

JMP Securities Financial Services and Real Estate Conference

Encore Capital Group

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 “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

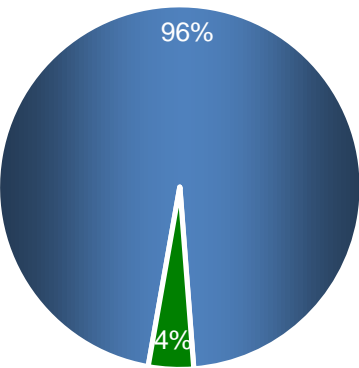
- Investments made over the past few years have driven significant improvements in collections, cash flow and earnings
- Demonstrated ability to raise and profitably deploy capital in favorable and unfavorable business cycles
- Expanding presence in India, combined with new strategic initiatives, are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

ENCORE IS A LEADING PLAYER IN THE CONSUMER DEBT BUYING AND RECOVERY INDUSTRY

Revenue Composition

As of June 30, 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 ~\$2.0 billion to acquire receivables with a face value of ~\$61 billion
- Acquired ~36 million consumer accounts since inception

Bankruptcy Servicing

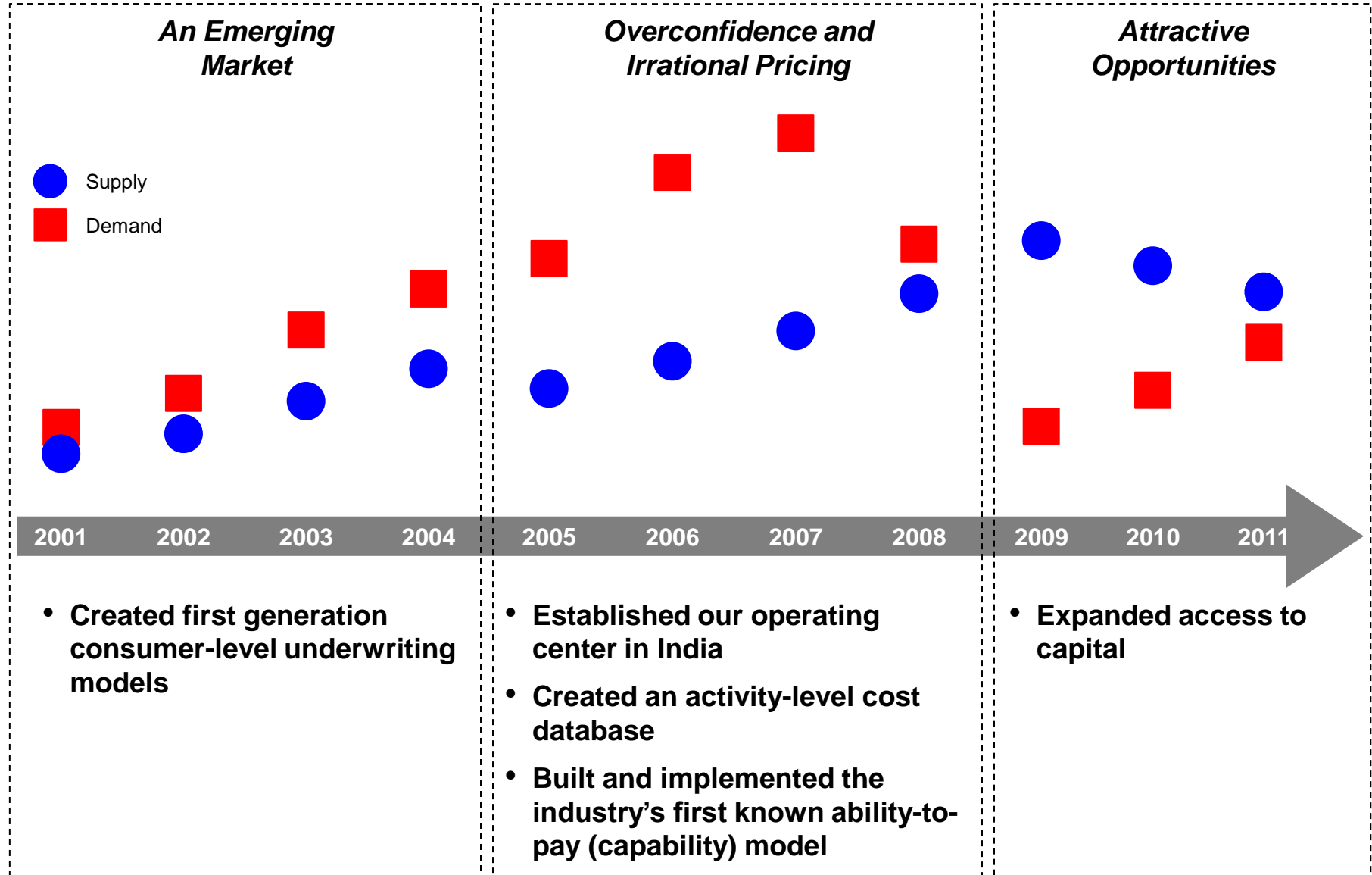
- Process secured consumer bankruptcy accounts for leading auto lenders and other financial institutions
- Proprietary software dedicated to bankruptcy servicing
- Operational platform that integrates lenders, trustees, and consumers

