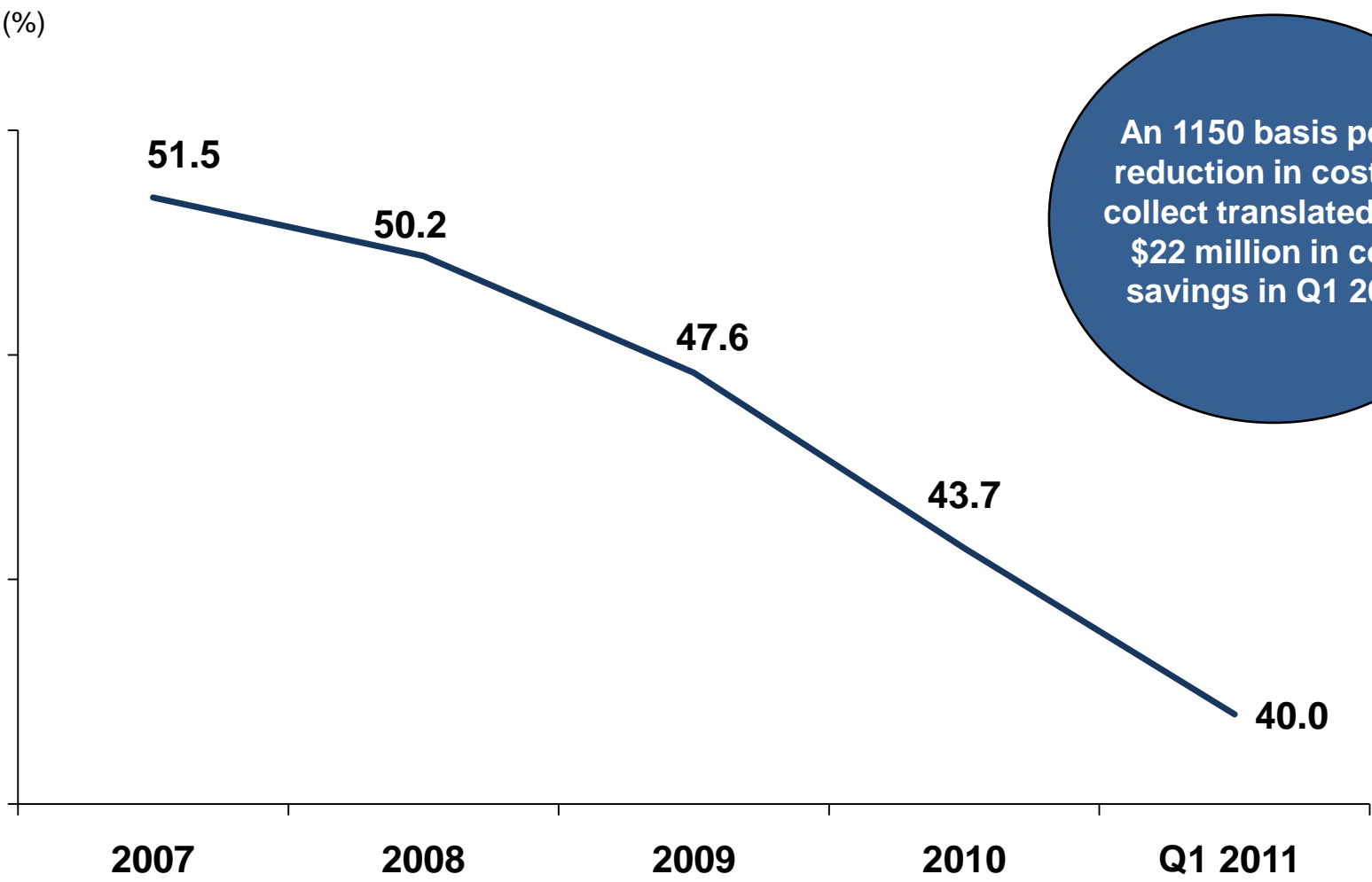


Legal Settlement Rate



# WE HAVE FUNDAMENTALLY CHANGED THE COST STRUCTURE OF THE COMPANY OVER THE PAST FOUR YEARS

## Overall Cost-to-Collect

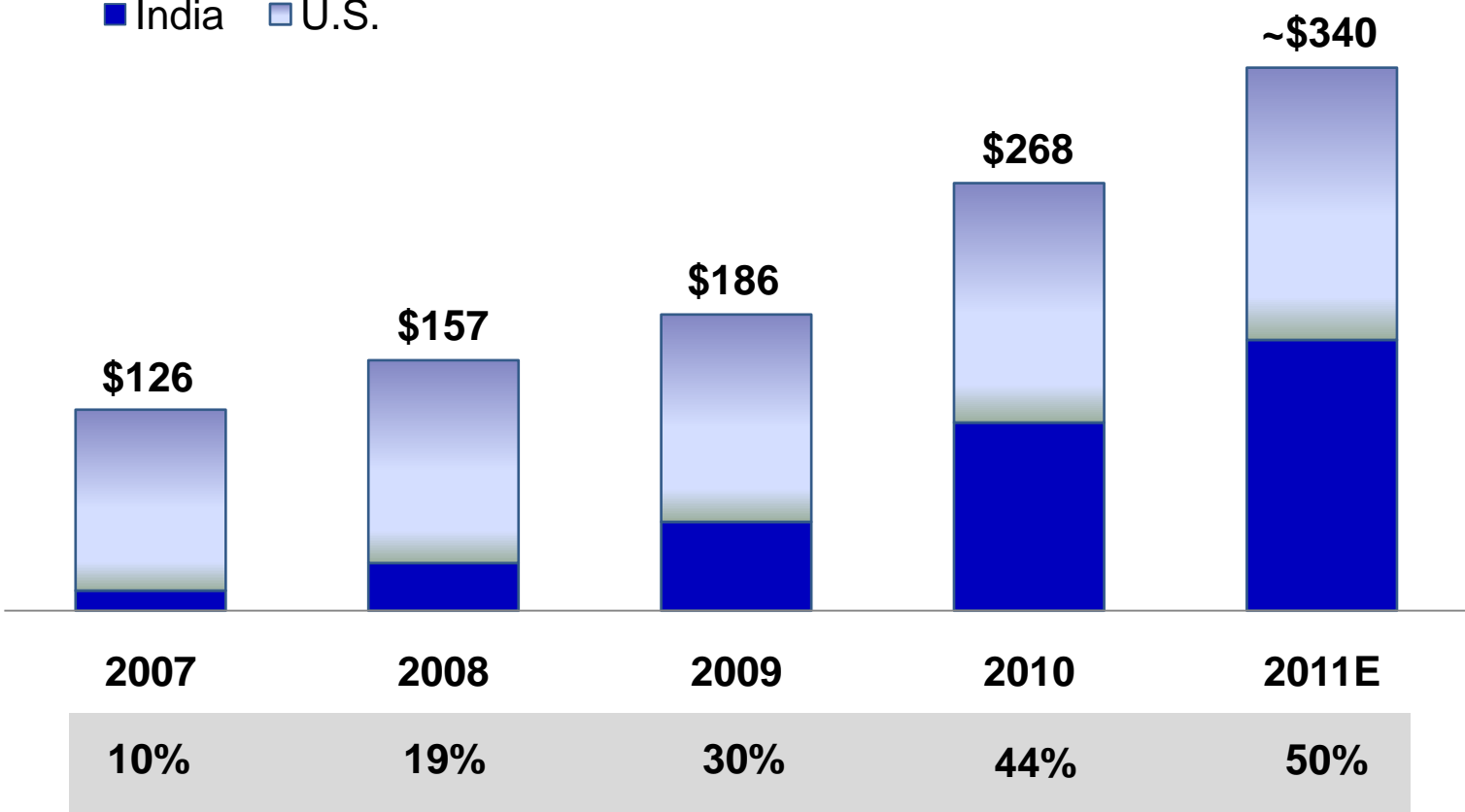


# LED BY OUR INDIA CENTER, WHICH IS EXPECTED TO PRODUCE HALF OF ALL 2011 CALL CENTER COLLECTIONS

## Collections from all Call Centers

(\$ millions)

■ India   ■ U.S.

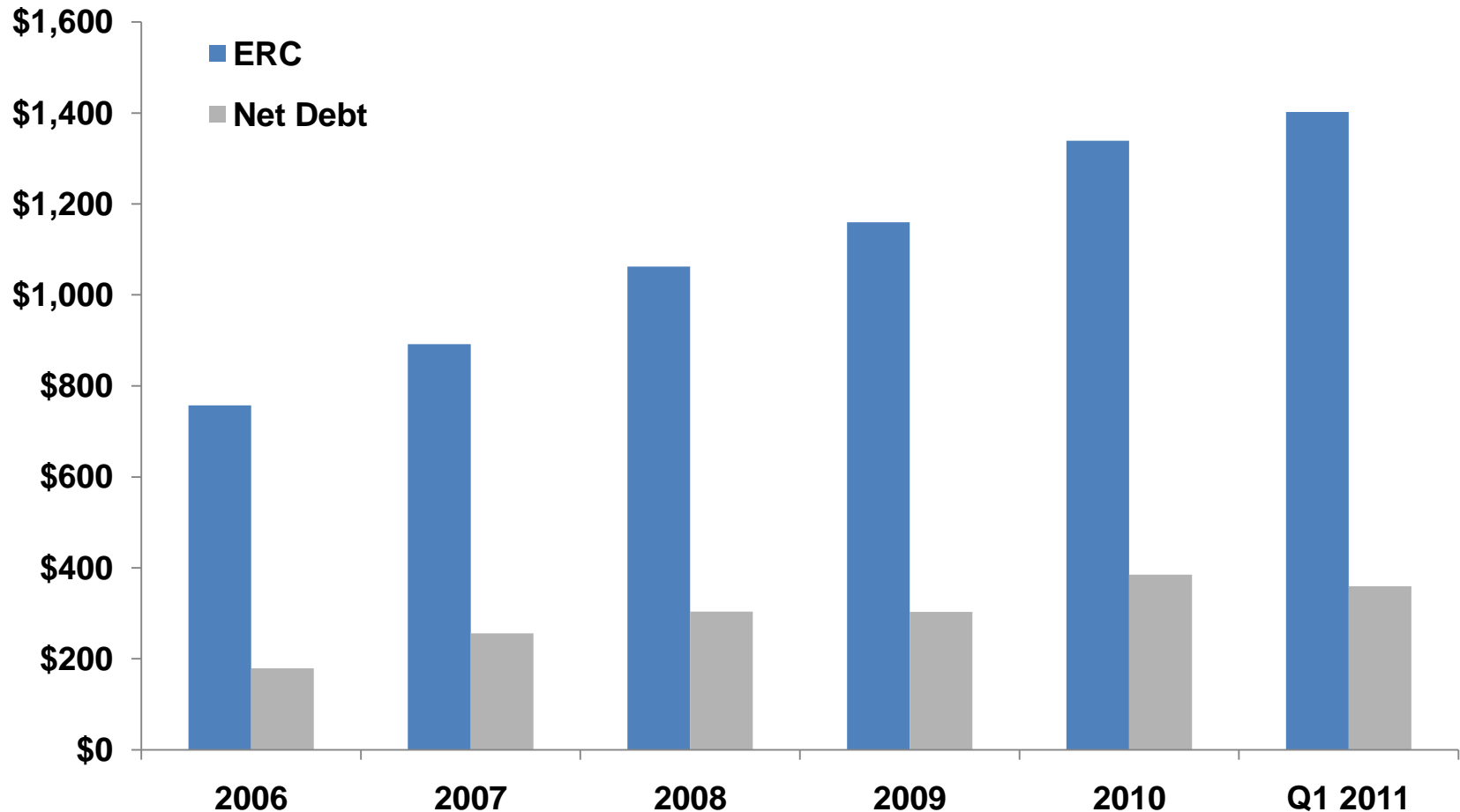


Percent of Total:

