Slide #	**Commentary**
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's third quarter 2014 earnings call. With me on the call today are Ken Vecchione, our President and Chief Executive Officer, Paul Grinberg, our Executive Vice President and Chief Financial Officer, and Jonathan Clark, who was recently appointed to the role of Executive Vice President and Chief Financial Officer of our Midland Credit Management business and who will become Chief Financial Officer of Encore Capital in early 2015 after a transition period. Ken and Paul 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 third quarter of 2014 and the third quarter of 2013. 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 – and especially our most recent Form 10-K and Form 10-Q - 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. I'd also like to add that we have recently upgraded the Investors section of our website and I invite you to visit us online at encorecapital.com. With that, let me turn the call over to Ken Vecchione, our President and Chief Executive Officer.

	Ken Vecchione
3 (Intro and 3rd quarter results)	Thank you, Bruce, and good afternoon. I appreciate everyone joining us for a discussion of our third quarter results. I'd like to acknowledge the hard work and dedication of the people of Encore for delivering another quarter of solid financial performance and recognize their efforts as we work together to build our global business. Before I get started, I would like to provide some context to this quarter's earnings. This quarter we focused on driving growth from our core business and through our recent acquisitions. Where appropriate, we continue to drive cross-organizational synergies while maintaining our focus on worldwide collections and capital deployment. The Atlantic Credit & Financial acquisition, which we previously announced, closed in August and provides us greater collection and deployment opportunity in the high-balance, fresh paper channel. Now for our results: • Encore's third quarter GAAP EPS rose to a record $1.11 per share, compared to 82 cents per share in the third quarter of 2013. Excluding one-time items and convertible non-cash interest, Non-GAAP Economic EPS was a record $1.17 per share, compared to $1.02 per share, an increase of 15% from the third quarter of 2013. • GAAP Net income for the quarter was $30 million dollars and Adjusted income was $31 million dollars or 15% greater than the same quarter last year. • Cash collections increased 7 percent to a near-record $407 million dollars. This increase was driven primarily by the strong performances of our recent acquisitions. Adjusted EBITDA was $252 million dollars, an increase of 9 percent. • Our overall cost-to-collect this quarter was 38.9 percent, reflecting the favorable impact of our European subsidiaries in our results this year.

	Our Estimated Remaining Collections, or ERC, at September 30th was approximately $5.1 billion dollars, an increase of $1.1 billion dollars, or 27%, compared to the end of the third quarter a year ago.

4 (Deployments)	During the quarter, our capital deployments demonstrated the strength of our global platform and the versatility of our geographic and asset class diversification strategy. We deployed $336 million dollars in the quarter with roughly half - $174 million dollars – coming from our core business in the US. We also deployed $109 million of capital in Europe as the purchasing environment for Cabot and Grove entered the seasonally stronger second half of the year. Our domestic deployments, including our acquisition of Atlantic’s higher-balance fresh portfolio, reaffirms our ability to deploy capital profitably even as the US market continues to be challenged by historically low levels of charge-offs and the absence from the market of two of its largest issuers.

5 (Our Markets)	With regard to our core markets, pricing in the US remains steady and, in some cases, we're seeing moderating pricing. We are not seeing much change to the supply environment in Q4 as two of the larger issuers have yet to return to the market. In the UK, pricing remains competitive as supply improved in the seasonally stronger back half of the year, as expected. Consolidation continues within the debt buyer market and we expect that over time, there will only be a few large players. We are actively deploying capital in the IVA market through Grove, although the timing for some of the larger deals has been pushed into 2015. In Spain, we're seeing a rich opportunity pipeline and are deploying capital as expected. In Colombia and Peru, we're seeing consistent supply and a healthy pricing environment as new sellers have entered the market. In addition, our experience in the region has exposed us to several interesting expansion opportunities in Latin America.