Global Capabilities

- Debt Purchasing & Collections
- Bankruptcy Servicing



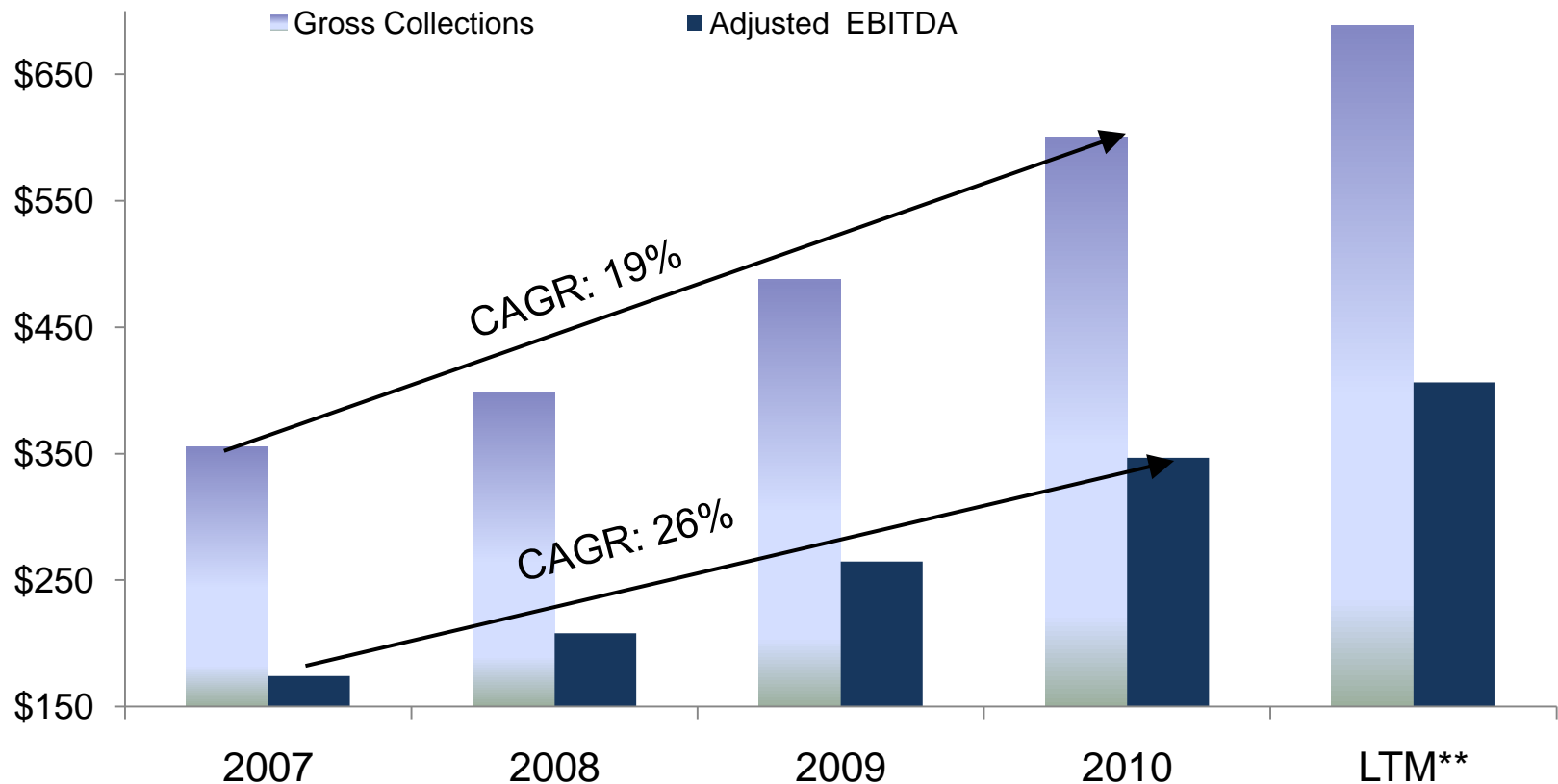
STRATEGIC DECISIONS MADE OVER THE PAST DECADE DEMONSTRATE OUR ABILITY TO FORESEE AND ADAPT TO CHANGE