# WE CONTINUE TO BUILD A SUBSTANTIAL RESERVOIR FOR THE FUTURE

## Annual Estimated Remaining Gross Collection (ERC) and Total Debt

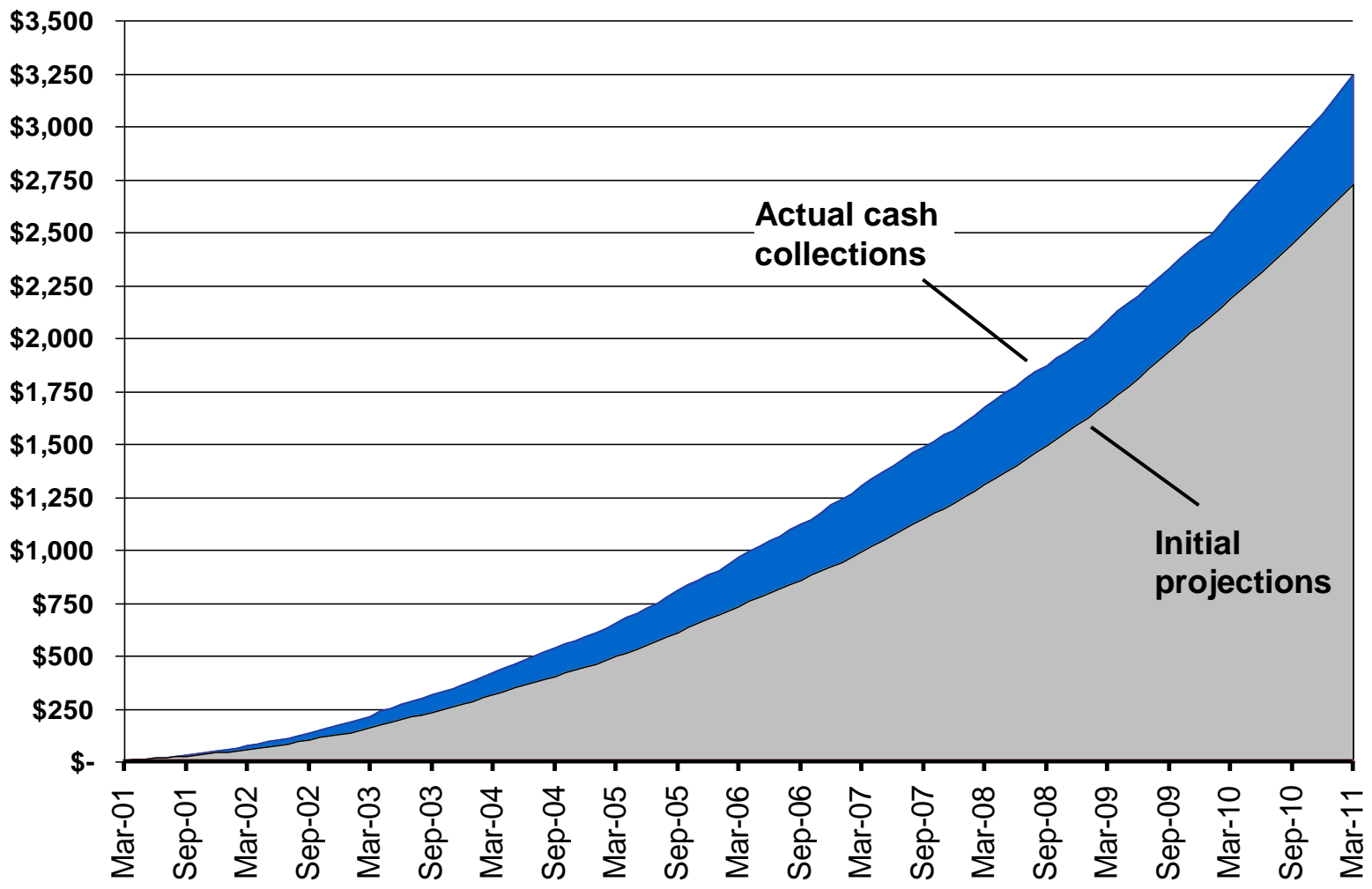
(\$ millions, at end of period)



# WE BELIEVE THAT OUR CURRENT ESTIMATE OF REMAINING COLLECTIONS IS CONSERVATIVE

## Cumulative Collections (initial expectation vs. actual)

(\$ millions, March 01 – March 11)



# WE ADJUST IRRS OVER TIME TO REFLECT OVER-PERFORMANCE

Purchase Period	Q1 2009	Q2 2009	Q3 2009	Q4 2009
IRR at purchase	4.2%	4.4%	4.4%	4.4%
Current IRR*	5.8%	6.0%	8.0%	7.3%
Average life-to-date IRR*	4.9%	5.2%	6.2%	6.3%

\*As of 3/31/2011



# FROM A CAPITAL PERSPECTIVE, WE HAVE SIGNIFICANT ROOM TO GROW THE BUSINESS

## Covenant Analysis

(\$ millions)

	2009	2010	Q1 2011
<b><u>Cash flow leverage ratio</u></b>			
Debt	303.1	385.3	382.4
Trailing 4-quarter adjusted EBITDA*	264.6	346.7	380.4
<b>Debt/Adj. EBITDA [Maximum 2.0x]</b>	<b>1.15</b>	<b>1.11</b>	<b>1.01</b>
Aggregate Revolving Loan Commitment	327.5	360.5	410.5
Drawn on Line of Credit	260.0	327.0	300.0
<b><u>Minimum net worth</u></b>			
Total stockholders' equity	243.1	302.7	318.8
Minimum net worth	183.0	207.6	214.4
<b>Excess room</b>	<b>60.1</b>	<b>95.1</b>	<b>104.4</b>
<b><u>Interest coverage ratio</u></b>			
Trailing 4-quarter EBIT	69.9	97.0	103.1
Trailing 4-quarter consolidated interest expense	16.2	19.3	20.4
<b>EBIT/Interest expense [Minimum 2.0x]</b>	<b>4.3</b>	<b>5.0</b>	<b>5.1</b>

Based on our cash flow and LTM Adj. EBITDA, our leverage ratio would allow us to increase total debt to \$761 million, nearly double the present level

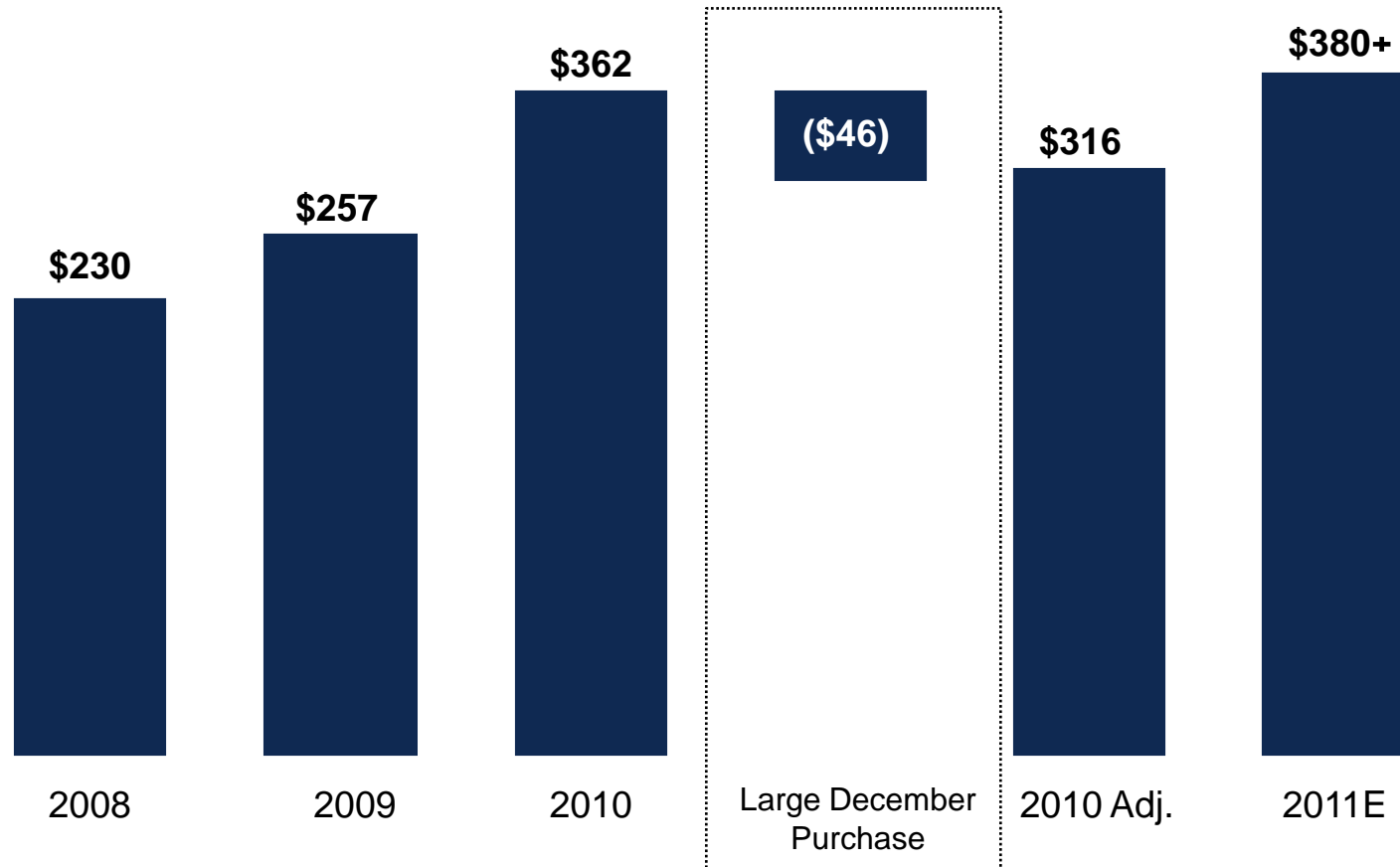
\* Adjusted EBITDA is a non-GAAP number. See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of this presentation