6 (Our Growth Strategy)	Our results for the third quarter are, in part, a direct result of our growth strategy, which I've shared with you over the past several months. Our growth strategy has three components: continuing to invest in core businesses, expanding into new geographies, and exploring business model adjacencies and expansion. Continuing to invest in our core businesses is the first component of our strategy. As the supply dynamics in our core business continue to be challenged by record low levels of charge-offs and the absence of two key issuers, we made a strategic move to expand our presence within our core by acquiring Atlantic Credit & Finance. Atlantic is a leader in the market for buying freshly charged-off debt, which was not an area of strength for us prior to the transaction. Combined with our expertise in later stage collections, Atlantic is already allowing us to be more competitive in the market and enabling us to win more deals - at a better return - than we could have without them. While it is still early, the Atlantic acquisition is performing to our expectations, both in terms of collections and costs. To achieve our growth over the longer term, the second leg of our strategy involves our expansion into new geographies. Cabot, Marlin, Grove and Refinancia provide us with this geographic diversity. In our third quarter results, you'll see that a third of our deployments and a quarter of our collections have come from our international subsidiaries. The third component of our growth strategy, exploring business model adjacencies and expansion, is where we will leverage some of our core competencies in other areas. When these opportunities come to fruition, we will share them with you.

7	I'd now like to provide an update on our recent acquisitions.
(ACF)	First, we closed the acquisition of Atlantic Credit & Finance in the third quarter in a move that we expected would strengthen our core business - and this transaction has already begun to pay off. Based in Roanoke, Virginia, ACF has been buying and collecting debt for nearly 20 years with a particular expertise in fresh, higher-balance accounts. This is a terrific complement to our core competency of collecting on later stage, lower-balance paper and Atlantic has enabled us to improve our capabilities across the account lifecycle. We are excited about this acquisition for a number of reasons: • First, with Atlantic, we have the opportunity to win more business in the fresh, higher-balance segment of the market. • Second, we expect to bring accounts that Atlantic is unsuccessful in converting into our core business. • And third, over time, we can learn from Atlantic's practices to improve the way we collect on fresher accounts in every geography. In an effort to minimize integration risk and preserve their high level of productivity, Atlantic will continue to operate in much the same way as they did prior to acquisition. We look forward to maximizing the return on our investment in Atlantic and the early results look very promising.

8 (Cabot)	Turning our attention to Cabot, you can see Cabot's Economic EPS contribution was 21 cents this quarter and in line with our business plans. After deploying approximately $93 million dollars in the third quarter, Cabot has now deployed $295 million dollars in the first three quarters of 2014, and over $500 million dollars including the acquisition of Marlin's portfolio. Cabot has also grown their ERC to over $2.3 billion dollars. From an operational perspective, we are successfully moving sizable numbers of legacy Cabot non-paying accounts onto the Marlin legal collections platform. Our performance in India in servicing Cabot's accounts continues to meet expectations in both the quality and quantity of collections and we expect to continue to increase India's capacity in 2015.
9 (Propel)	Propel continues to grow and contribute to Encore. Propel's acquisition of a nationwide tax lien portfolio and servicing platform in the second quarter expanded its operational footprint from 11 states to 22 states, increasing our ability to deploy capital in this asset class. Propel's receivables secured by property tax liens have grown 48% over the last year and now exceed $276 million dollars. Propel continues to benefit from Encore's analytical strength and our operational expertise, leveraging our Costa Rica call center to provide both Spanish and English language support for Propel's consumers. We expect that the securitization of a pool of Propel's Texas tax lien assets earlier this year and the corresponding lowering of our cost of capital will further support Propel's earnings contribution in the future.

10 (Detailed Financial Discussion)	Before I hand the call over to Paul, I'd like to mention that Jonathan Clark has joined us as Chief Financial Officer of Midland Credit Management, and he will succeed Paul as Chief Financial Officer of Encore in early 2015. As I shared earlier this year, Paul has been tasked with continuing to grow and diversify Encore's business through acquisitions and will also oversee Encore's European and Latin American operations. Jonathan has a strong track record in leading complex financial services organizations, which will be an asset to us as we continue our growth evolution. He comes to us from Sallie Mae, where he was Executive Vice President and Chief Financial Officer. While there, he increased shareholder value, reestablished Sallie Mae as a major player in the securitization market, and guided the company through the financial crisis. Over the next few months, Paul and Jonathan will continue to work together to create a smooth transition. In addition, Paul and Jonathan will soon take to the road and begin to transition the IR function and give many of you, over time, the opportunity to develop a relationship with Jonathan. I am confident that we have two very strong contributors, in the right positions, to continue advancing our corporate strategies. With that, I will turn it over to Paul, who will go through the financial results in more detail. Paul…