AS A RESULT, 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

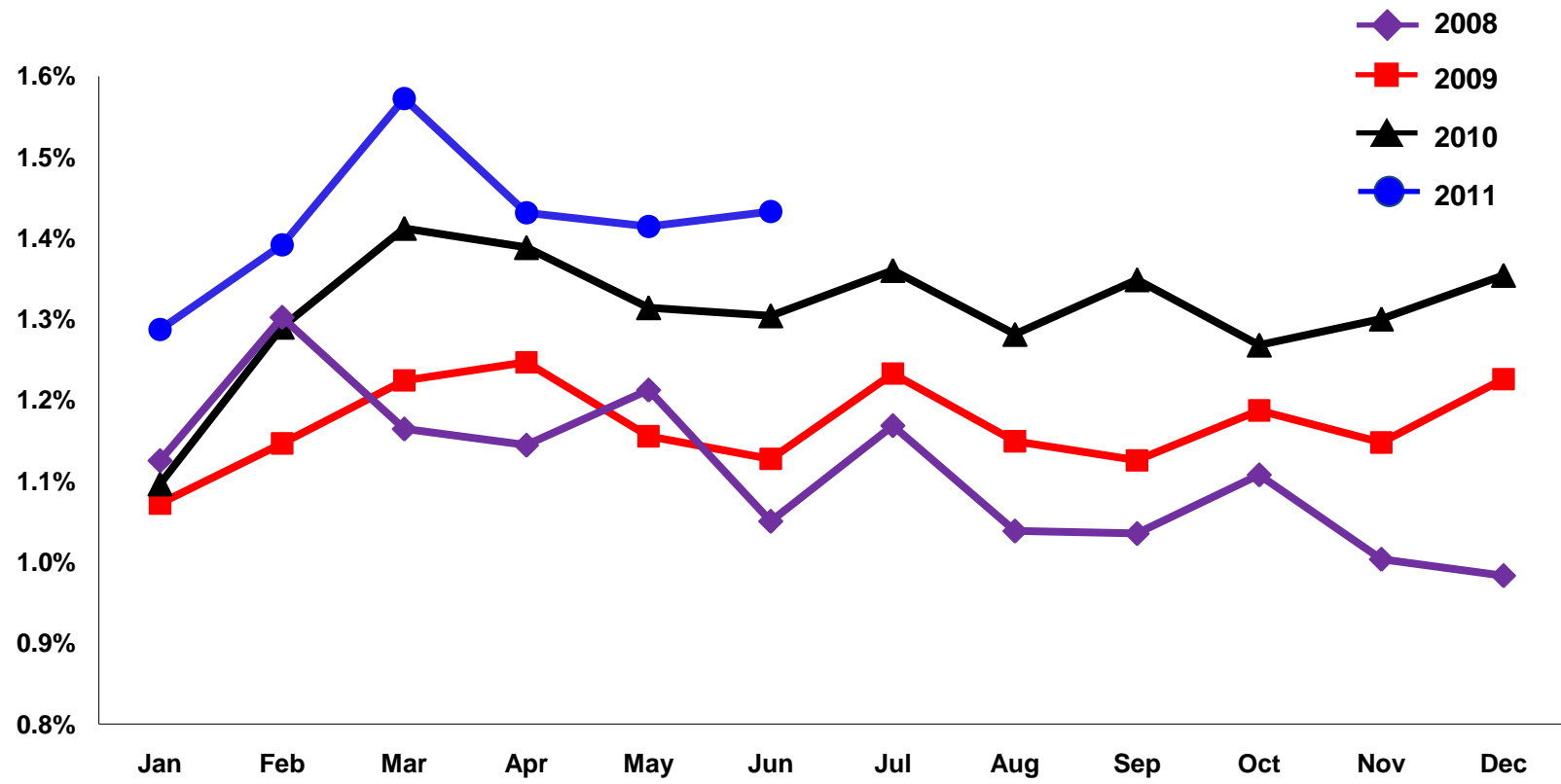
** LTM data as of 06/30/2011

OUR CONSUMERS HAVE SHOWN THAT THEY ARE RESILIENT

