



Encore Capital Group, Inc.

Q4 2014 EARNINGS CALL

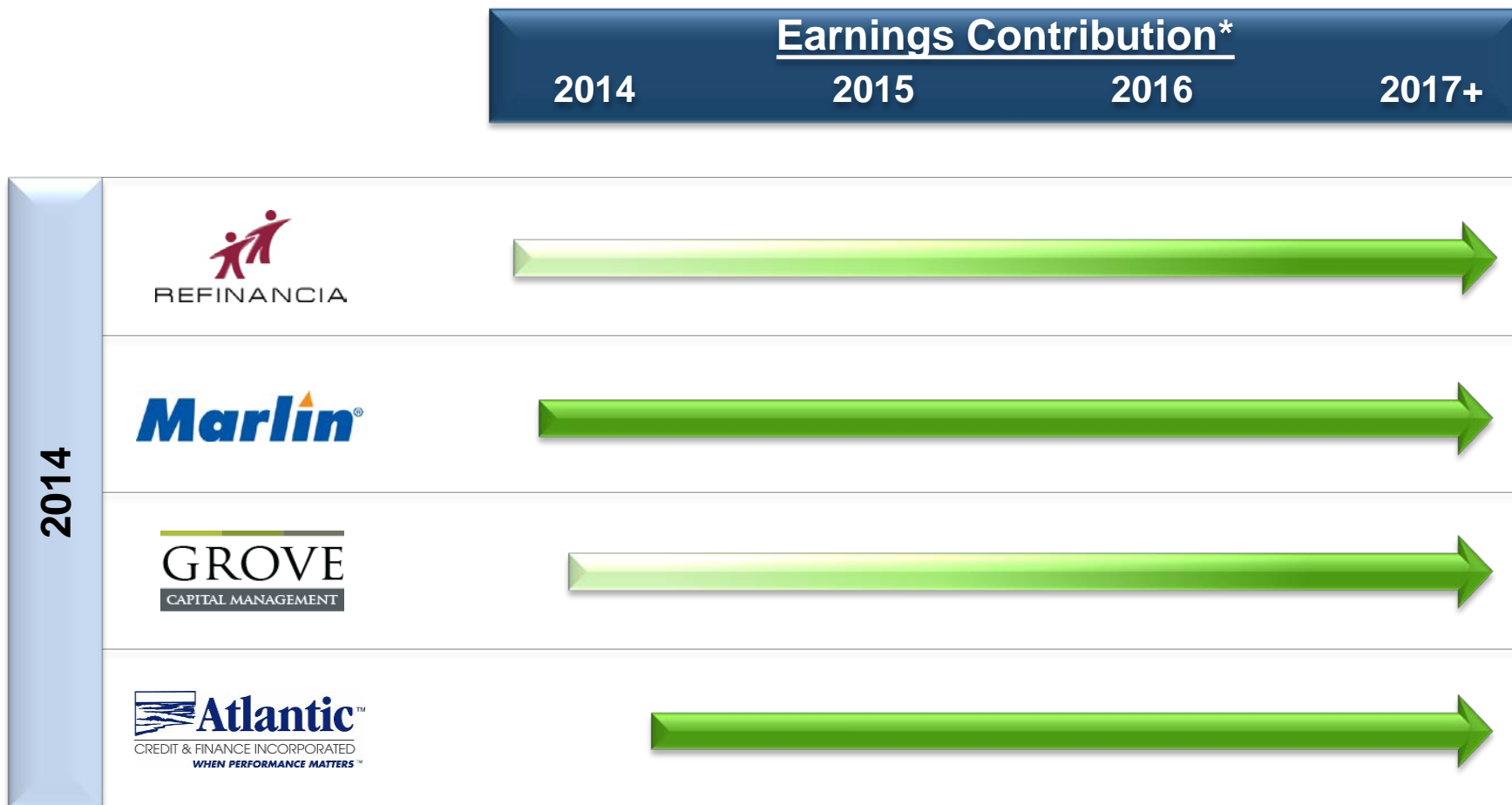
CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

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, as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

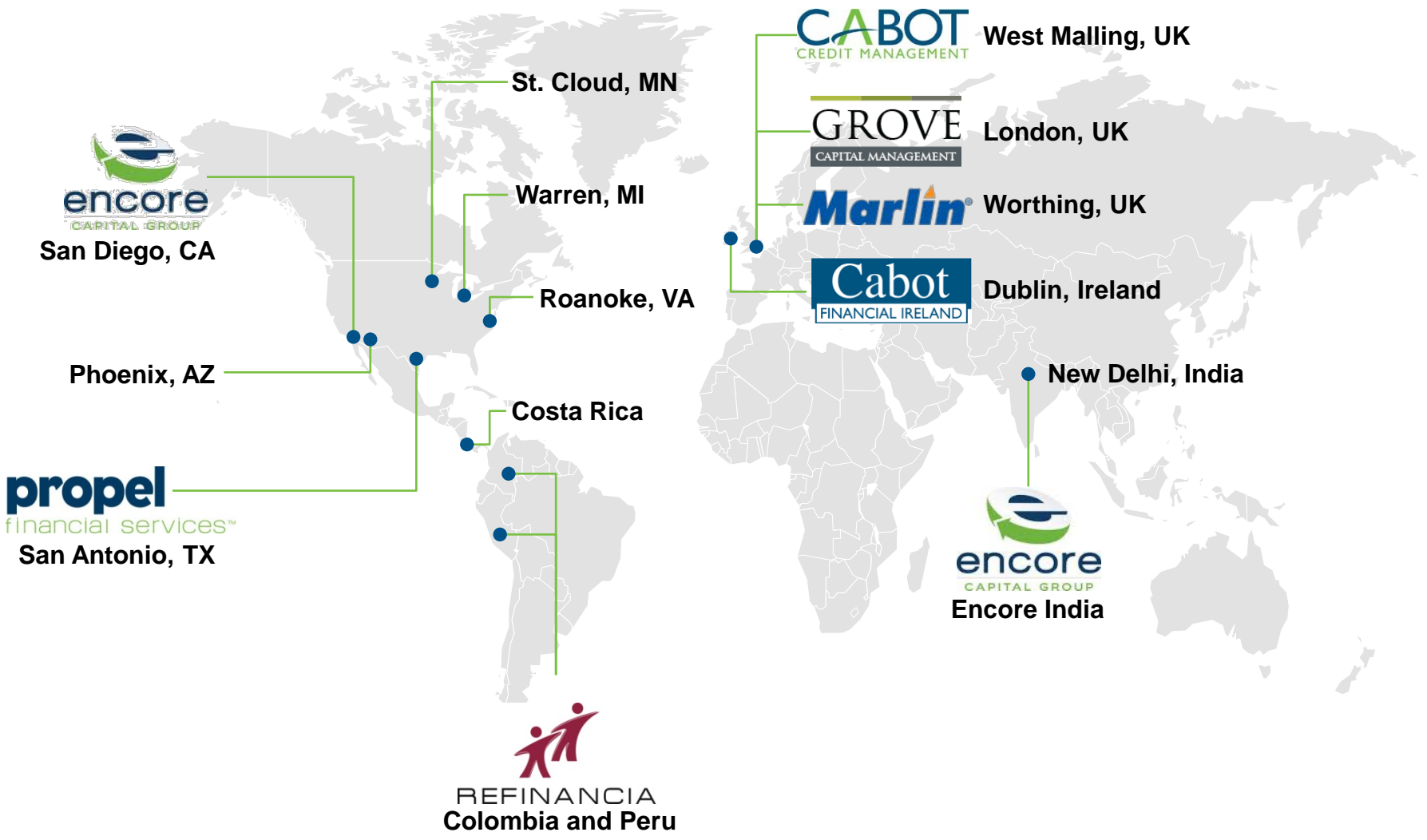


OUR 2014 ACQUISITIONS HAVE ADDED SIGNIFICANT VALUE TO OUR GROWING PLATFORM



* For illustrative purposes.