	Paul Grinberg
10 (Detailed Financial Discussion) - continued	Thank you, Ken. Jonathan and I have already spent a lot of time together over the last few weeks and I'm anticipating a very smooth transition. As Ken discussed, we had a very productive third quarter, reflecting strong performance from our recent acquisitions and our core business continues to deliver solid contributions to our bottom line. Before I go into our financial results in detail, I would just like to remind you that, as required by US GAAP, we are showing 100% of Cabot, Grove and Refinancia's results in our financial statements. Where indicated, we will adjust the numbers to account for non-controlling interests.

11 (Collections)	We generated $407 million dollars of collections in the third quarter. This performance reflects the steady execution of our collections operation, and in particular, the continued growth of our operations outside of the US. One fourth of our total collections, $102 million dollars, were generated from accounts in the UK, compared to 18% of our total collections in Q3 of 2013. For the quarter, our call centers contributed 46 percent of total collections, or $189 million dollars, compared to $157 million dollars in Q3 of 2013. Legal channel collections accounted for 41 percent of total collections and grew to $166 million dollars in the third quarter, compared to $154 million dollars in 2013. Collection agencies accounted for 13 percent of total collections and declined to $53 million dollars in the third quarter, compared to $69 million dollars in 2013, which was the quarter after we acquired Asset Acceptance and therefore had a disproportionate amount of related collections handled through their agencies. In addition, keep in mind that for some of Cabot's purchases, we are contractually required to keep accounts with certain collection agencies for a period of time. When excluding the collections made by agencies on behalf of Cabot, only 5 percent of collections in the quarter came from third-party collection agencies, compared to 11% in the same quarter a year ago.

12 (Revenue)	For the quarter, revenue was $273 million dollars, an increase of 16 percent over the $236 million dollars of revenue in the third quarter of 2013. This quarter marked the 7th consecutive quarter of revenue growth for Encore. With regard to our revenue from receivable portfolios, as a percentage of collections and excluding the effects of allowance reversals, our revenue recognition rate was 60.4 percent, compared to 58.6 percent in Q3 of 2013. For the quarter, we had $5.8 million dollars of allowance reversals, much of which were zero basis allowance reversals, compared to $3.0 million dollars of allowance reversals in Q3 of 2013. We had no portfolio allowances in the quarter. As many of you know, once we have evidence of sustained over-performance in a pool, we will increase that pool's yield. Consistent with this practice, and as a result of continued over-performance primarily in the 2010 through 2012 vintages, we increased yields in those pool groups this quarter.

13 (Cost-to-Collect)	Turning to cost-to-collect, excluding acquisition-related and other one-time costs, our overall cost-to-collect for the third quarter was 38.9 percent. Breaking the overall cost-to-collect into its components, Cabot's cost-to-collect in the quarter was lower than our overall cost-to-collect, due to the fact that Cabot's portfolio primarily consists of consumers who are already on payment plans and involves very little litigation. Even though the addition of Marlin has marginally increased Cabot's cost-to-collect due to its litigation-focus, we expect that over time, Cabot's investment in Marlin will drive incremental net collections and a higher overall return. Within our U.S. business, direct cost per dollar collected in our call centers improved to 7.2 percent in Q3, versus 8.4 percent last year. This was the result of improved consumer insights, which allow us to more effectively determine which consumers have the ability to pay and how to best engage with them as well as certain reductions in headcount after completing the integration of Asset Acceptance. Direct cost per dollar collected in the domestic legal channel was 36.3 percent, down from 39.6 percent in Q3 of 2013. While cost-to-collect is an important metric, we don't focus on it in isolation. For example, when we acquire a business in which some of the paying accounts are already placed at collection agencies, we may keep those accounts at the agencies - even at higher cost – rather than risk payer attrition that can occur when accounts are migrated from agencies to internal call centers. Additionally, cost reduction efforts at collection sites, such as those we talked about in connection with the Asset Acceptance acquisition, may be deferred until after the seasonally high collection period in Q1 and early Q2, even if this results in higher costs during that period of time. Lastly, we may increase the number of accounts placed in our legal channel - resulting in additional court cost expense - in order to generate incremental net collections and future revenue.