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

PAYER RATES HAVE ACTUALLY INCREASED OVER THE PAST FEW YEARS

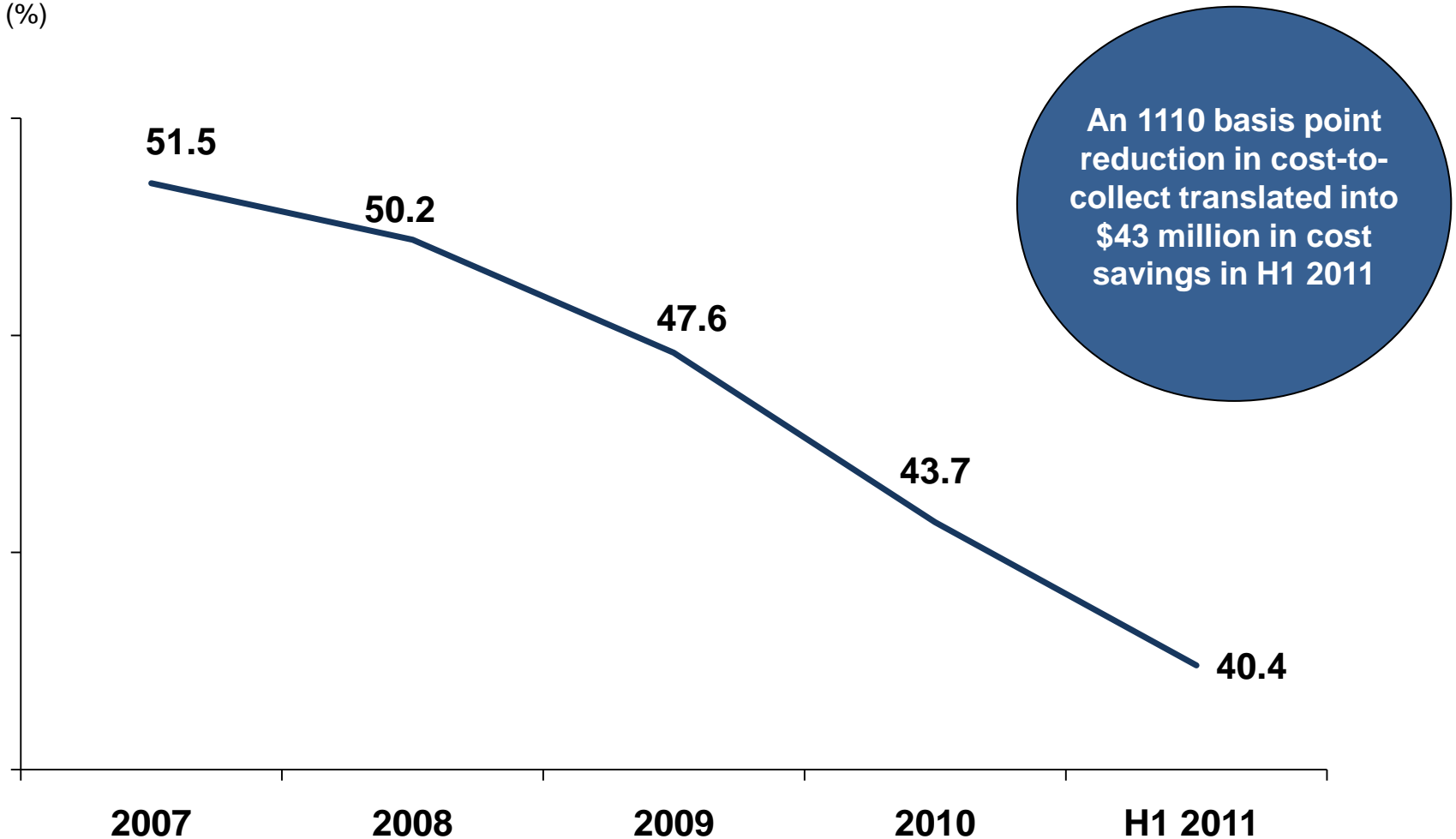
Overall payer rate for all active inventory