WITH OUR GROWTH HAS COME SIGNIFICANT GEOGRAPHIC DIVERSIFICATION



ENCORE DELIVERED STRONG QUARTERLY EARNINGS PER SHARE

GAAP EPS*	Economic EPS**	Collections
\$1.04	\$1.17	\$394 million
GAAP Net Income*	Adjusted Income**	Adjusted EBITDA**
\$28 million	\$31 million	\$241 million
		Cost-to-Collect***
		39.8%

Estimated Remaining Collections of \$5.2 billion

* Attributable to Encore

** Please refer to appendix for reconciliation of Economic EPS, Adjusted EBITDA, and Adjusted income to GAAP

*** Cost-to-Collect = Adjusted operating expenses / dollars collected. See appendix for reconciliation of Adjusted operating expenses to GAAP.

ENCORE DELIVERED RECORD ANNUAL EARNINGS PER SHARE

GAAP EPS*	Economic EPS**	Collections
\$3.83	\$4.52	\$1,607 million
GAAP Net Income*	Adjusted Income**	Adjusted EBITDA**
\$105 million	\$119 million	\$999 million
		Cost-to-Collect***
		38.6%

Estimated Remaining Collections of \$5.2 billion

* From continuing operations attributable to Encore

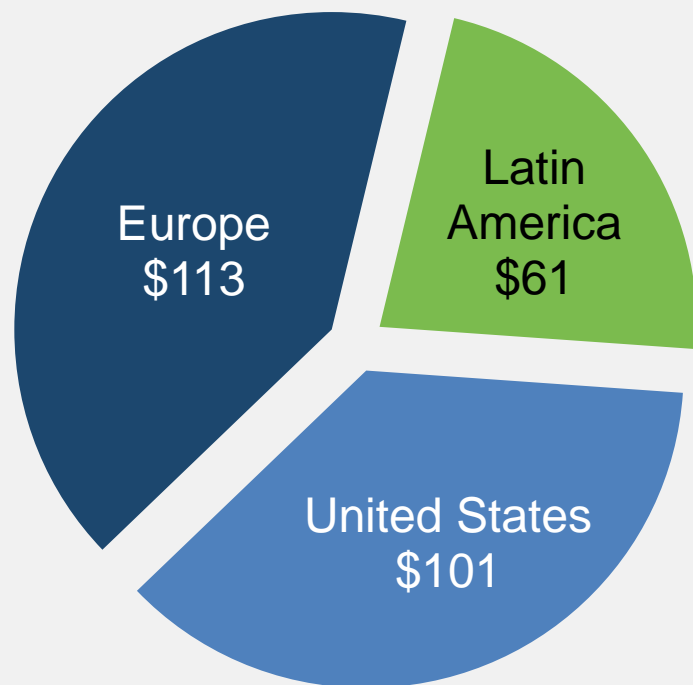
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Q4 AND 2014 DEPLOYMENTS REFLECT A DIVERSE GLOBAL BUSINESS

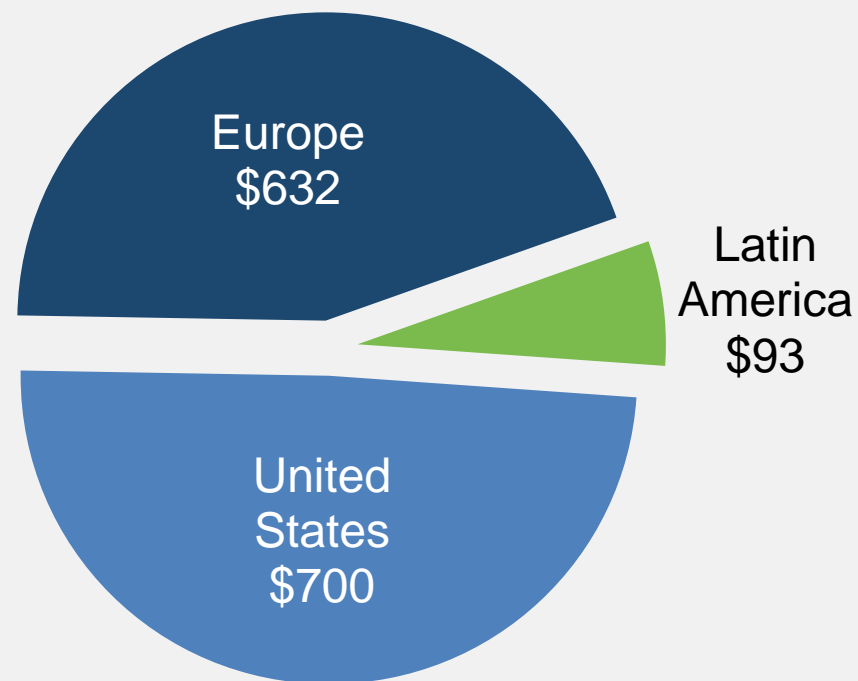
Q4-2014 Deployments

\$M



Total \$275

2014 Deployments



Total \$1,426

WE ARE NOW A LEADER IN SEVERAL MARKETS

Current Market Conditions

US Core Market

- Pricing remains challenging
- Supply unchanged from Q4 2014 to Q1 2015
- Two large issuers remain on the sidelines

UK Core Market

- Pricing remains competitive
- Supply remains constant and trends are favorable
- Buyer consolidation continues

UK IVA* Market and Spain

- IVA supply strengthened entering the new year
- Good availability for Spanish unsecured debt

* Individual Voluntary Arrangements

Latin America

- In Colombia and Peru, seasonal slowdown entering 2015
- Operational and analytical synergies beginning to take hold
- Interesting expansion opportunities

CABOT DELIVERED SOLID PERFORMANCE IN 2014

Cabot Update

- ▶ Cabot deployed \$565 million in new portfolio purchases, including Marlin's portfolio
- ▶ ERC grew 52% to \$2.3 billion from \$1.5 billion
- ▶ Cabot contributed \$0.87 of Economic EPS to Encore
- ▶ India continues to deliver on collection and quality expectations

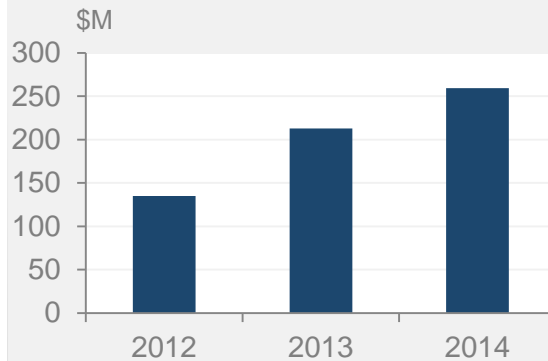
PROPEL CONTINUES TO GROW AND CONTRIBUTE TO ENCORE

Property tax lien receivables grew 22% in 2014

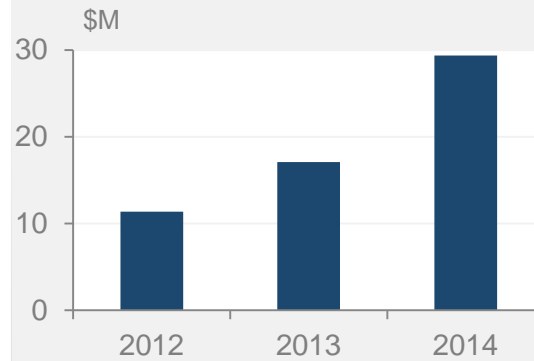
Expanded operations from 9 states to 22 states during 2014