**We Continue to Invest in the Future**

# WE ARE EXPECTING 2011 TO BE ANOTHER YEAR OF STRONG PURCHASING GROWTH

## Full Year Purchases for 2008 – 2010, 2011 Estimate

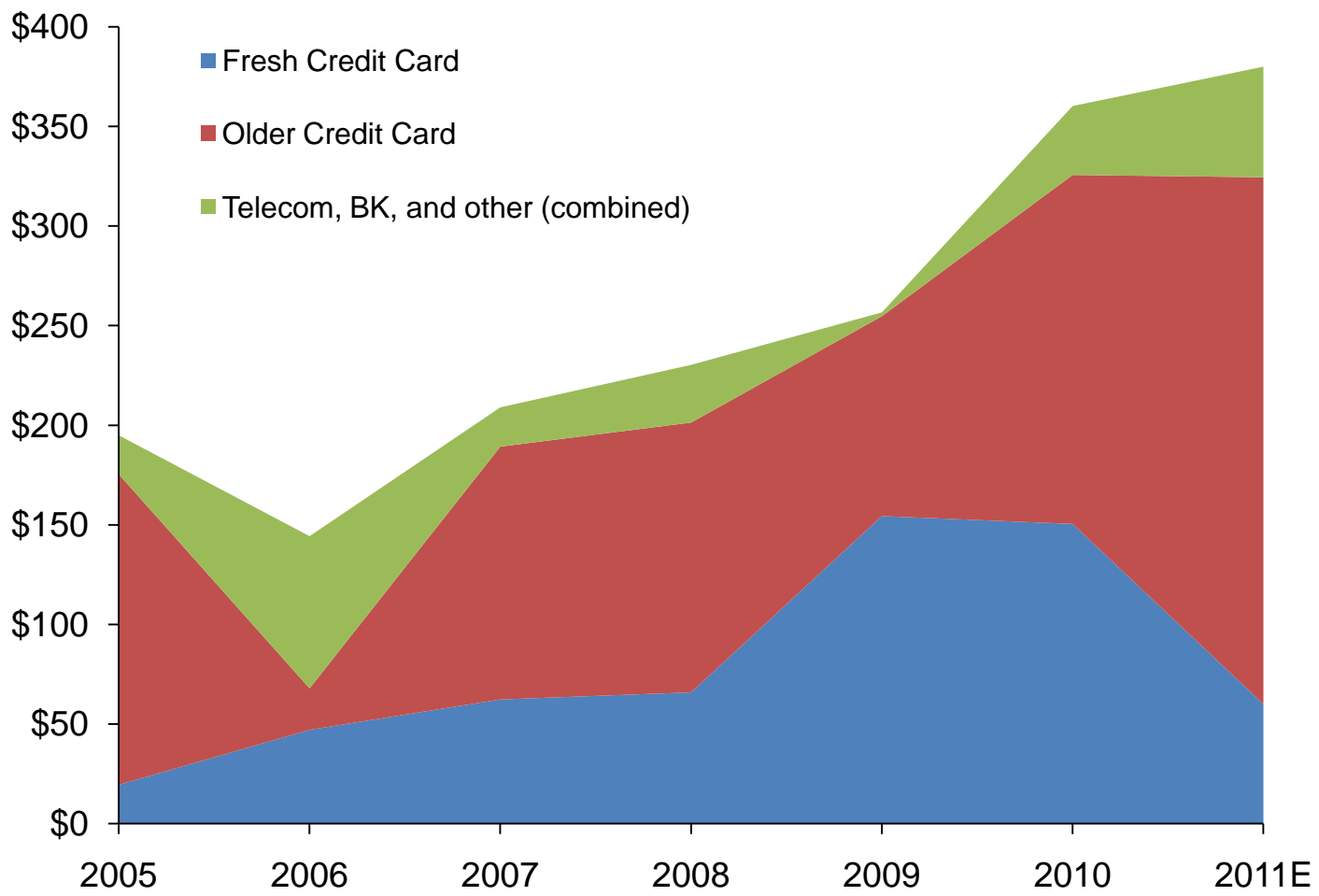
(\$ millions)



# OUR ABILITY TO INCREASE PURCHASES IS A RESULT OF NOT BEING LIMITED TO A PARTICULAR ASSET CLASS OR AGE OF RECEIVABLE

## Historical Purchase Mix by Year, 2011 Estimate

(\$ millions)

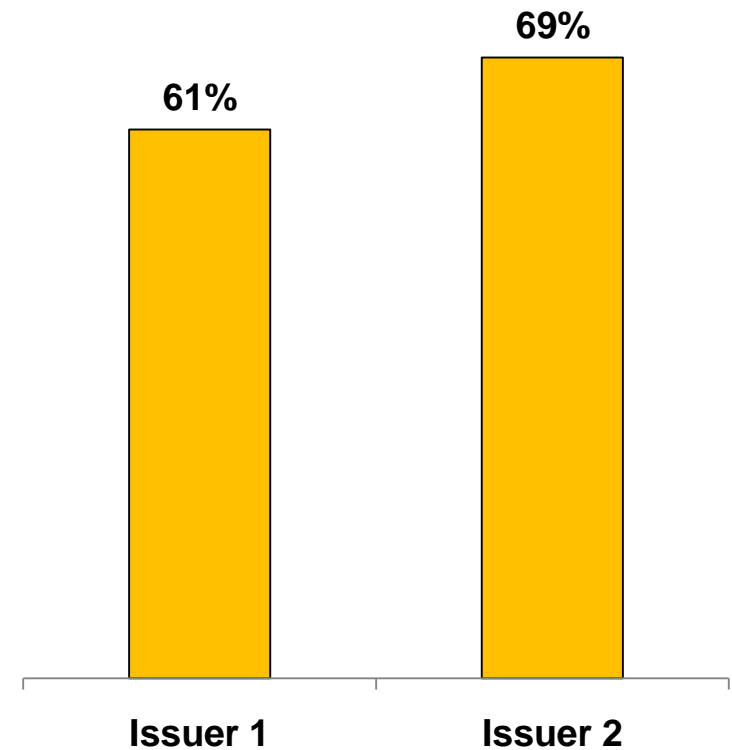


# TELECOM RECEIVABLES WILL BE AN AREA OF PURCHASING FOCUS IN 2011, WHICH WE HAVE EVOLVED INTO A COMPETITIVE STRENGTH

- Historical telecom challenges
  - U.S. based servicing inflated cost-to-collect
  - Long-term liquidation was over-estimated
  - Prices were higher
- As a result, our early investments yielded lower-than-expected IRRs

## Historical Telecom Cost-to-Collect

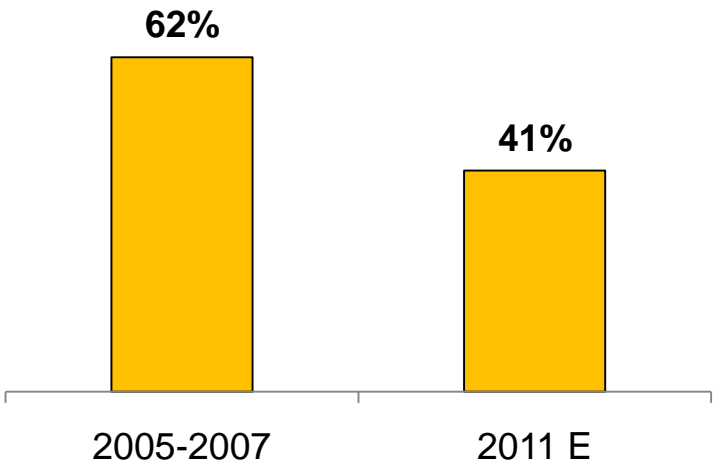
*2005 - 2007 Purchases*



# LOWER SERVICING COSTS AND TARGETED COLLECTION EFFORTS HAVE DRAMATICALLY IMPROVED TELECOM PROFITABILITY

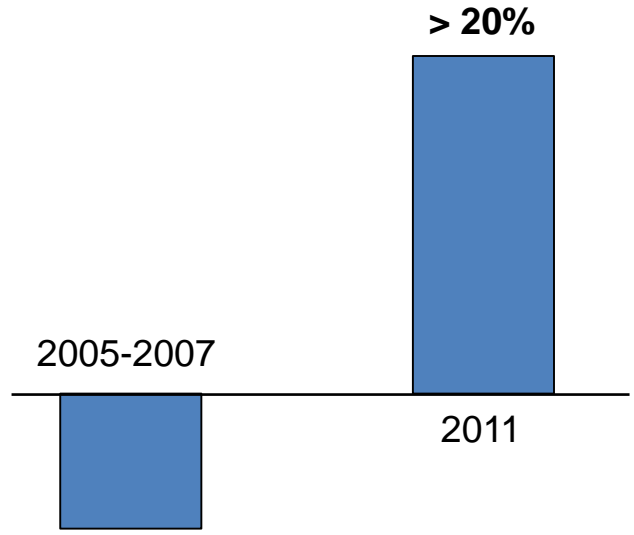
## Telecom Servicing Costs

Cost-to-collect



## Telecom IRRs

%



Shorter collection curve duration

Servicing in India

Better operational models

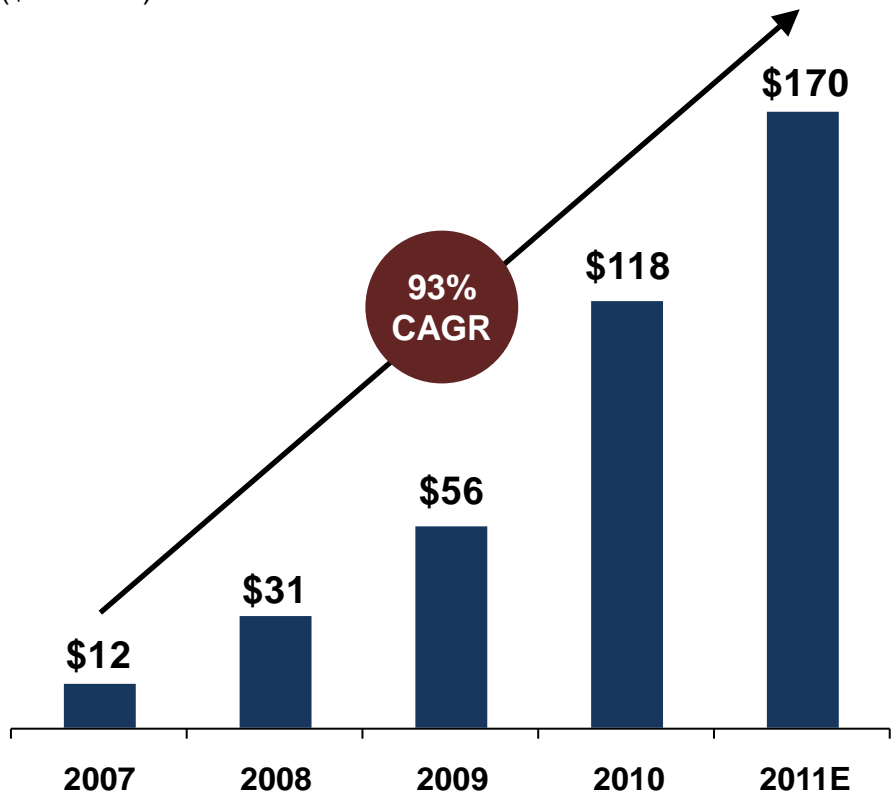
**Expect to deploy \$30 million in 2011**

# **Our India Operation Continues to be a Competitive Advantage**

# 2011 IS SHAPING UP TO BE ANOTHER YEAR OF SUBSTANTIAL COLLECTIONS GROWTH FOR OUR OPERATIONS IN INDIA

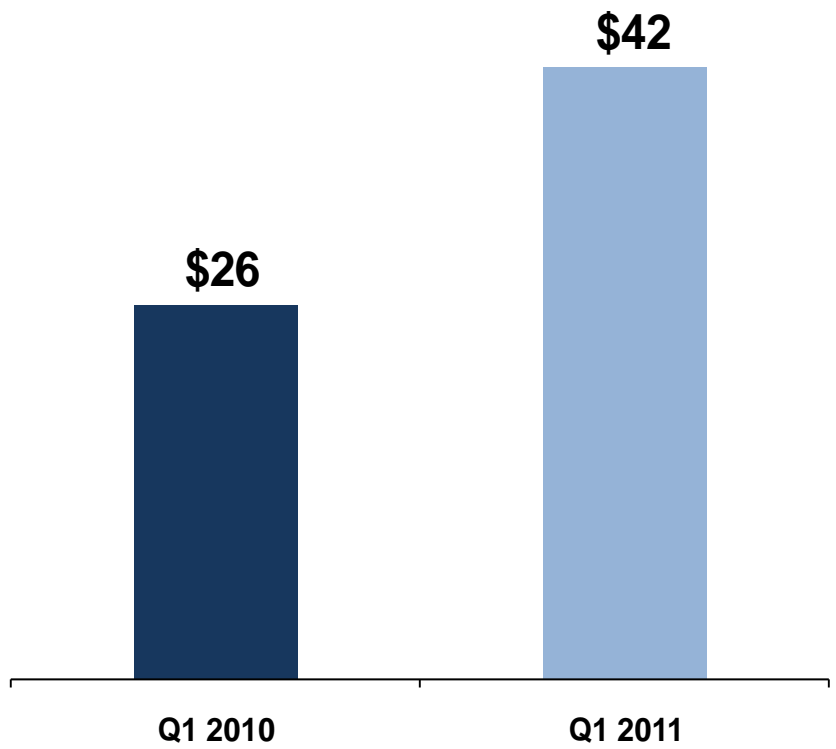
## India Collections\*

(\$ Millions)



## QoQ India Collections

(\$ millions)