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

Overall Cost-to-Collect

(%)

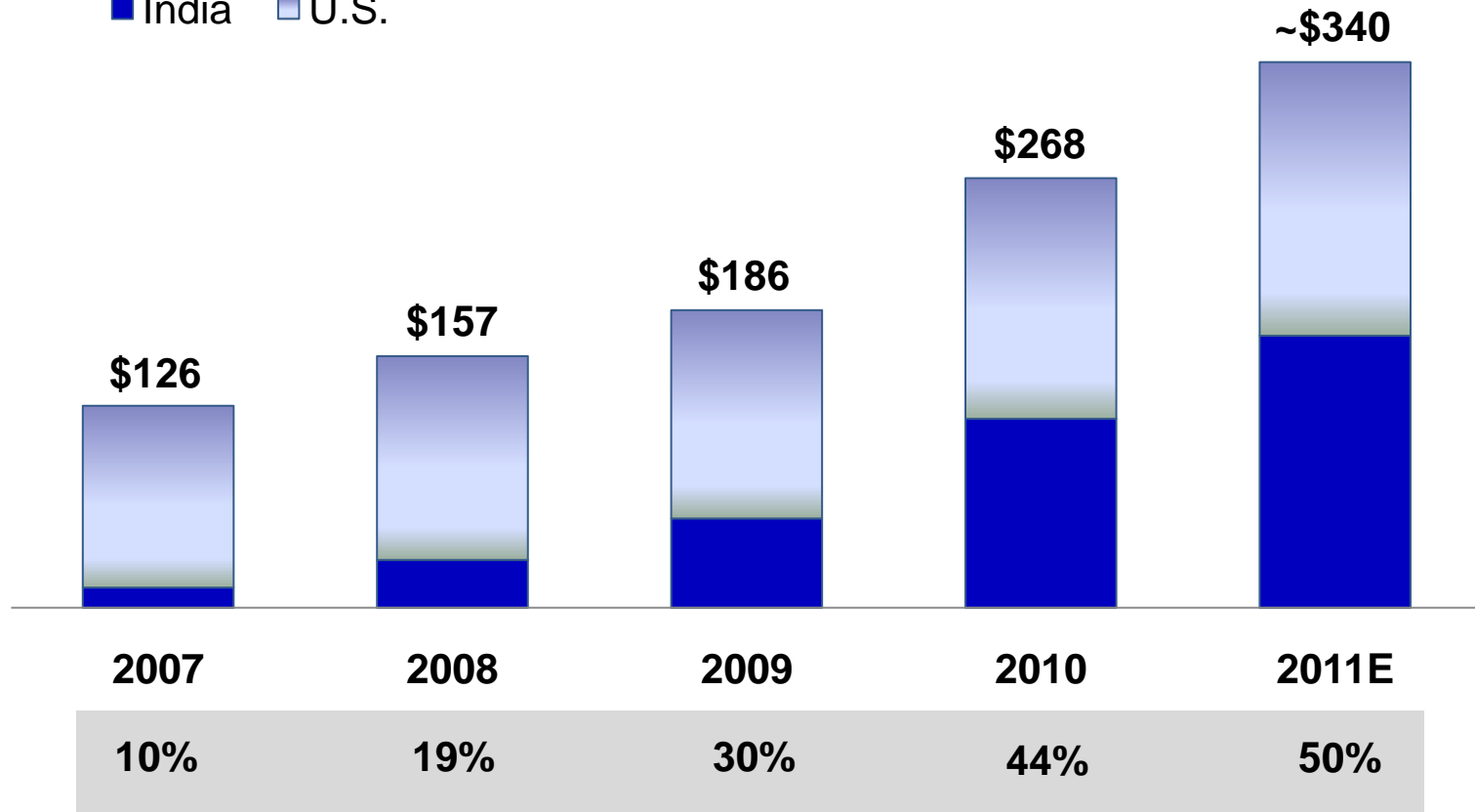


LED BY OUR INDIA CENTER, WHICH IS