Operating income doubles

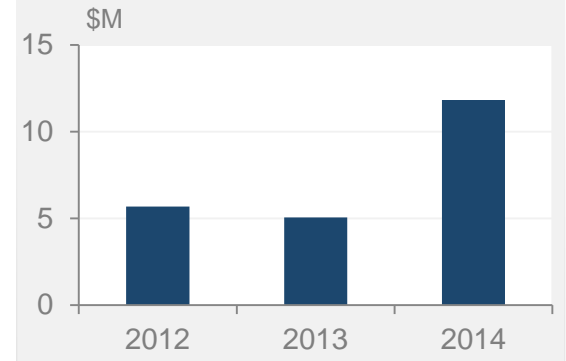
Tax Lien Receivables



Total Revenue



Operating Income

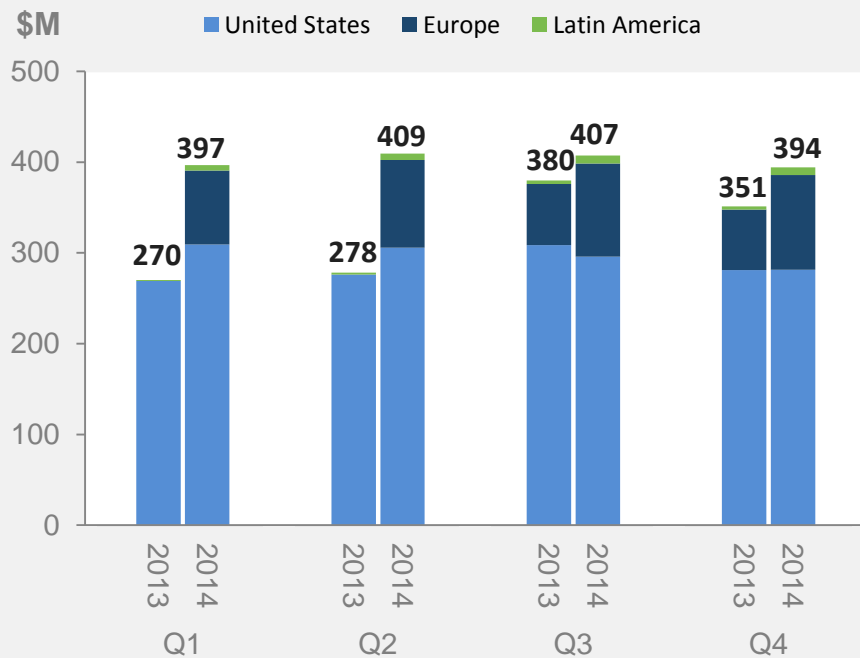




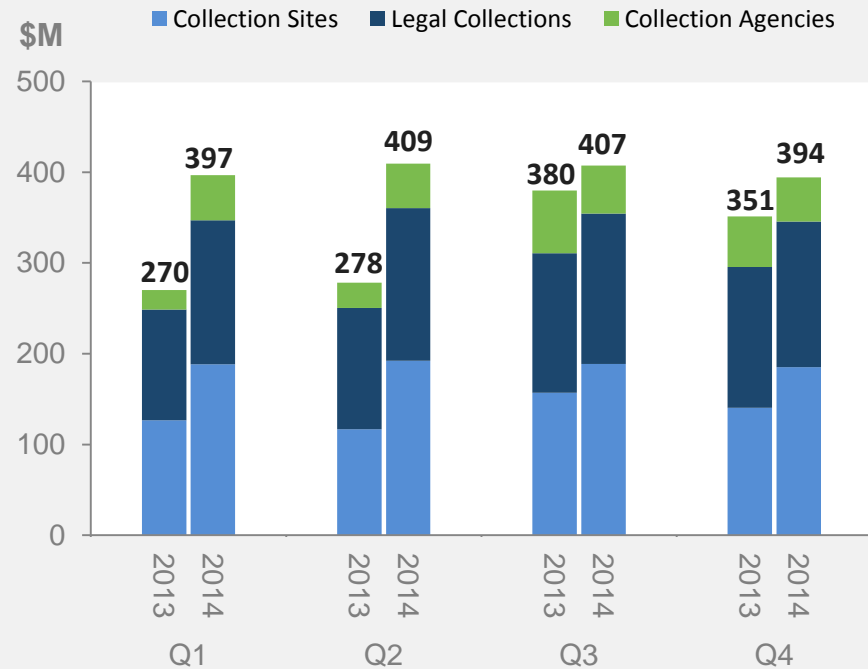
Detailed Financial Discussion