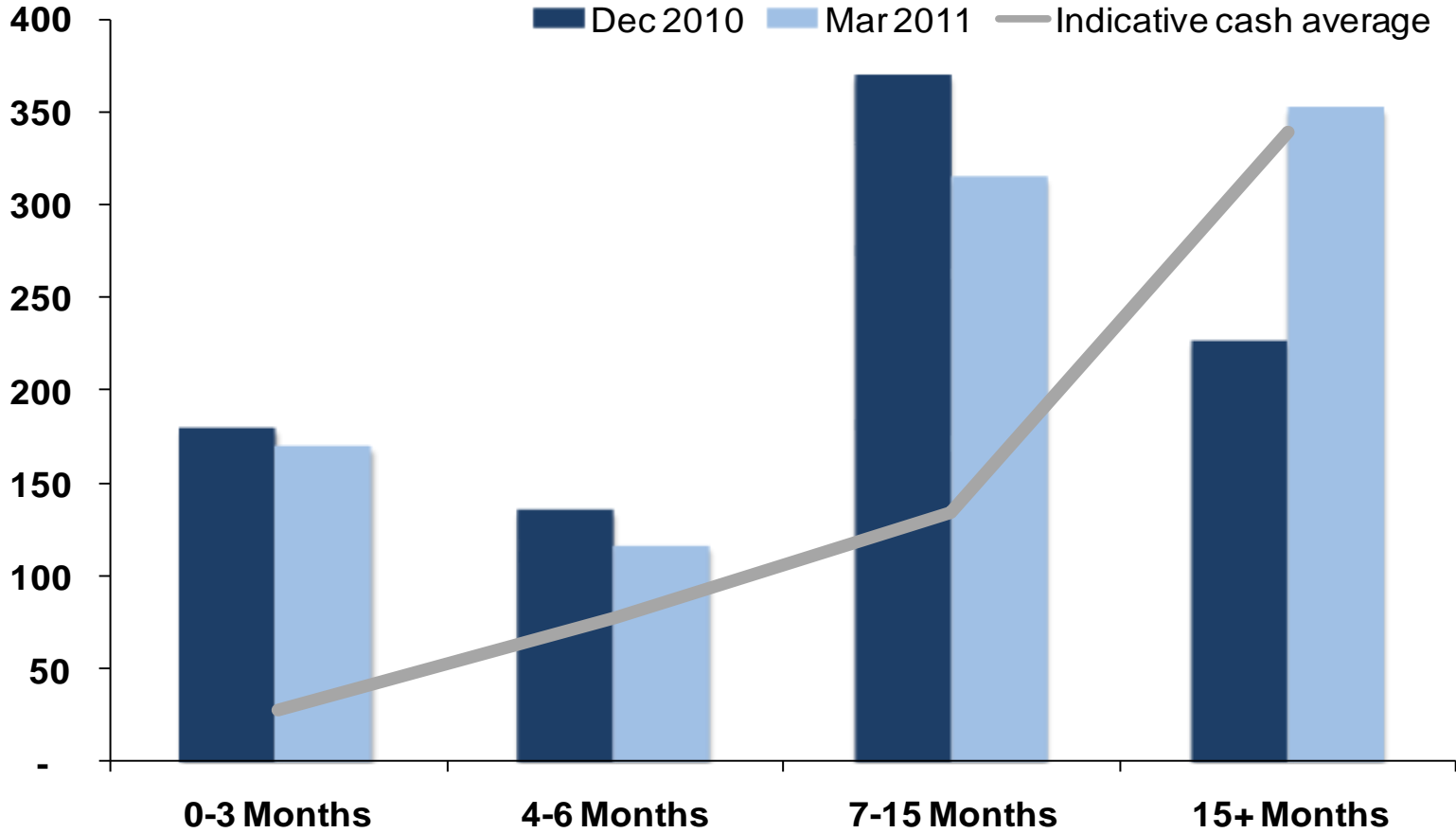
\* Includes all collections on accounts maintained by the India site



# MUCH OF THE GROWTH IS DRIVEN BY OUR MATURING WORKFORCE

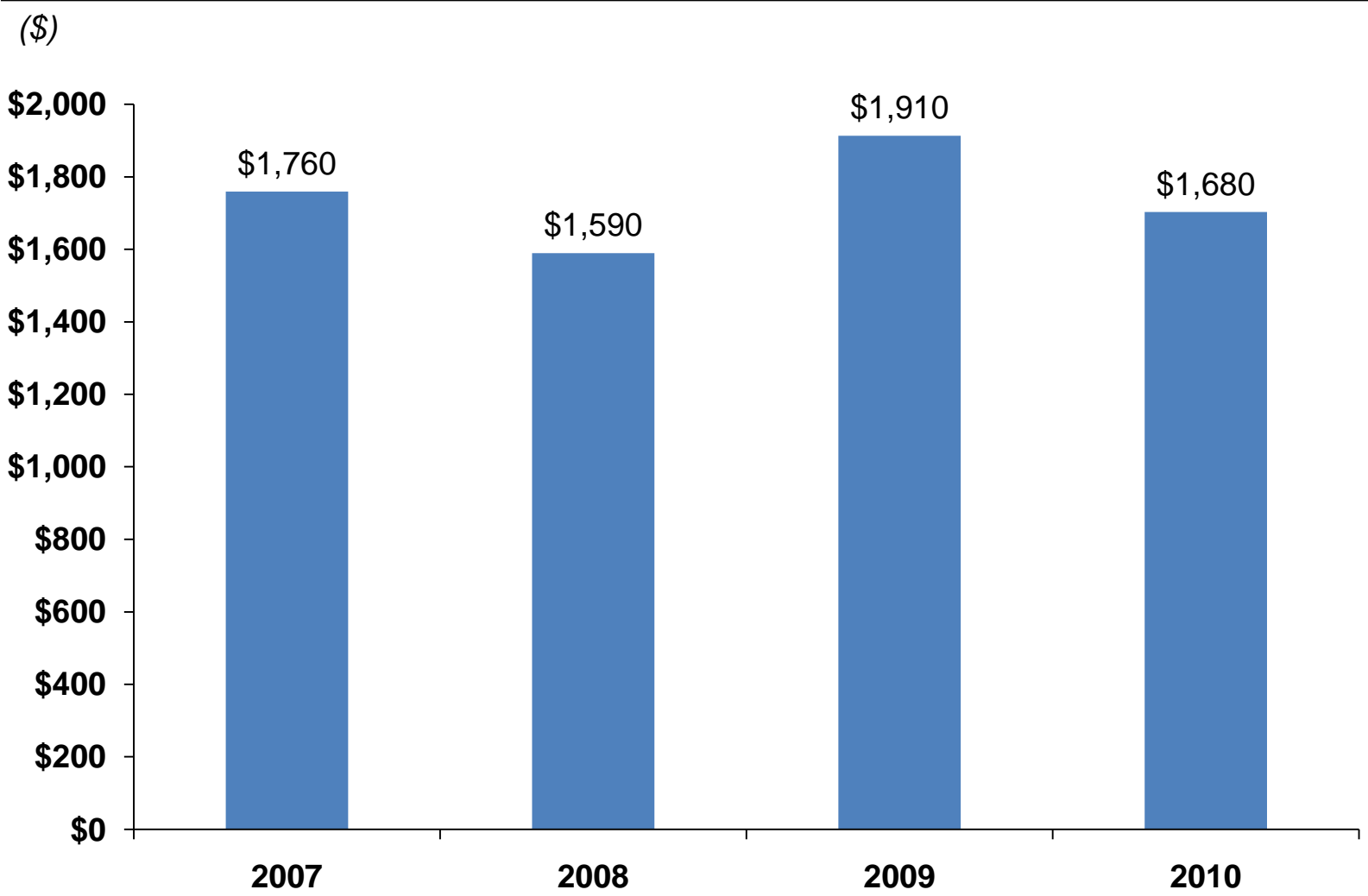
## Encore India Account Manager Headcount and Indicative Cash Average

Headcount (number); Cash average (indicative)



# DESPITE LOCAL WAGE INFLATION, WE HAVE BEEN ABLE TO MAINTAIN OUR TOTAL COST PER EMPLOYEE

## Monthly Cost per Account Manager (FTE)\*



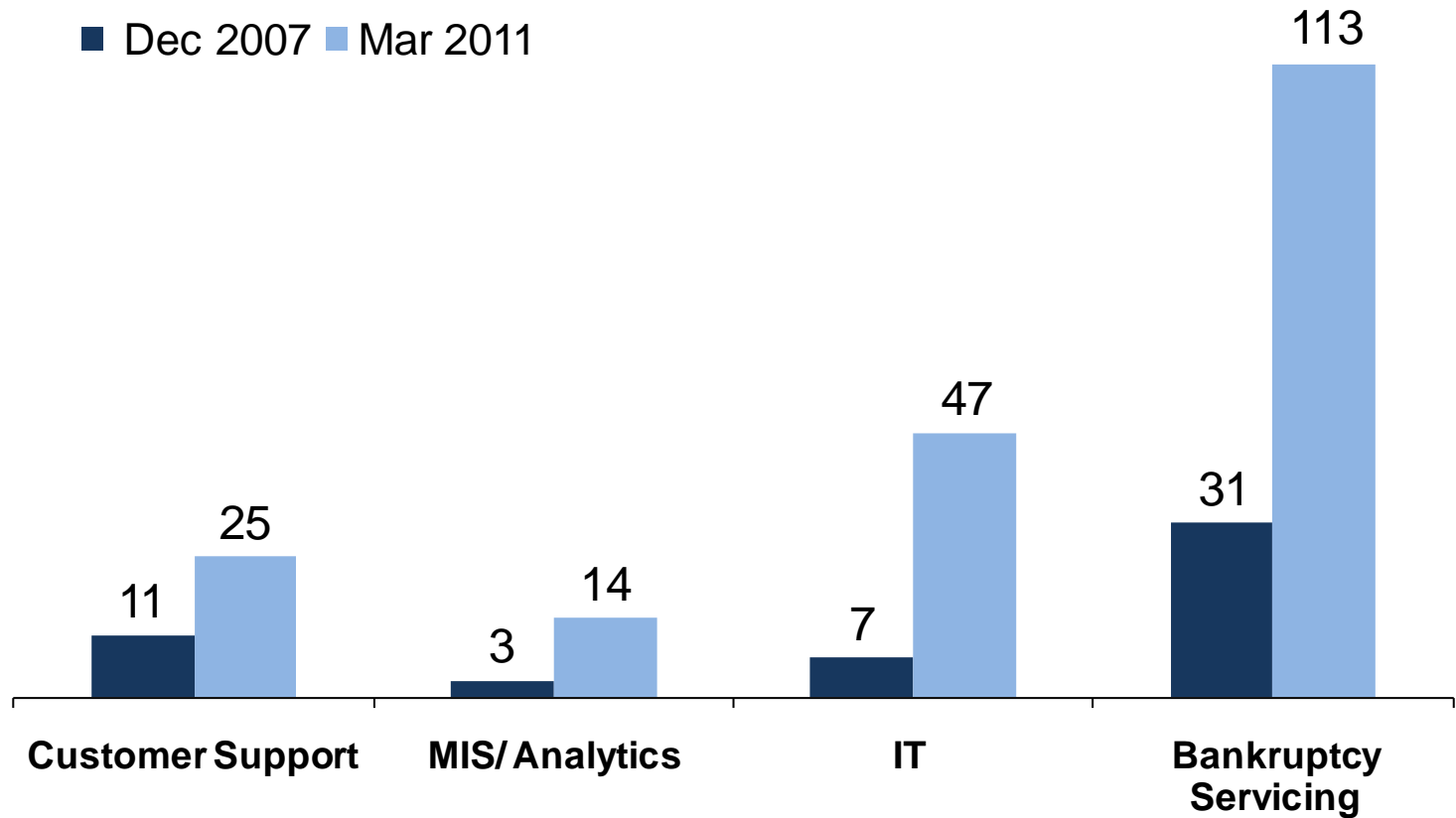
\* Cost per FTE includes all India site costs

# TODAY, INDIA IS MUCH MORE THAN A CALL CENTER

## Encore India Non-Collection Headcount Growth

(Count)