EXPECTED TO PRODUCE HALF OF ALL 2011 CALL CENTER COLLECTIONS

Collections from all Call Centers

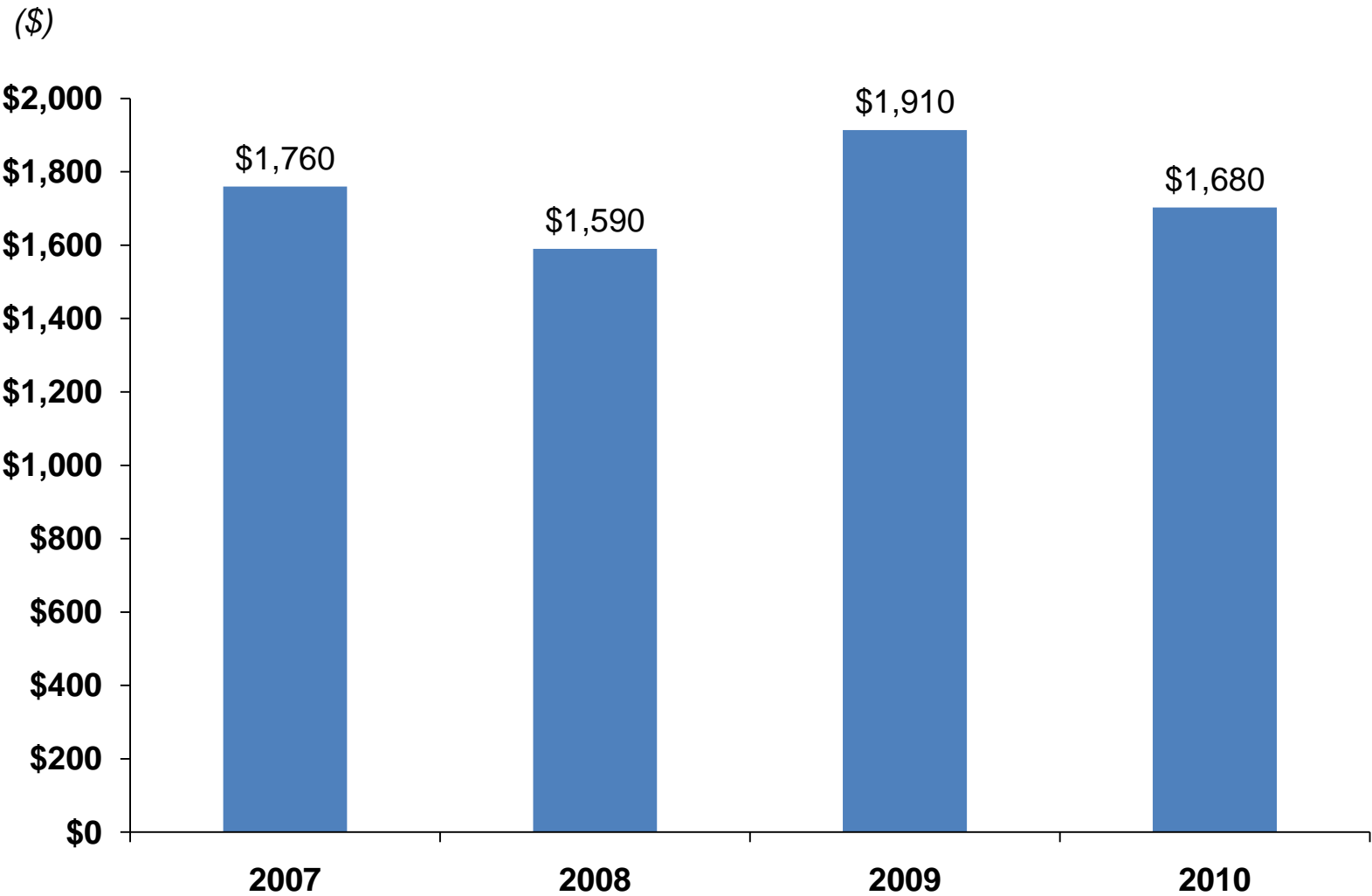
(\$ millions)

■ India ■ U.S.