Q4 COLLECTIONS REFLECT STEADY EXECUTION AND GROWTH

Collections by Geography

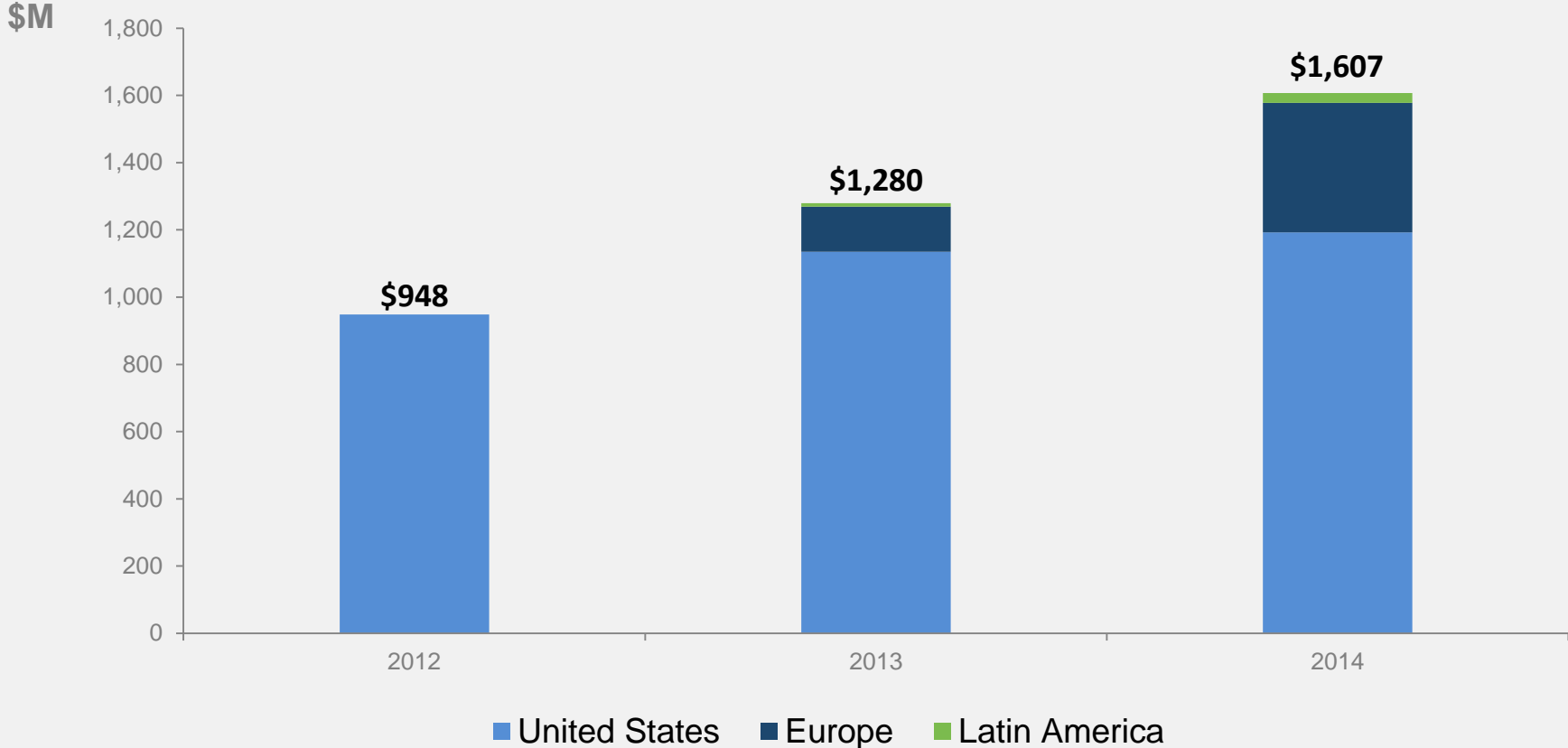


Collections by Channel



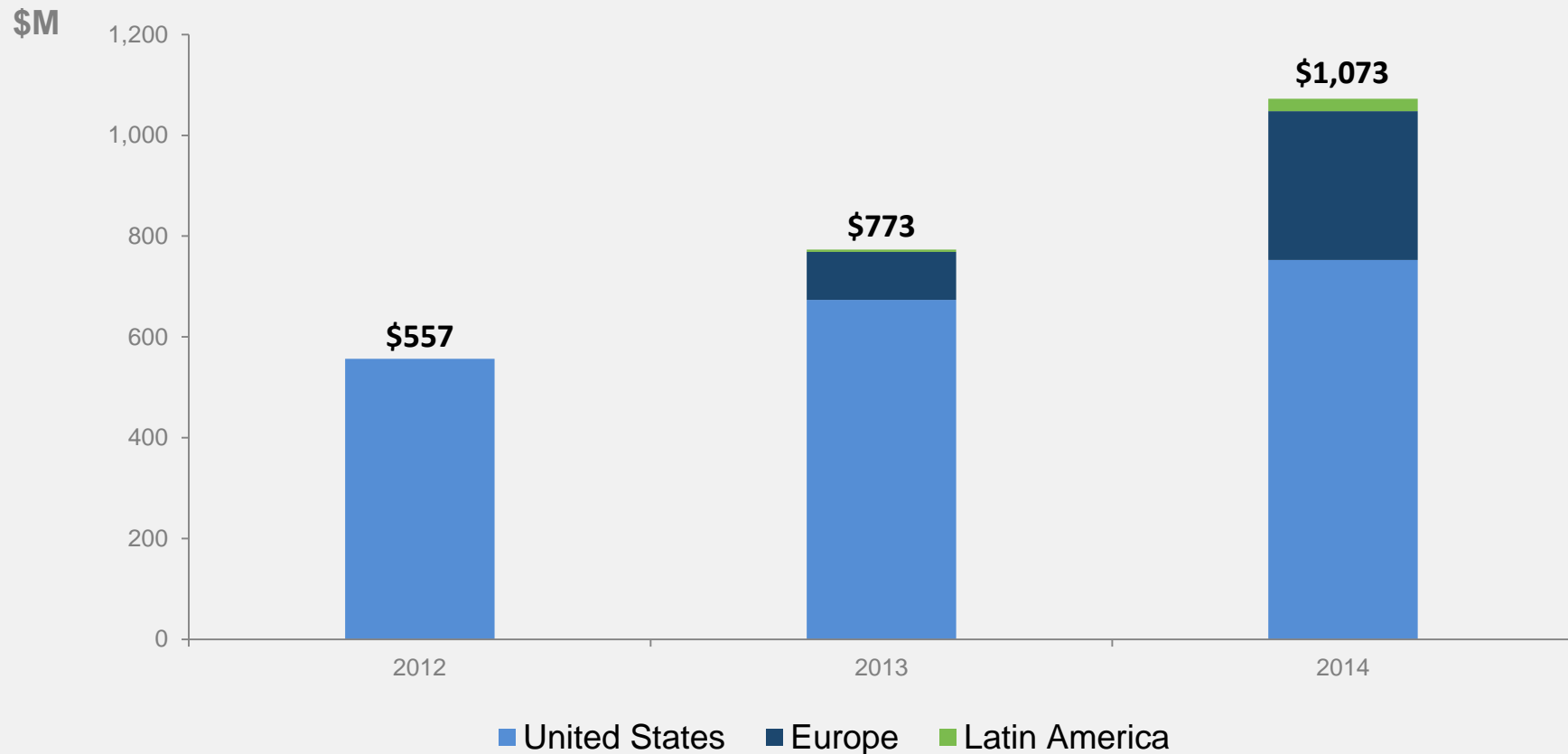
WE ARE SUCCESSFULLY DIVERSIFYING OUR BUSINESS, WITH SOLID COLLECTIONS GROWTH OUTSIDE OF THE UNITED STATES