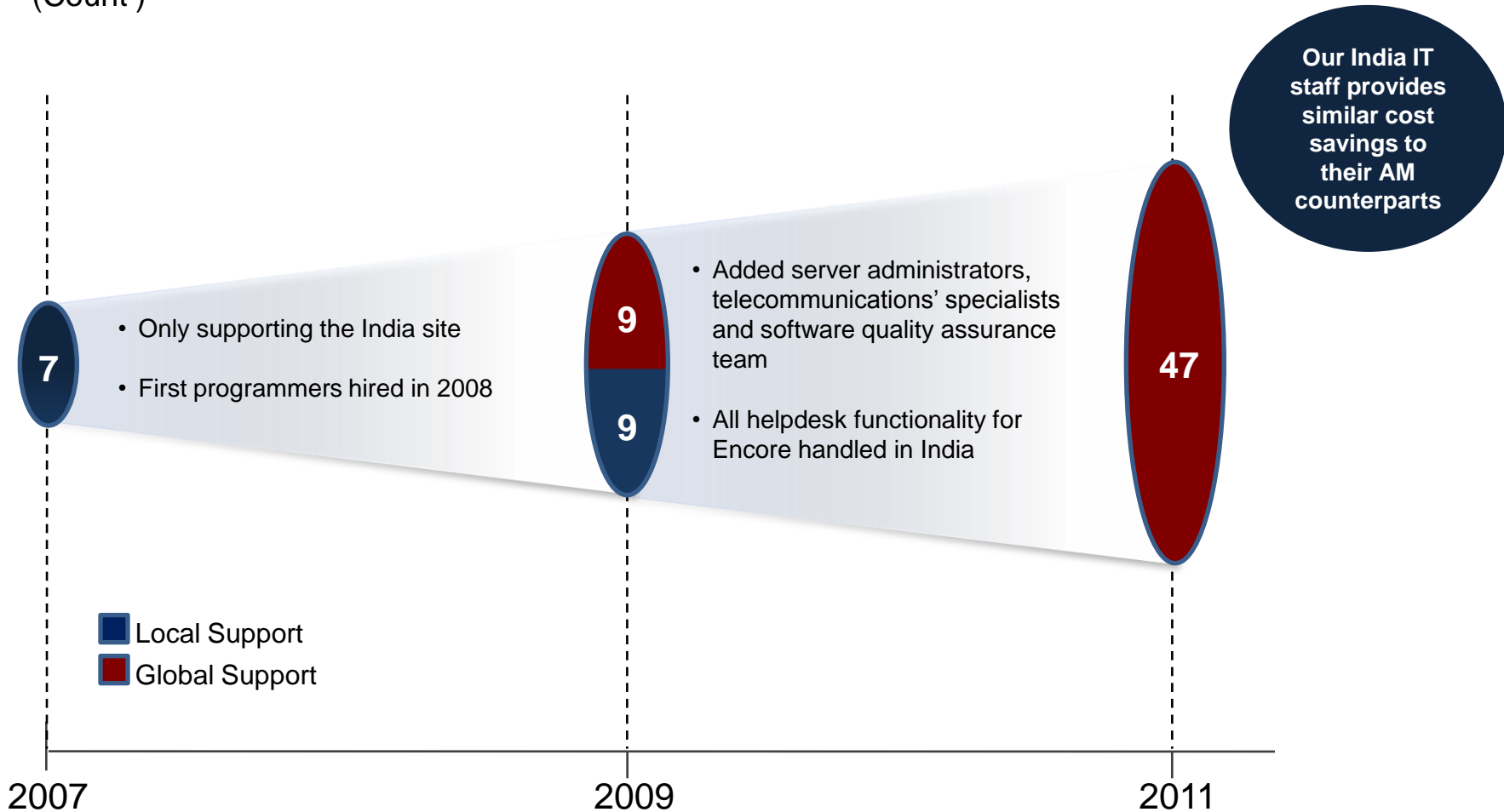
■ Dec 2007 ■ Mar 2011



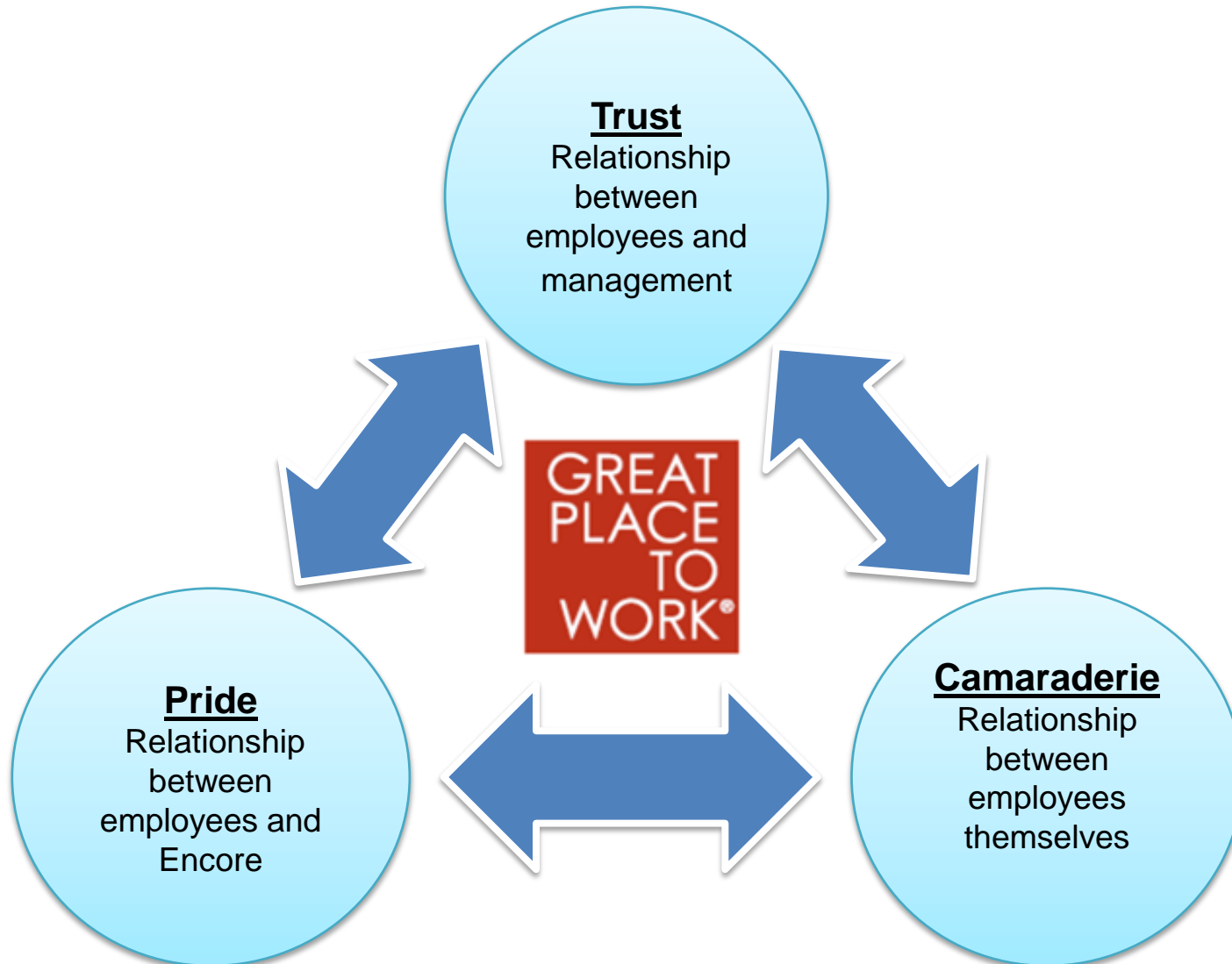
# AND IS SUPPORTING OUR TECHNOLOGY NEEDS IN BOTH THE U.S. AND INDIA

## India IT Diversification

(Count )



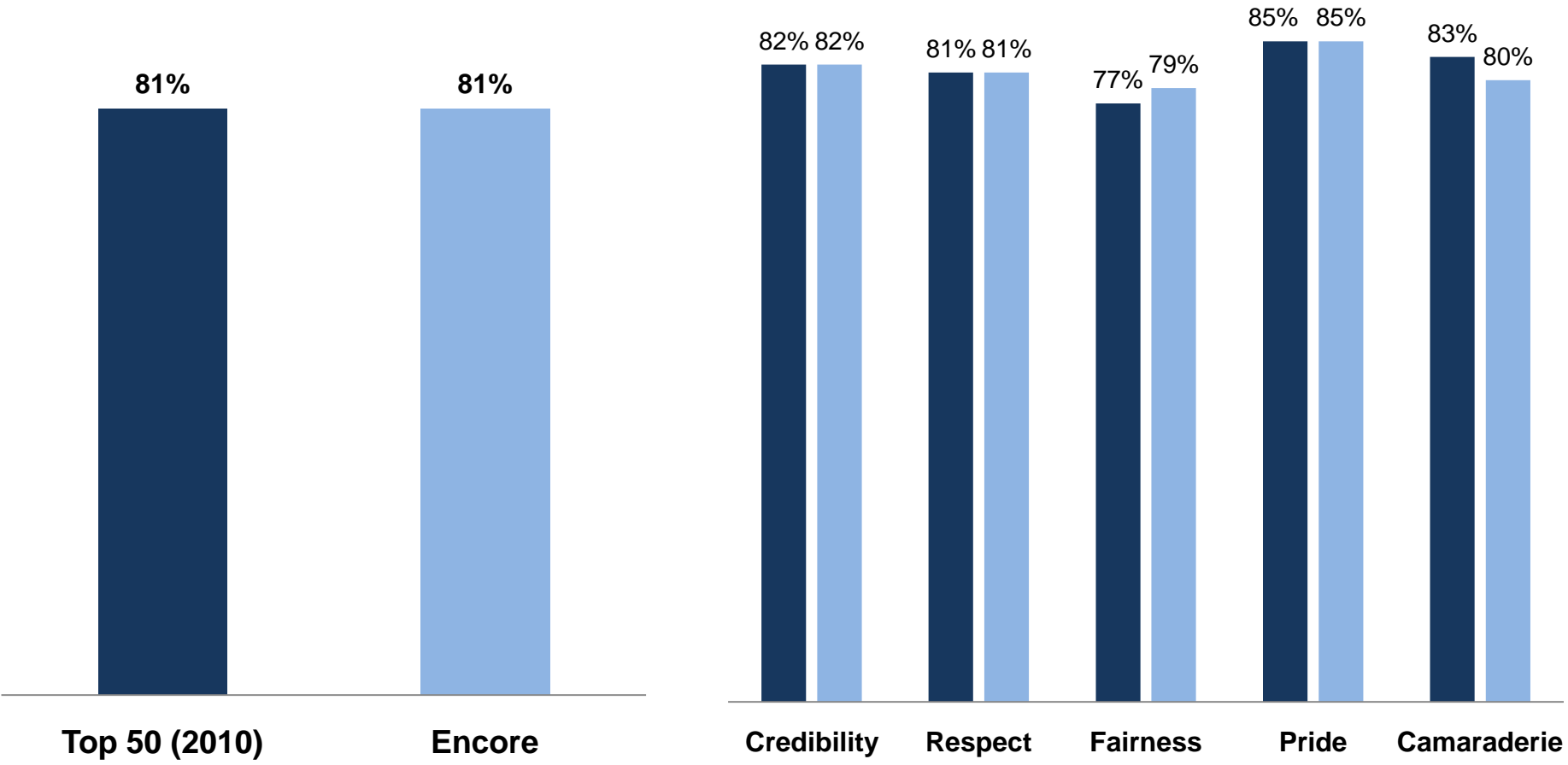
# WE ASPIRE TO BECOME ONE OF INDIA'S LEADING EMPLOYERS, AS DEFINED BY THE GREAT PLACE TO WORK INSTITUTE (GPTW)