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

Monthly Cost per Account Manager (FTE)*

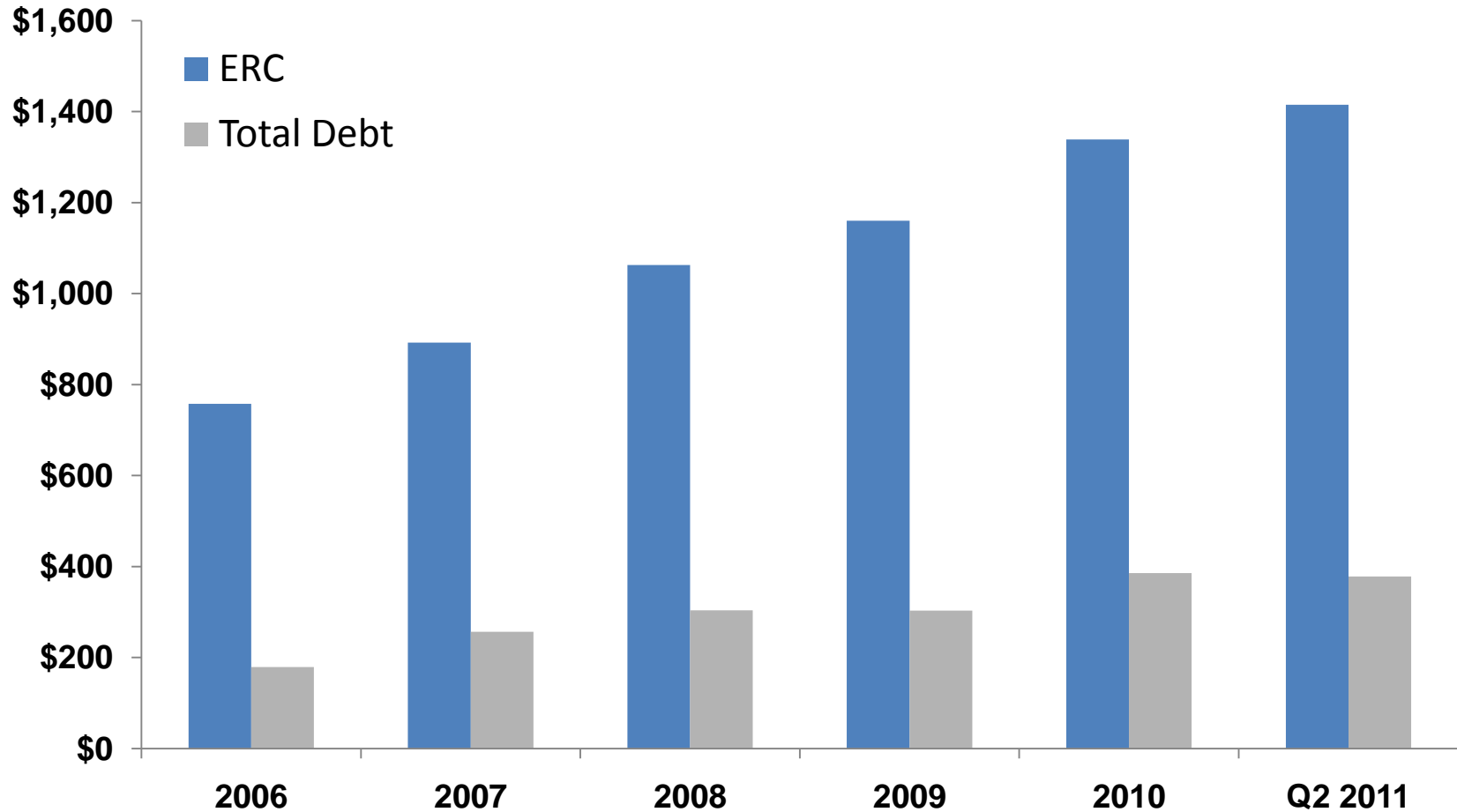


* Cost per FTE includes all India site costs

WE CONTINUE TO BUILD A SUBSTANTIAL RESERVOIR FOR THE FUTURE