Collections by Geography

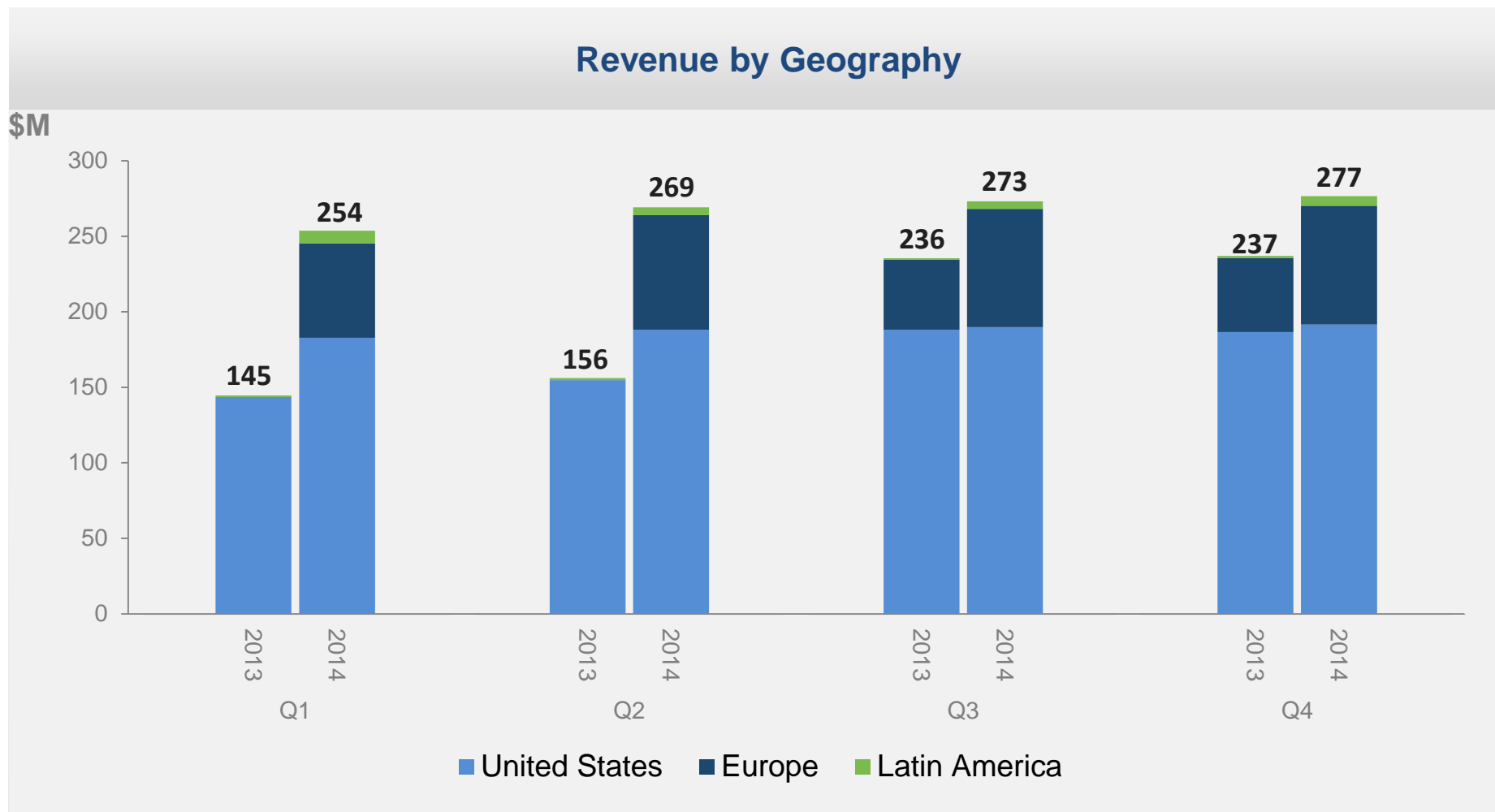


OUR 39% ANNUAL REVENUE GROWTH WAS DRIVEN LARGELY BY OUR EXPANSION OUTSIDE THE UNITED STATES

Revenue by Geography

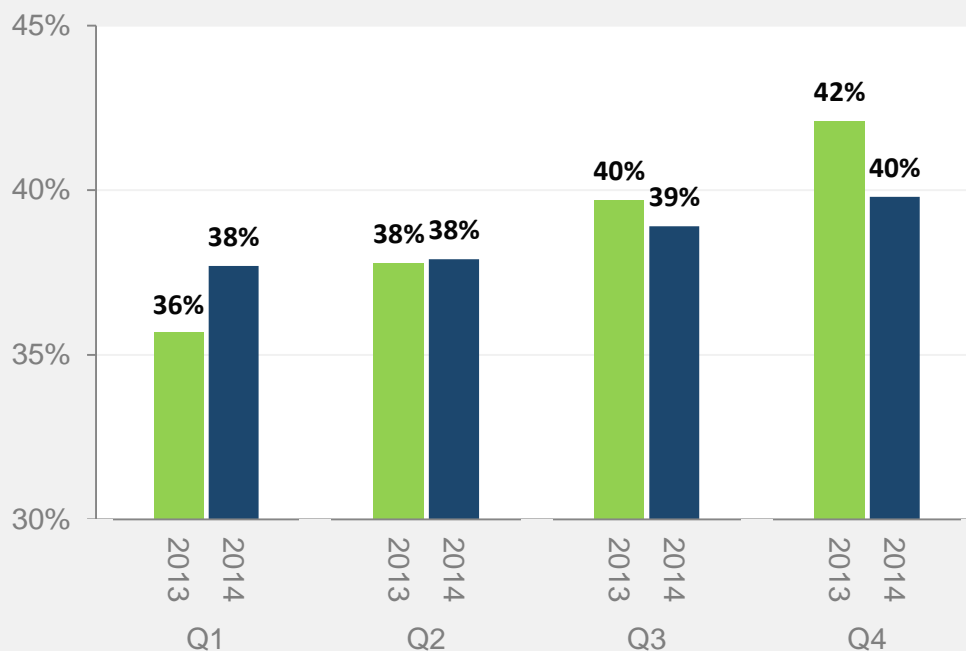


OUR QUARTERLY REVENUE GROWTH WAS ALSO DRIVEN BY STRONG PERFORMANCE ABROAD



COST-TO-COLLECT REMAINS STABLE, EVEN AS WE CONTINUE TO INVEST IN COMPLIANCE

Overall Cost-to-Collect*



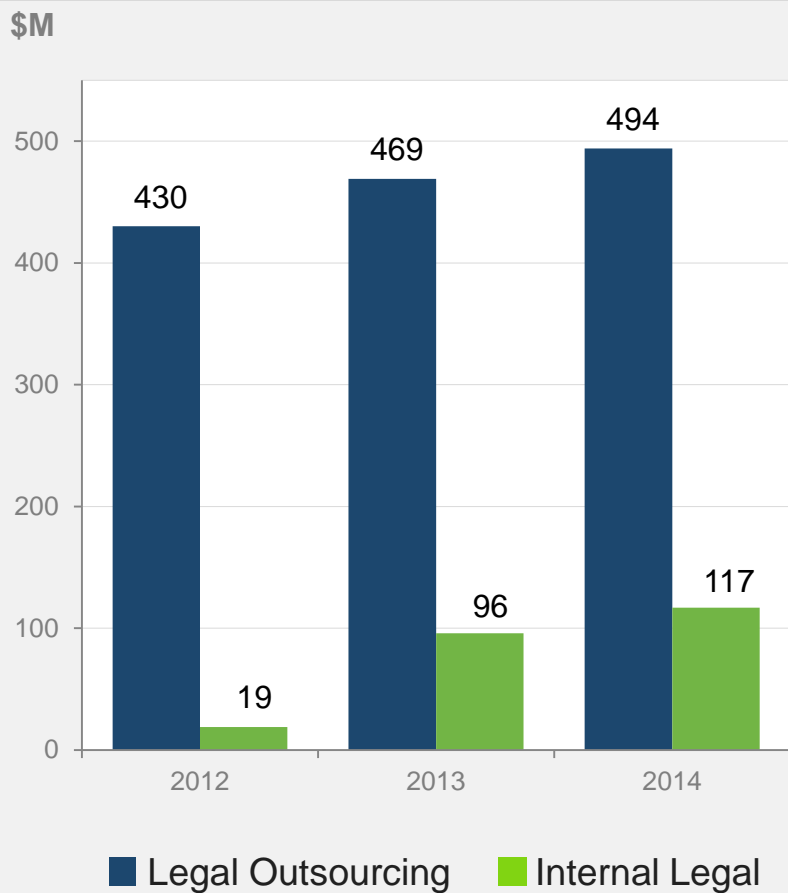
Location	Q4 2014 CTC	Q4 2013 CTC
Europe	27.8%	26.7%
United States	44.5%	45.7%
Latin America	30.7%	-
Encore	39.8%	42.1%

Location	2014 CTC	2013 CTC
Europe	29.3%	27.0%
United States	41.7%	40.5%
Latin America	30.2%	-
Encore	38.6%	39.1%

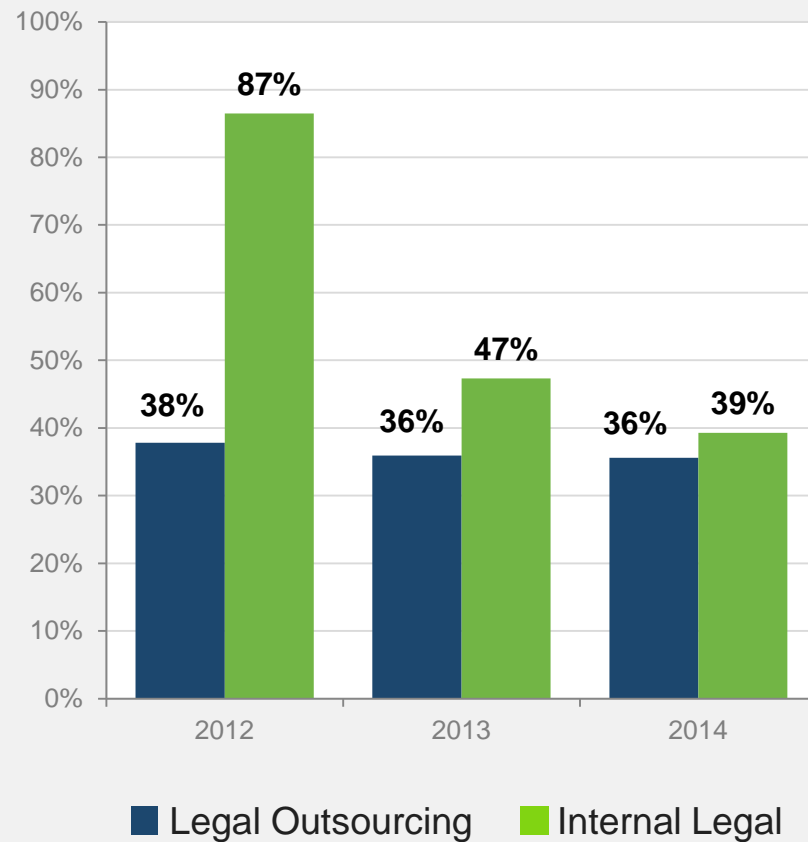
* Cost-to-Collect = Adjusted operating expenses / dollars collected. See appendix for reconciliation of Adjusted operating expenses to GAAP.