# WHILE THE RESULTS HAVE NOT BEEN ANNOUNCED, OUR SCORES COMPARE FAVORABLY TO THE TOP 50 EMPLOYERS

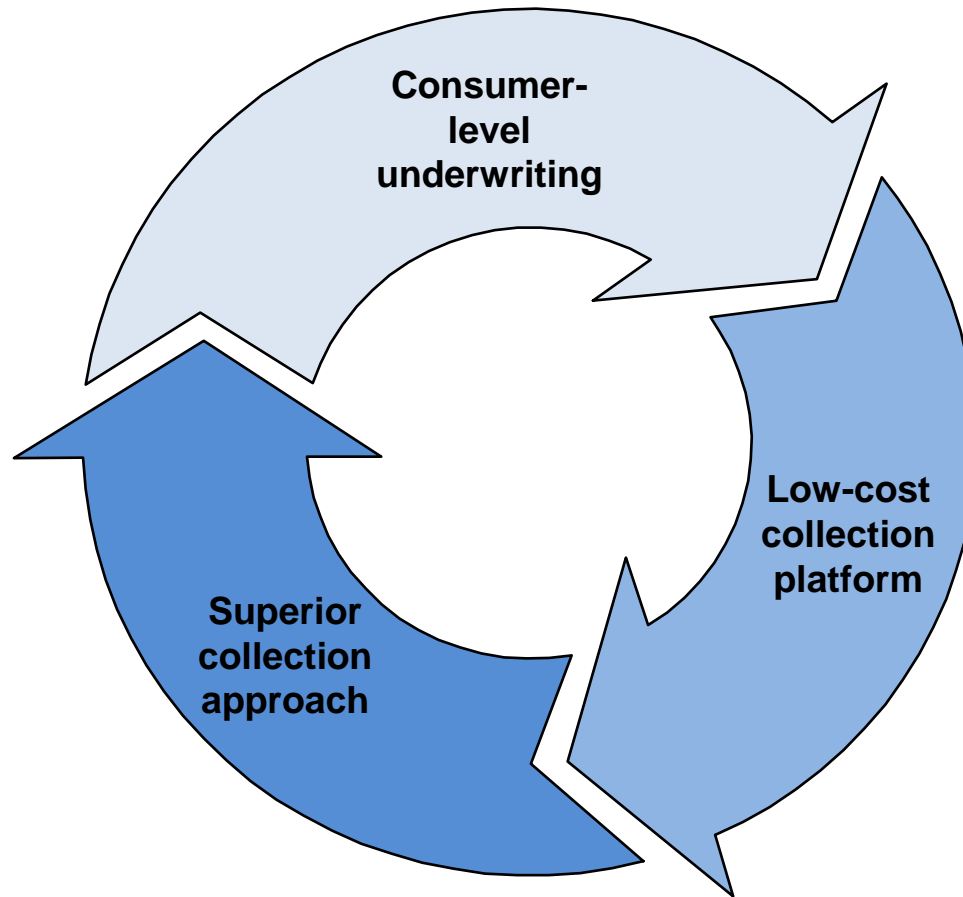
## GPTW Survey Results Comparing Encore's 2011 Results to the 2010 Winners

(% favorable)



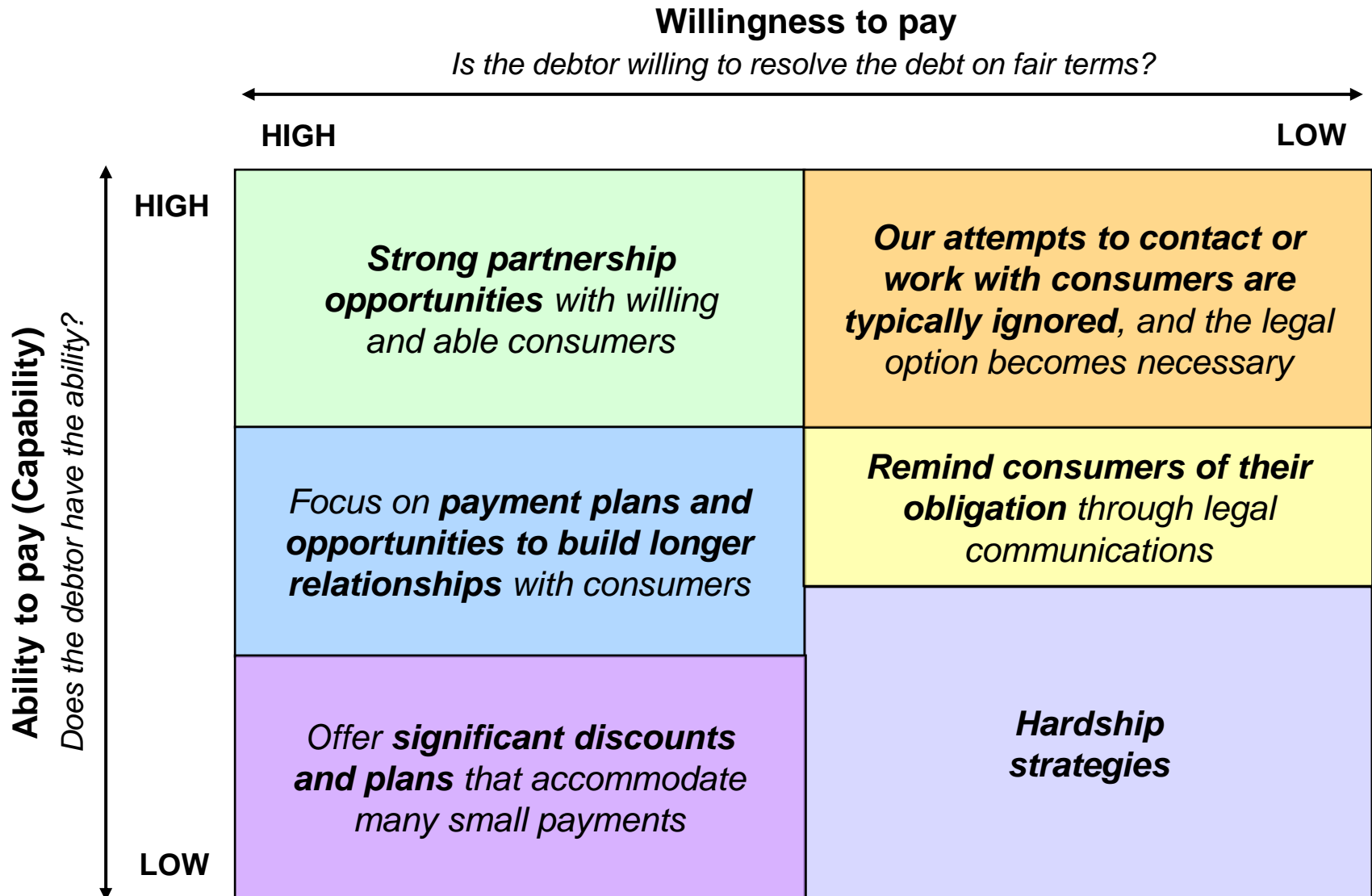
# **Analytic-based Insights Driving Performance**

# WE BELIEVE LONG-TERM PROFITABILITY IN THIS INDUSTRY WILL BE DRIVEN BY EXCELLENCE IN THREE KEY AREAS





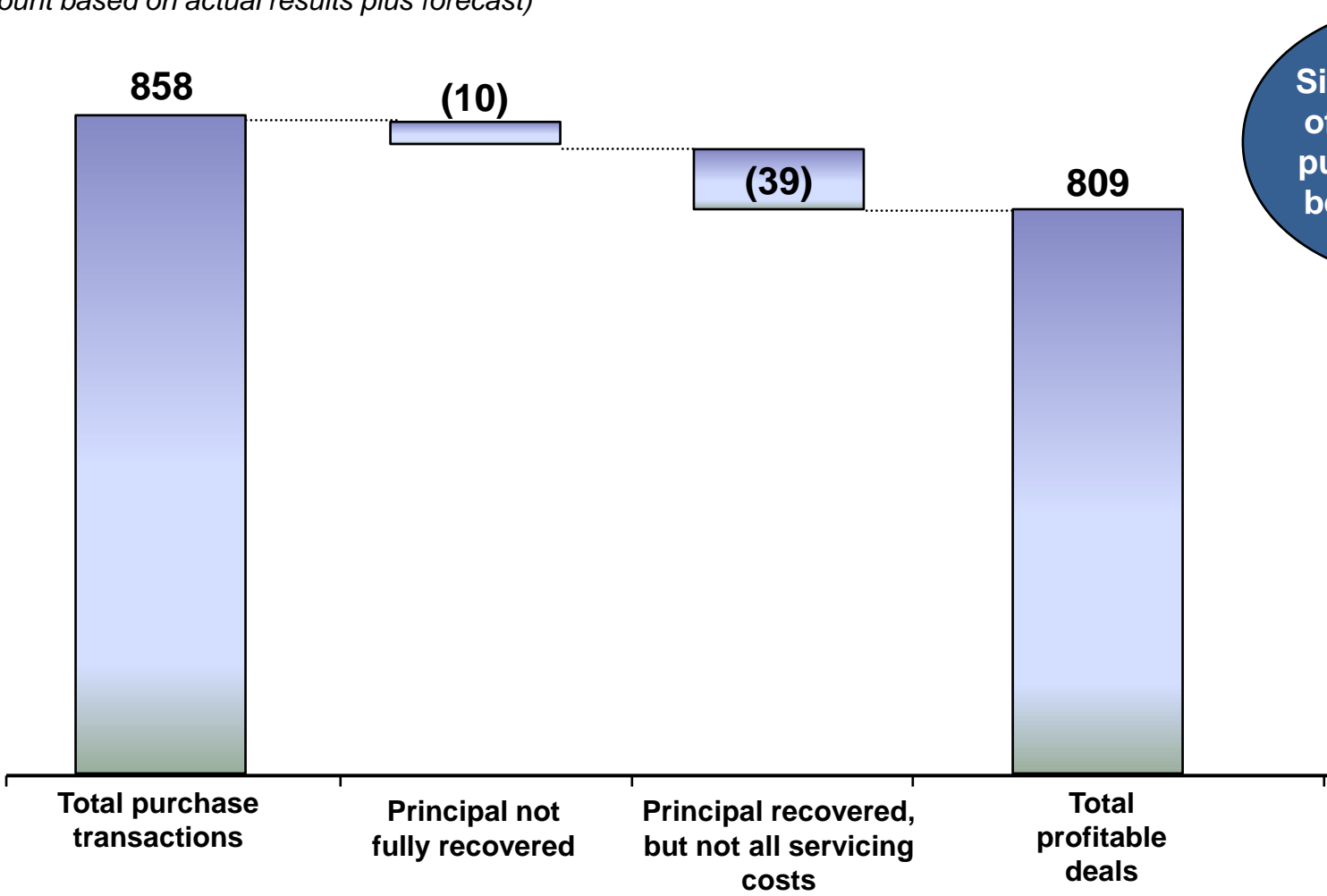
# TO SUCCEED IN THOSE AREAS, YOU MUST UNDERSTAND THE CONSUMER



# OUR STRONG PORTFOLIO PURCHASING TRACK RECORD IS DRIVEN BY AN UNDERWRITING MODEL FOCUSED ON INDIVIDUAL CONSUMERS

## Deal Accuracy Since 2000

(Count based on actual results plus forecast)