	Overall, success in our business is driven by generating the greatest net return per dollar invested. We accomplish that by generating more gross dollars collected per investment dollar at what we believe to be the industry's lowest cost per dollar collected.

14 (LO & IL)	Our legal channel, which includes both legal outsourcing and our internal legal operations in the United States, continues to contribute meaningfully, both in terms of dollars collected and cost-to-collect. Total dollars collected in our legal outsourcing channel in the US was $126 million dollars, at a cost-to-collect of 35.6%, representing a 180 basis point improvement over the 37.4% cost-to-collect in the same quarter a year ago. In Q3, we collected $28 million dollars in our internal legal channel at a cost to collect of 39.3%, compared to 46.8% last year. We expect our internal legal cost-to-collect will continue to improve over time as we place more volume in this channel. I'd like to reiterate that our long-stated preference is to work with our consumers to negotiate a mutually acceptable payment plan, tailored to their personal financial situation. These plans almost always involve substantial discounts from what we are owed. We not only believe that this is the right thing to do for our consumers, but the right thing to do for our business. For Encore, legal action is always a last resort and is pursued only after numerous attempts to communicate and reach an acceptable agreement with a consumer.

15 (Cash flows)	As investors who are familiar with Encore know, Adjusted EBITDA is one of the most important ways that we measure our company's operating performance. It helps us determine amounts available for future purchases, capital expenditures, debt service, and taxes - and it gives investors a clear picture of the strong cash flow generated by our business. As mentioned earlier, collections were strong and grew 7 percent in the third quarter. This growth in collections led to improved cash flows, with third quarter Adjusted EBITDA increasing to $252 million dollars, which was up 9 percent over last year, a particularly strong result considering that a year ago, our Adjusted EBITDA was boosted by the large number of paying accounts in the Asset Acceptance portfolio acquired in the second quarter of 2013.
16 (ERC)	Our Estimated Remaining Collections, or ERC, at the end of the third quarter was $5.1 billion dollars, an increase of 27% over last year. This increase was driven primarily by Cabot's acquisition of Marlin and the portfolio we acquired as part of the Atlantic acquisition. We believe that our ERC, which reflects the value of portfolios that we have already acquired, is conservatively stated, because of our cautious approach to setting initial curves and our practice of only increasing future expectations after a sustained period of overperformance.

17 (EPS walk)	There were certain one-time and non-cash items that affected our results this quarter. 6 cents were related to the non-cash interest and issuance costs associated with our convertible notes and 4 cents were related to one-time acquisition and integration costs. These charges were partially offset by a tax benefit related to our Asset acceptance acquisition. After adjusting for these, we end up with $1.13 per fully diluted share, and $1.17 on a non-GAAP economic basis. In calculating our EPS on a non-GAAP economic basis, we exclude those shares associated with our convertible debt that are reflected in our EPS denominator from an accounting perspective, but which will not be issued, as a result of the call spread we entered into at the time we issued the convert. For Q3, there were approximately 1 million shares included in the calculation of GAAP EPS which will not increase the number of outstanding shares as a result of the call spread. With that, I'd like to turn it back over to Ken.

	Ken Vecchione
18 (Closing Part I)	Thanks, Paul. The Encore team delivered a great third quarter performance. As you've seen from our continued progress on the acquisition front and in our capital deployment, we are broadening our capabilities and deepening our understanding of our markets. And through our operational execution, we're providing ourselves with the flexibility to enter new markets and geographies while positioning ourselves better to navigate challenging dynamics in our traditional markets. As a result of all of these efforts, we're evolving into an increasingly diverse international specialty finance company. Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
Q&A Session	
18 (Closing Part II)	Currently, the management and executive teams have been focused on driving growth from our existing inventory and integrating our 2014 acquisitions within Encore. As we prepare for 2015 and begin to lock down our 2015 budget, we are focused on driving organic growth from our current businesses. This doesn't mean we will NOT pursue acquisitions that fit our strategic plan. That will always be a component of our strategy. However, our focus for 2015 will be on leveraging the platforms and businesses we have already built or acquired to generate strong, profitable growth. That concludes the call for today. Thanks for taking the time to join us and we look forward to providing our fourth quarter and full year 2014 results at the end of February.