WE CONTINUE TO DRIVE SIGNIFICANT VALUE THROUGH OUR LEGAL CHANNEL

Legal Collections – United States

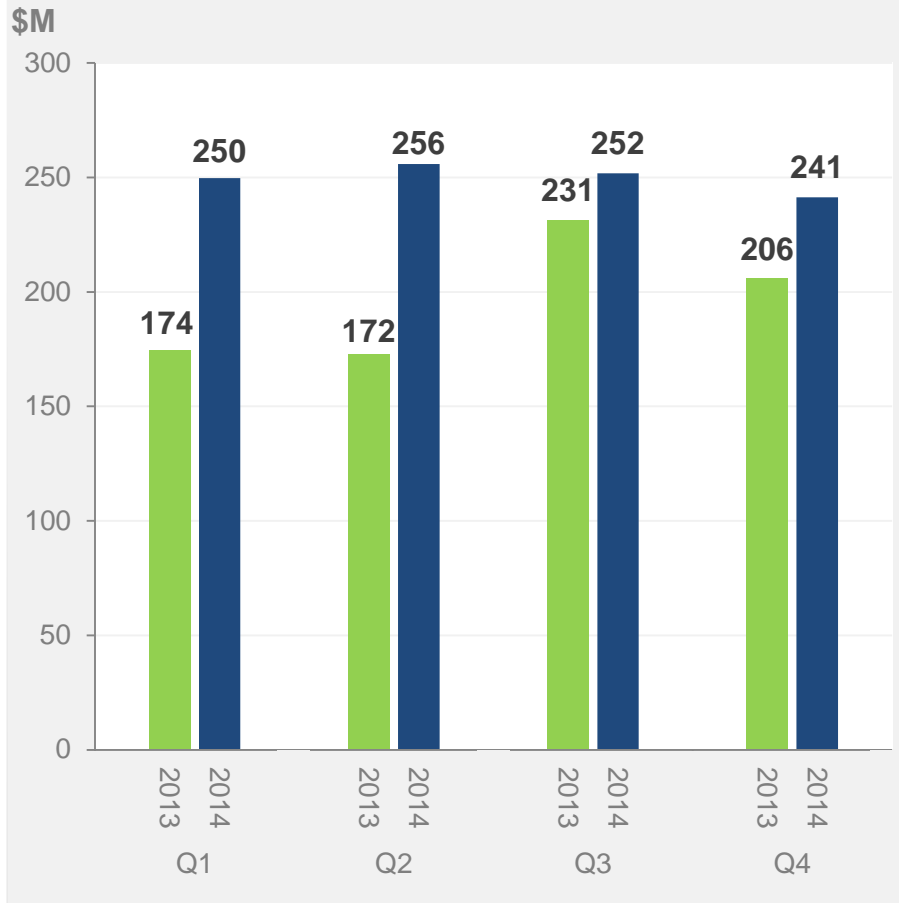


Legal Cost-to-Collect – United States

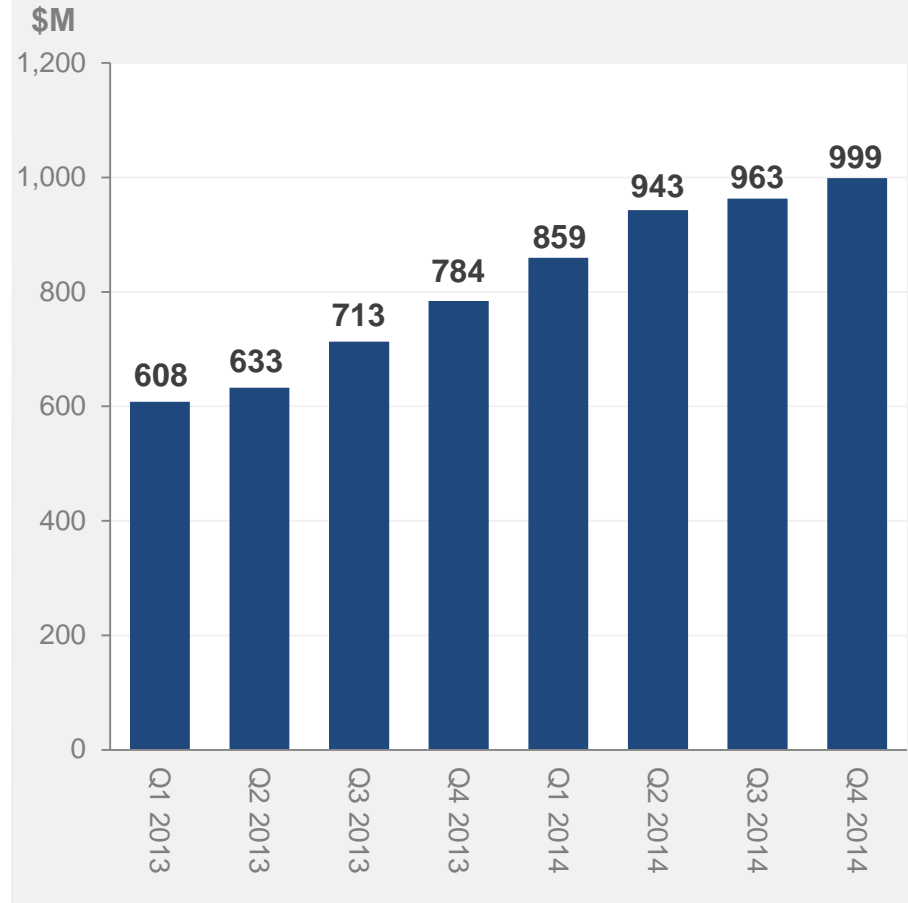


STRONG COLLECTIONS GROWTH LED TO IMPROVED CASH FLOWS

Quarterly Adjusted EBITDA*



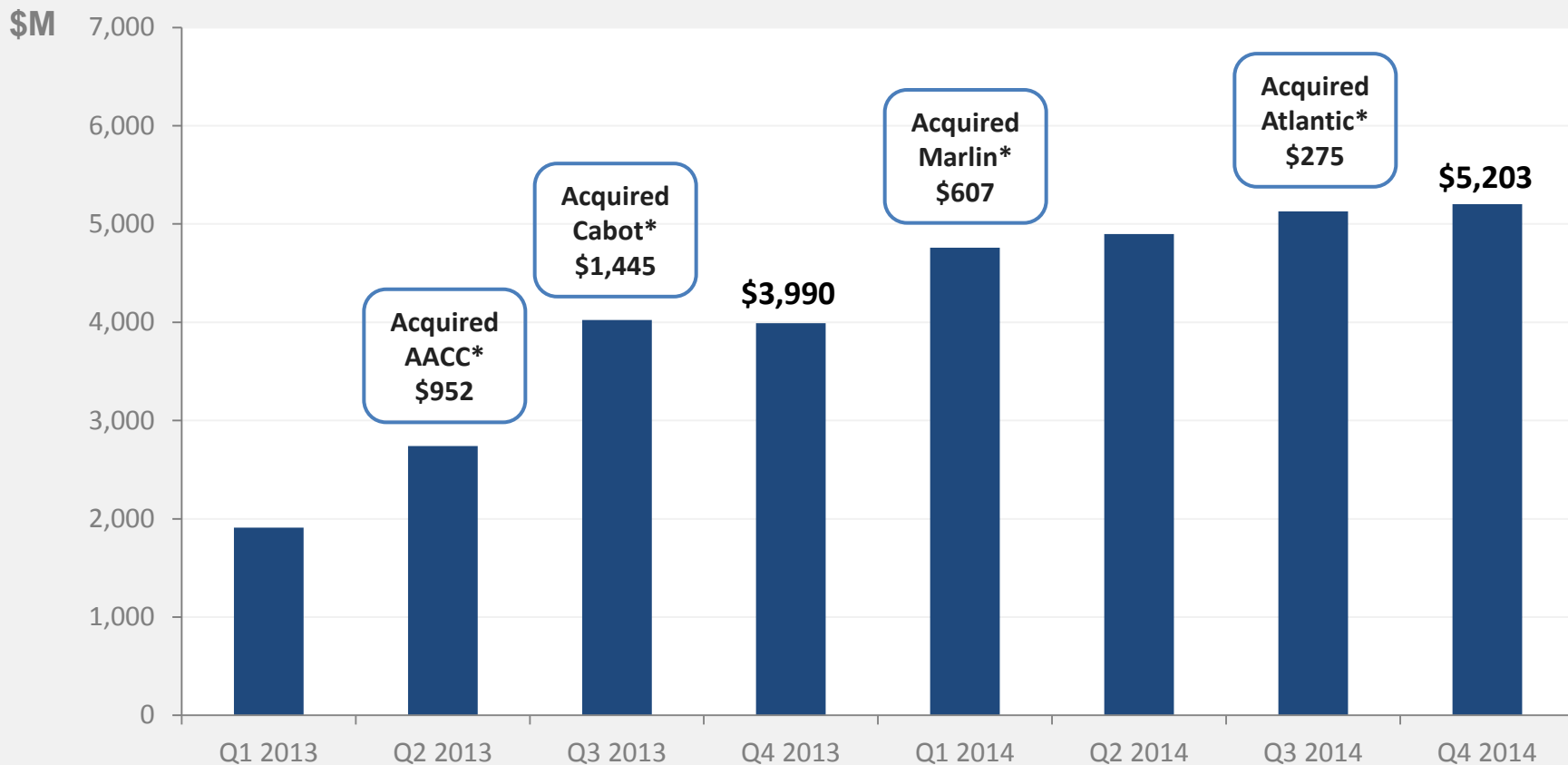
Adjusted EBITDA - Trailing Twelve Months