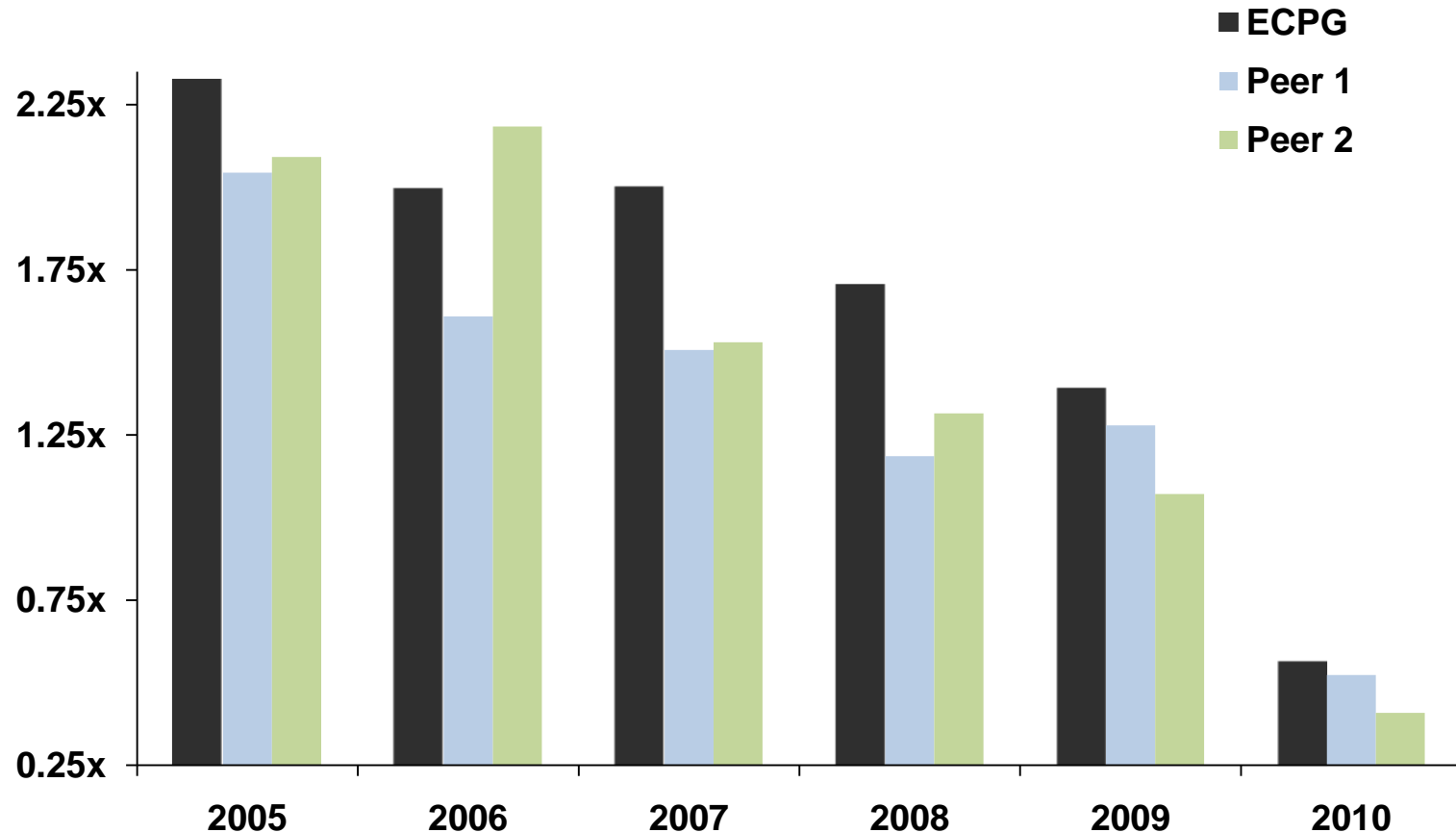


Since 2000, 94% of our portfolio purchases have been profitable

# PURCHASING ACCURACY AND OUR ANALYTIC OPERATING MODEL HAVE LED US TO CONSISTENTLY OUTPERFORM OUR PEERS

## Cumulative Actual Collection Multiples by Vintage Year as of March 31, 2011

*(Total Collections / Purchase Price)*



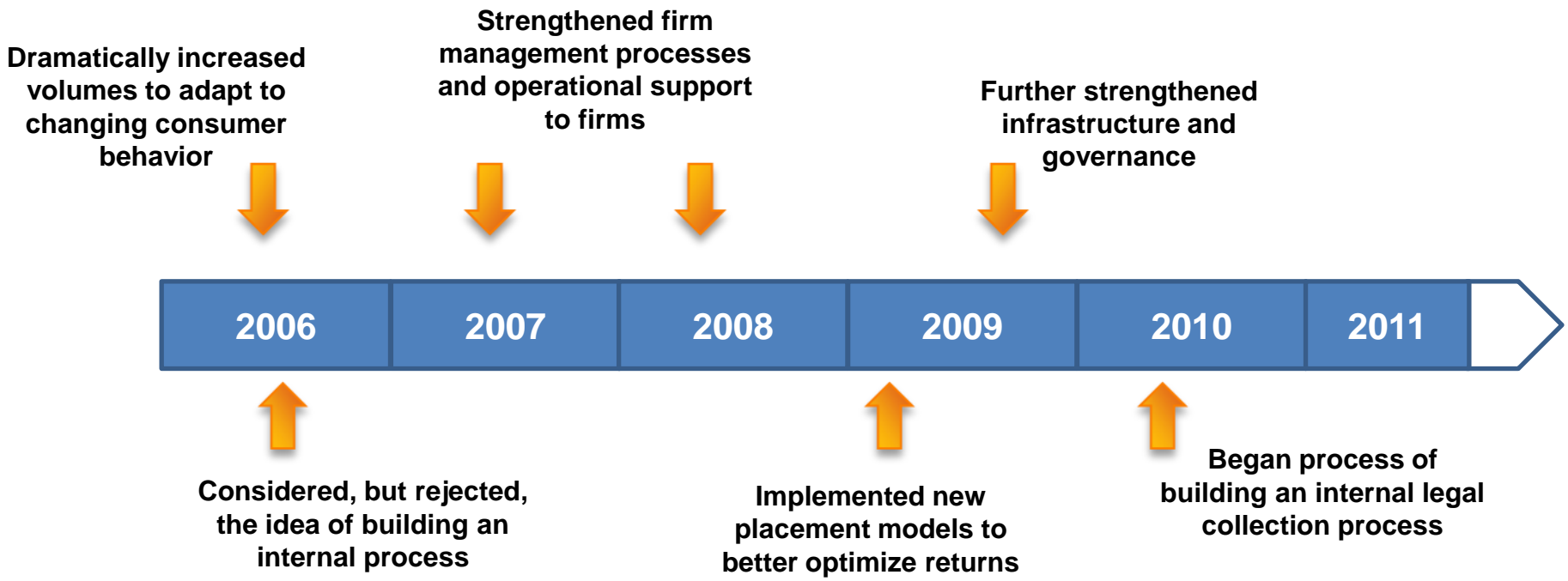
Source: SEC Filings, Encore Capital Group Inc.

# **New Strategic Initiatives That Will Leverage Our Strengths**

# WE ARE IN THE PROCESS OF BUILDING UPON OUR PRIOR SUCCESSES WITH POWERFUL STRATEGIC INITIATIVES

<b>1. Diversify our legal platform</b>	Drive a meaningful portion of our legal collections through internal resources
<b>2. Capture incremental value through increased offshore activities</b>	Create a world class near-shore facility
<b>3. Develop new insights about our consumers</b>	Collaborate with accomplished academics to extend our deep consumer knowledge

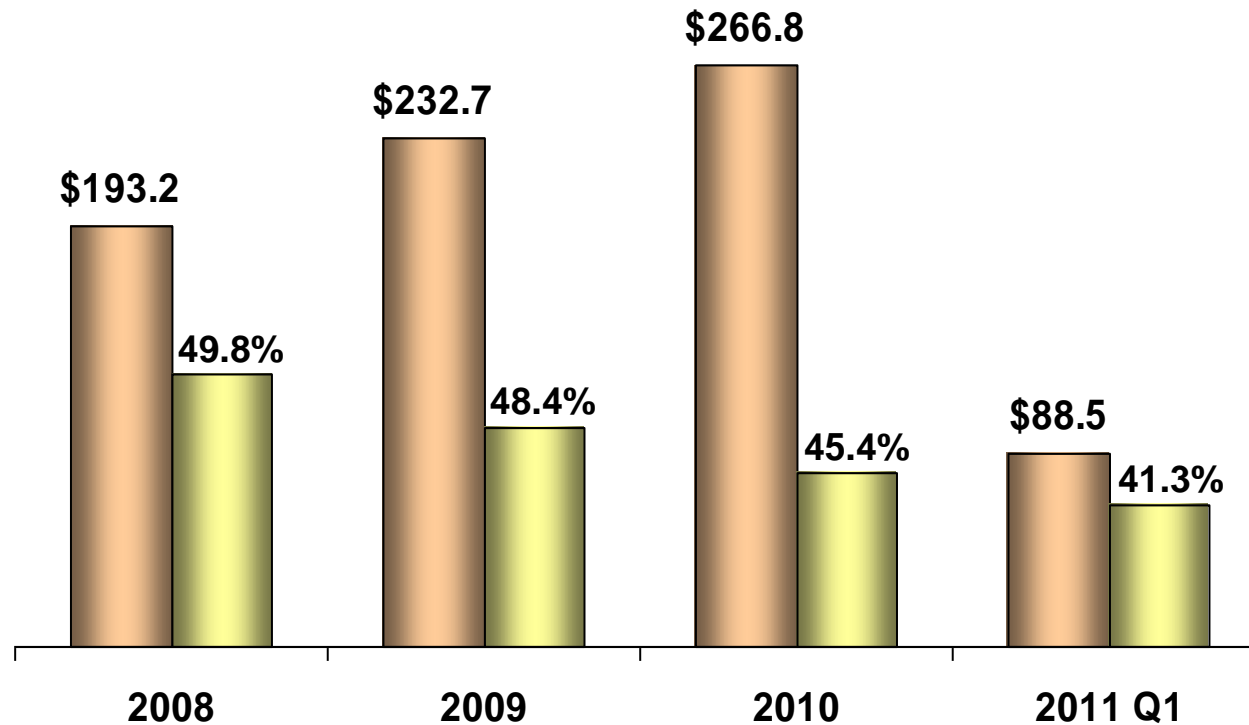
# WE HAVE CONSISTENTLY ENHANCED OUR LEGAL COLLECTION INFRASTRUCTURE



# THESE IMPROVEMENTS HAVE DRAMATICALLY IMPROVED BOTH COLLECTIONS AND COST TO COLLECT

## Legal Collections and Costs as a Percentage of Legal Collections

(\$ millions)



# SEVERAL FACTORS DURING LATE 2009 AND EARLY 2010 DROVE THE DECISION TO BUILD AN INTERNAL LEGAL CAPABILITY

## Legal/regulatory environment

- State-level legal requirements changing rapidly
- Limited number of firms who are able to scale their operations
- Flaws exposed in the traditional model, including limited oversight of service providers
- Financial instability led to the failure of some firms, including the largest firm at the time

## Rationale for internal legal

- Increased control over consumer and court interaction
- Reduced risk from firm failures
- Ability to deploy our account-level analytics against legal workflows
- Champion / challenger approach to improve performance
- A 5% collection increase will generate an incremental \$15 million in annual collections
- We gain \$0.06 in EPS for every 1% reduction in overall cost