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

OUR ERC CONTINUES TO GROW

Estimated Remaining Collections



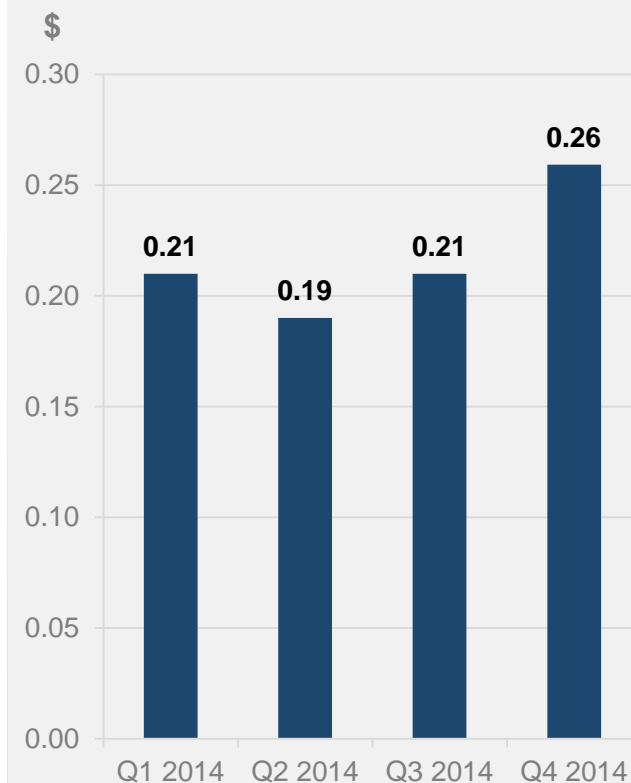
* ERC at time of acquisition

CABOT CONTRIBUTED \$0.87 TO ENCORE'S 2014 ECONOMIC EPS

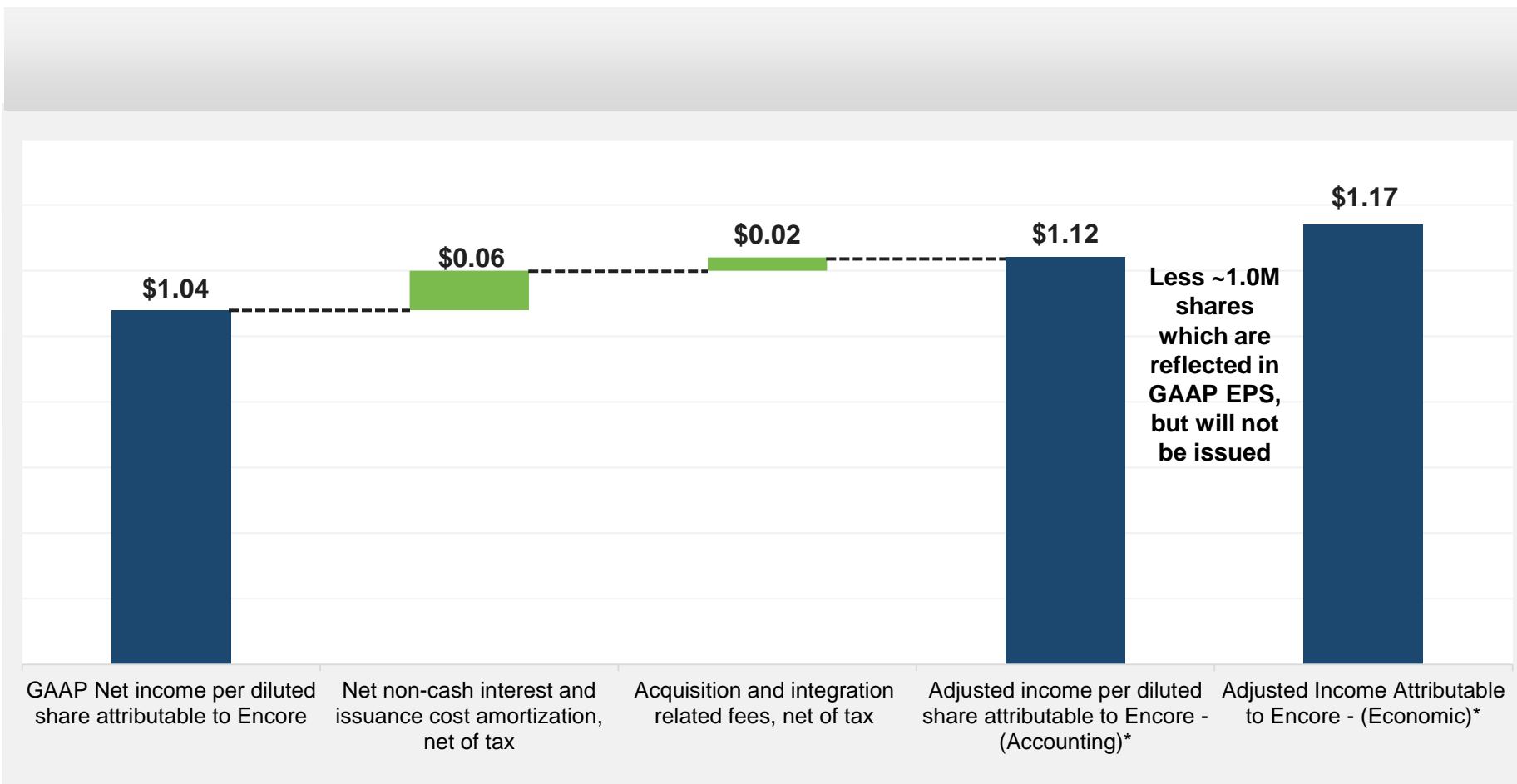
2014 Operating Performance of Janus Holdings and Encore Europe

In 000's except per share amounts	Janus	Encore Europe Holdings	EEH Consolidated
Revenue / other income	\$ 286,630	-	\$ 286,630
Total Expenses	(150,349)	-	(150,349)
EBITDA	\$ 136,281	-	\$ 136,281
Non-PEC Interest Expense	(96,426)	-	(96,426)
PEC Interest Expense	(43,624)	21,201	(22,423)
Other Income	(646)	-	(646)
Earnings Before Income Tax	\$ (4,415)	\$ 21,201	\$ 16,786
Income tax	(3,241)	-	(3,241)
Net (loss) / profit before minority interest	\$ (7,656)	\$ 21,201	\$ 13,545
JCF / Mgmt noncontrolling interest	1,108	3,267	4,375
Net (loss) / income attributable to Encore	\$ (6,548)	\$ 24,468	\$ 17,920
One-time and non-cash items, net of tax			5,125
Adjusted Income attributable to Encore			\$ 23,045
Economic share count			26,413
Economic EPS			\$ 0.87

Cabot's 2014 Economic EPS Contribution

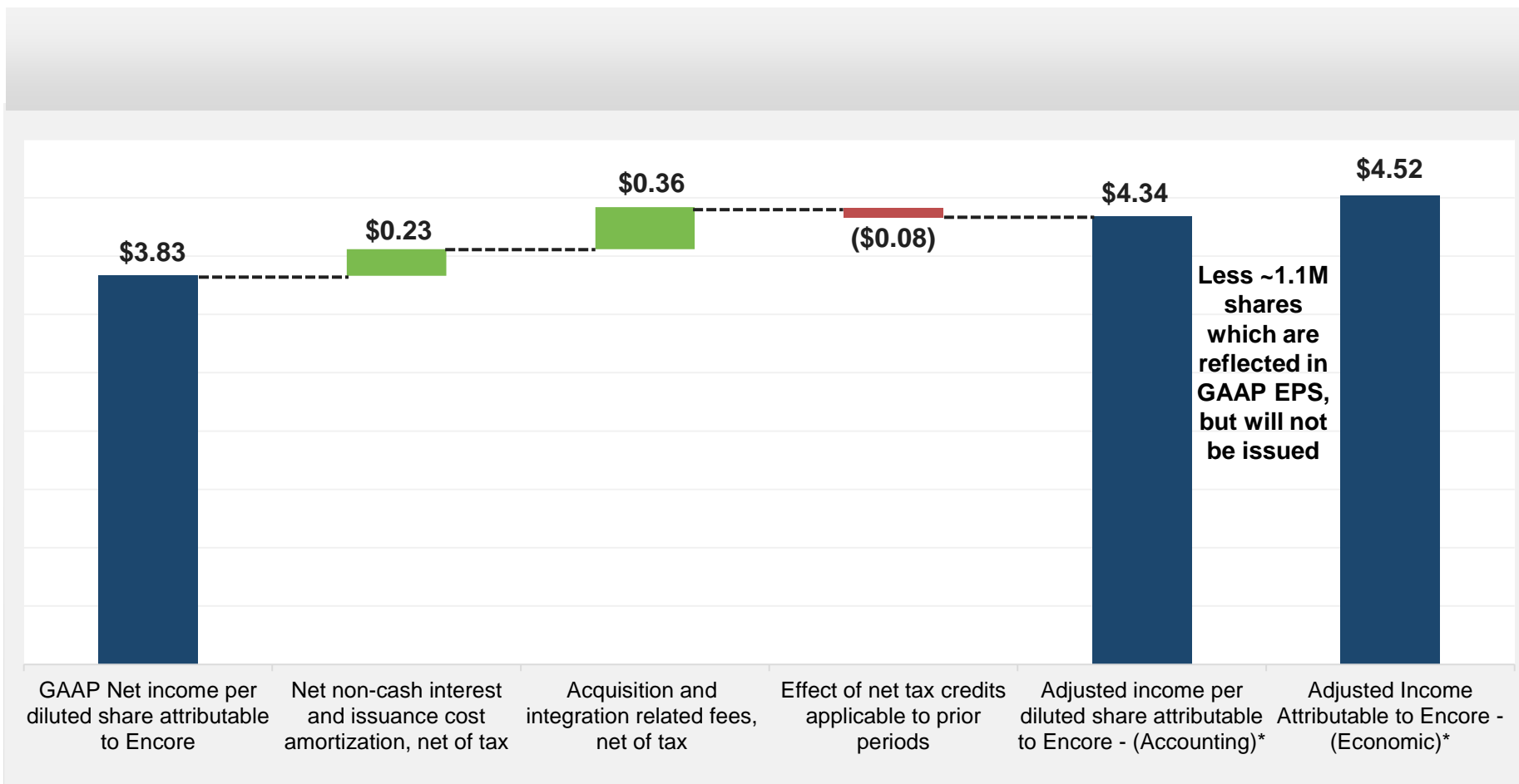


ENCORE DELIVERED STRONG ECONOMIC EPS OF \$1.17 IN Q4



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

ENCORE DELIVERED RECORD ECONOMIC EPS IN 2014 OF \$4.52



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

WE EXPECT OUR COMPLIANCE PROGRAM TO PROVIDE A COMPETITIVE ADVANTAGE AS INDUSTRY REGULATION INCREASES

	Location	2009	2012	2014
Legal	US	14	22	34
	India	0	0	8
Enterprise Risk Management, Vendor Audits & Compliance Management	US	3	7	30
	India	0	0	4
Consumer Support Services	US	9	48	53
	Costa Rica	0	0	14
	India	0	18	93
Quality Assurance	US	0	8	13
	Costa Rica	0	0	9
	India	6	37	53
Total Headcount		32	140	311
Annual Expenses		\$2.3M	\$7.5M	\$18.6M

ENCORE'S LONG-TERM PROSPECTS REMAIN FAVORABLE

Operating Results & Deployment

A culture of constant improvement drives improved results

Liquidity & Capital Access

Strong liquidity and access to capital enhance our ability to take advantage of consolidating markets and new opportunities

Solid Cash Flows

Additional asset classes and geographies continue to enhance ERC and collections

Geographic & Asset Class Diversification

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 Attributable to Encore and Adjusted Income Attributable to Encore per Share (also referred to as Economic EPS when adjusted for certain shares associated with our convertible notes that will not be issued but are reflected in the fully diluted share count for accounting purposes) because management uses 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, Adjusted Income Attributable to Encore and Adjusted Income Attributable to Encore per Share/Economic EPS 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 ADJUSTED INCOME AND ECONOMIC / ADJUSTED EPS

Reconciliation of Adjusted Income and Economic / Adjusted EPS to GAAP EPS (Unaudited, In Thousands, except per share amounts), Three Months Ended

	December 31,					
	2014			2013		
	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic*	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic*
GAAP net income attributable to Encore, as reported	\$ 28,262	\$ 1.04	\$ 1.08	\$ 24,385	\$ 0.87	\$ 0.90
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	1,655	0.06	0.06	1,185	0.04	0.05
Acquisition and integration related expenses, net of tax	703	0.02	0.03	2,770	0.10	0.10
Adjusted Income Attributable to Encore	\$ 30,620	\$ 1.12	\$ 1.17	\$ 28,340	\$ 1.01	\$ 1.05

* Excludes approximately 1.0 million shares, in both 2014 and 2013, respectively, issuable upon the conversion of the company's convertible senior notes that are included for accounting purposes but will not be issued due to certain hedge and warrant transactions

RECONCILIATION OF ADJUSTED INCOME AND ECONOMIC / ADJUSTED EPS

Reconciliation of Adjusted Income and Economic / Adjusted EPS to GAAP EPS (Unaudited, In Thousands, except per share amounts), Twelve Months Ended

	December 31,					
	2014			2013		
	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic*	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic
GAAP net income attributable to Encore, as reported	\$ 105,338	\$ 3.83	\$ 3.99	\$ 77,039	\$ 2.94	\$ 3.01
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	6,413	0.23	0.24	3,274	0.12	0.13
Acquisition and integration related expenses, net of tax	9,898	0.36	0.37	18,483	0.71	0.72
Effect of net tax credits applicable to prior periods	(2,291)	(0.08)	(0.08)	-	-	-
Adjusted Income Attributable to Encore	\$ 119,358	\$ 4.34	\$ 4.52	\$ 98,796	\$3.77	\$3.86

* Excludes approximately 1.1 million shares and 0.6 million shares, in 2014 and 2013, respectively, issuable upon the conversion of the company's convertible senior notes 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

	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14
GAAP net income, as reported	\$ 16,596	\$ 21,308	\$ 20,167	\$ 19,448	\$ 11,012	\$ 21,064	\$ 22,216	\$ 18,830	\$ 21,353	\$ 30,138	\$ 27,957
Loss from discontinued operations, net of tax	2,392	-	-	-	-	308	1,432	-	-	-	1,612
Interest expense	6,497	7,012	6,540	6,854	7,482	29,186	29,747	37,962	43,218	43,498	42,264
Provision for income taxes	12,846	13,887	13,361	12,571	7,267	10,272	15,278	11,742	14,010	10,154	16,819
Depreciation and amortization	1,420	1,533	1,647	1,846	2,158	4,523	5,020	6,117	6,829	6,933	8,070
Amount applied to principal on receivable portfolios	101,813	105,283	90,895	129,487	126,364	154,283	124,520	159,106	161,048	155,435	139,075
Stock-based compensation expense	2,539	1,905	2,084	3,001	2,179	3,983	3,486	4,836	4,715	4,009	3,621
Acquisition and integration related expenses	3,774	-	-	1,276	16,033	7,752	4,260	11,081	4,645	1,622	1,951
Adjusted EBITDA	\$147,877	\$ 150,928	\$ 134,694	\$ 174,483	\$ 172,495	\$ 231,371	\$ 205,959	\$ 249,674	\$ 255,818	\$ 251,789	\$ 241,369

RECONCILIATION OF ADJUSTED OPERATING EXPENSES

Reconciliation of Adjusted Operating Expenses to GAAP Operating Expenses (Unaudited, In \$ Thousands) Three Months Ended

	3/31/13	6/30/13	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14
GAAP total operating expenses, as reported	\$ 105,872	\$ 126,238	\$ 174,429	\$ 168,466	\$ 185,472	\$ 190,689	\$ 188,960	\$ 188,224
Adjustments:								
Stock-based compensation expense	(3,001)	(2,179)	(3,983)	(3,486)	(4,836)	(4,715)	(4,009)	(3,621)
Operating expense related to other operating segments	(5,274)	(6,367)	(12,115)	(12,755)	(19,833)	(26,409)	(25,058)	(25,866)
Acquisition and integration related expenses	(1,276)	(12,403)	(7,752)	(4,260)	(11,081)	(4,645)	(1,622)	(1,951)
Adjusted Operating Expenses	\$ 96,321	\$ 105,289	\$ 150,579	\$ 147,965	\$ 149,722	\$ 154,920	\$ 158,271	\$ 156,786



Encore Capital Group, Inc.

Q4 2014 EARNINGS CALL