# SINCE THEN, WE HAVE MADE SIGNIFICANT PROGRESS

**Developed and deployed  
a customized litigation  
technology platform**

**Hired dedicated legal  
teams in 4 states**

**Launched back-office  
and collections teams**

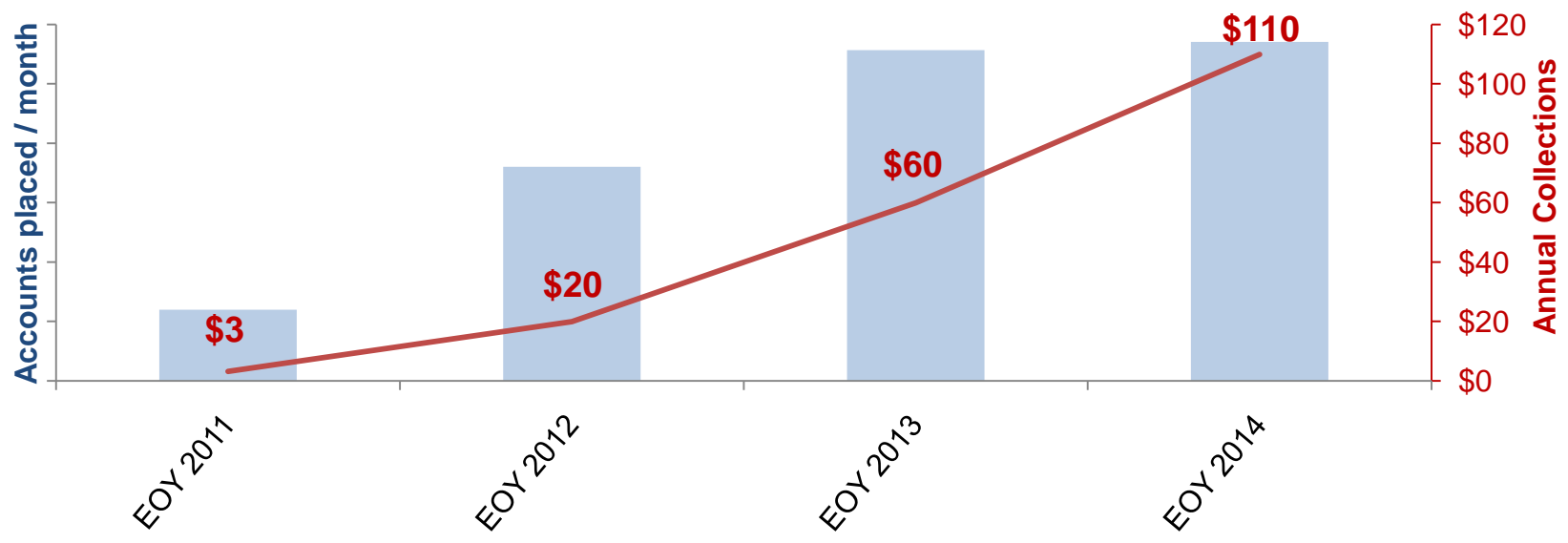
**Built a reliable service  
provider network**

**We plan to  
operate in 6  
states by the  
end of 2011**

# IT WILL TAKE SOME TIME BEFORE THIS INITIATIVE CONTRIBUTES TO THE BOTTOM LINE

## Placements, Collections

(#, \$ millions)

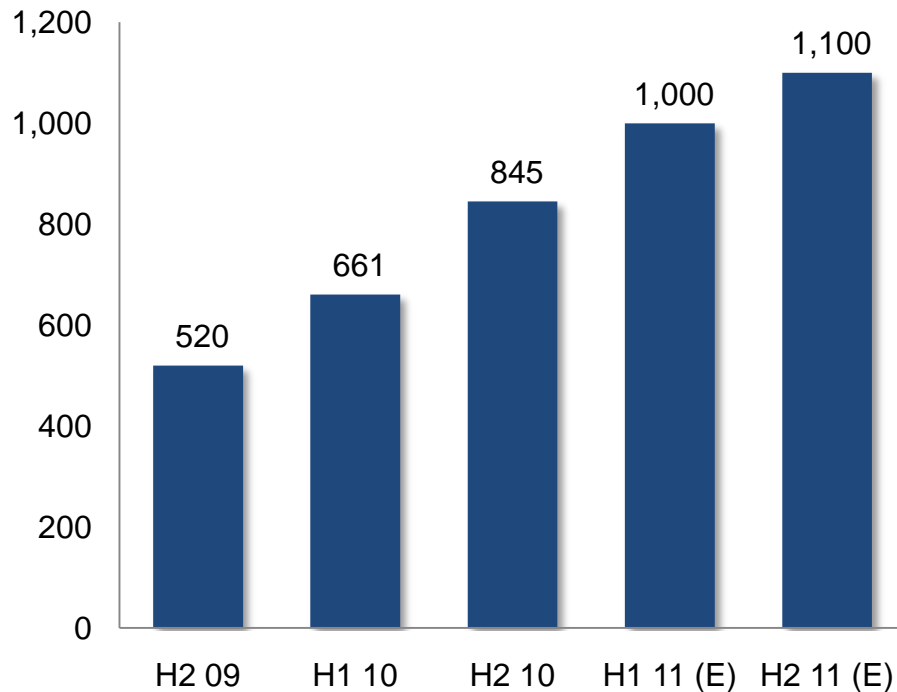


<b>Number of states</b>	6	16	25	25
<b>EoY headcount</b>	80-90	225-250	350-375	350-400

# WE ARE ALSO ADDRESSING OUR GROWING POPULATION OF SPANISH-SPEAKING CONSUMERS

## Spanish Account Inventory

(in thousands)



Our presence in San Diego and Phoenix provides us with a natural hiring pool, but hiring cannot keep pace with inventory growth

US-based Spanish servicing is challenging because of labor availability and cost

# THE SOLUTION IS BUILDING A NEAR-SHORE CALL CENTER BY LEVERAGING INSIGHTS FROM OUR SUCCESS IN INDIA

We are focused on Costa Rica and Panama because of their proven ability to effectively address the U.S. marketplace

We expect this site to increase overall call center capacity by as many as 300 AMs, at a cost-to-collect under 20%

We expect to have the facility up and running in early 2012

# FINALLY, WE ARE CREATING A CENTER OF EXCELLENCE DEDICATED TO UNDERSTANDING FINANCIALLY DISTRESSED CONSUMERS

## Accelerating industry maturation

Leading companies now capable of making investments in R&D and integrating their discoveries

## A new demographic segment has emerged

It has unique features, is growing, and has needs that are only marginally served by existing business models

## Unique consumer demographics

Focus on broader population confounds efforts to understand and respond to new population

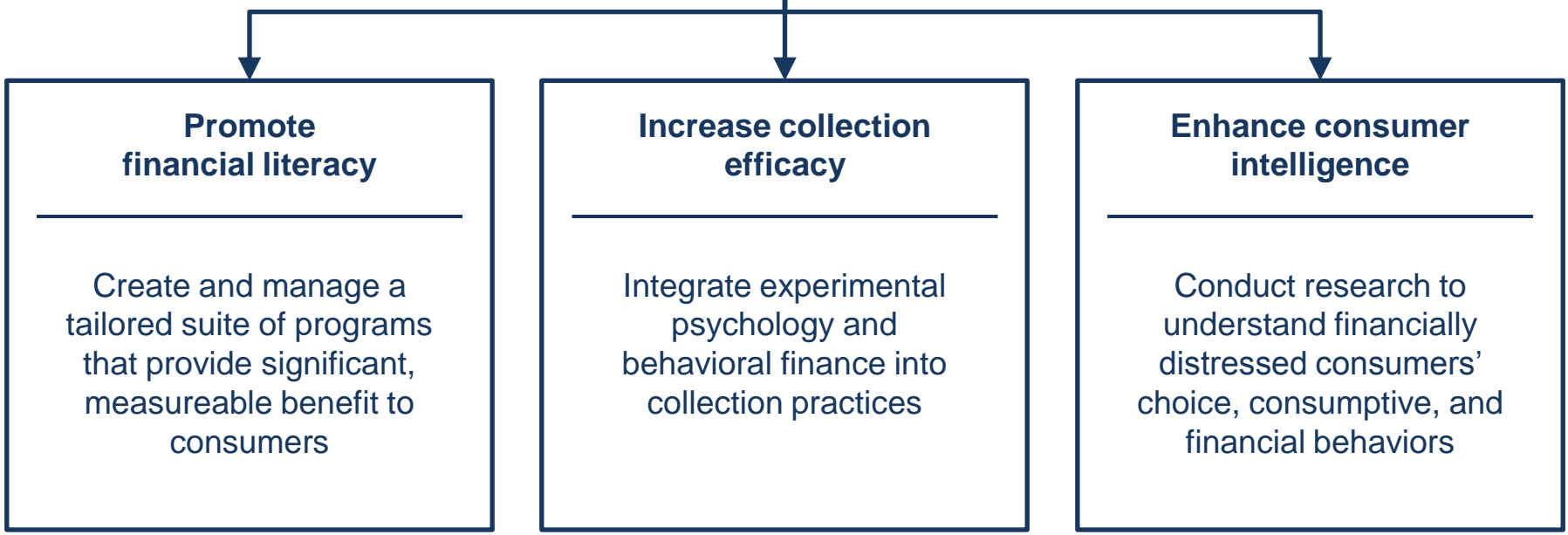
## Clear educational opportunities

Strengthen personal finance, planning, and credit skills through focused outreach and expert instruction

## Confusing policy environment

Consumer decisions are poorly understood, many voices confuse the issues, and discussions often substitute anecdotes for data

# ENCORE'S DEBT RESEARCH INSTITUTE WILL SERVE MULTIPLE CONSTITUENCIES



- Investments made over the past few years have driven significant improvements in collections, cash flow and earnings
- Demonstrated ability to raise and profitably deploy capital in favorable and unfavorable business cycles
- Expanding presence in India, combined with new strategic initiatives, are expected to continue increasing cash flow from operations
- Difficult regulatory environment being managed proactively

# APPENDIX



# APPENDIX A: CUMULATIVE COLLECTIONS BY PORTFOLIO VINTAGE

## Cumulative Collections through March 31, 2011 (000's)

Year of Purchase	Purchase Price	<2005	2005	2006	2007	2008	2009	2010	2011	Total	CCM
<2005	\$385,479	\$749,791	\$224,620	\$164,211	\$85,333	\$45,893	\$27,708	\$19,986	\$4,352	\$1,321,894	3.4
2005	192,585		66,491	129,809	109,078	67,346	42,387	27,210	5,510	447,831	2.3
2006	141,029			42,354	92,265	70,743	44,553	26,201	5,316	281,432	2.0
2007	204,114				68,048	145,272	111,117	70,572	13,460	408,469	2.0
2008	227,885					69,049	165,164	127,799	26,645	388,657	1.7
2009	253,449						96,529	206,773	49,738	353,040	1.4
2010	359,843							125,853	77,752	203,605	0.6
2011	90,355								8,262	8,262	0.1
<b>Total</b>	<b>\$1,854,739</b>	<b>\$749,791</b>	<b>\$291,111</b>	<b>\$336,374</b>	<b>\$354,724</b>	<b>\$398,303</b>	<b>\$487,458</b>	<b>\$604,394</b>	<b>\$191,035</b>	<b>\$3,413,190</b>	<b>1.8</b>

# APPENDIX B: RECONCILIATION OF ADJUSTED EBITDA

## Reconciliation of Adjusted EBITDA to GAAP Net Income

(Unaudited, In Thousands)

Three Months Ended

	3/31/07	6/30/07	9/30/07	12/31/07	3/31/08	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	4,991	(1,515)	4,568	4,187	6,751	6,162	3,028	(2,095)	8,997	6,641	9,004	8,405	10,861	11,730	12,290	14,171	13,679
Interest expense	4,042	4,506	4,840	5,260	5,200	4,831	5,140	5,401	4,273	3,958	3,970	3,959	4,538	4,880	4,928	5,003	5,593
Contingent interest expense	3,235	888	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pay-off of future contingent interest	-	11,733	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for income taxes	3,437	(1,031)	1,315	2,777	4,509	4,225	2,408	(1,442)	5,973	4,166	5,948	4,609	6,490	6,749	6,632	9,075	8,601
Depreciation and amortization	869	840	833	810	722	766	674	652	623	620	652	697	673	752	816	958	1,053
Amount applied to principal on receivable portfolios	28,259	29,452	26,114	29,498	40,212	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	801	1,204	1,281	1,001	1,094	1,228	860	382	1,080	994	1,261	1,049	1,761	1,446	1,549	1,254	1,765
Adjusted EBITDA	45,634	46,077	38,951	43,533	58,488	52,997	47,250	49,262	63,797	64,682	70,023	66,103	82,588	90,458	89,722	83,888	116,400

Note: The periods 3/31/07 through 12/31/08 have been adjusted to reflect the retrospective application of ASC 470-20