Annual Estimated Remaining Gross Collection (ERC) and Total Debt

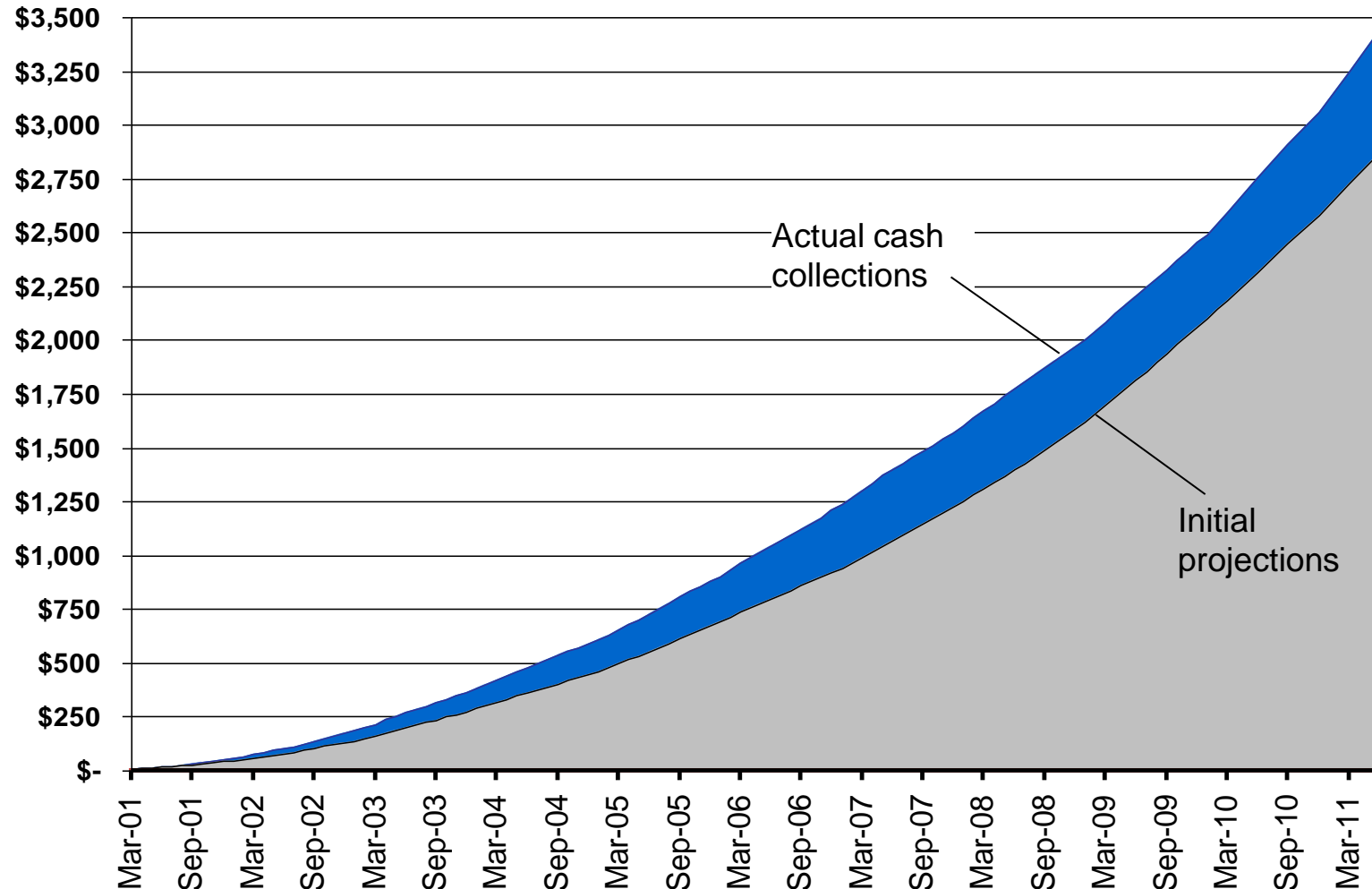
(\$ millions, at end of period)



WE BELIEVE OUR CURRENT ESTIMATE OF REMAINING COLLECTIONS IS CONSERVATIVE GIVEN OUR HISTORY

Cumulative collections (initial expectation vs. actual)

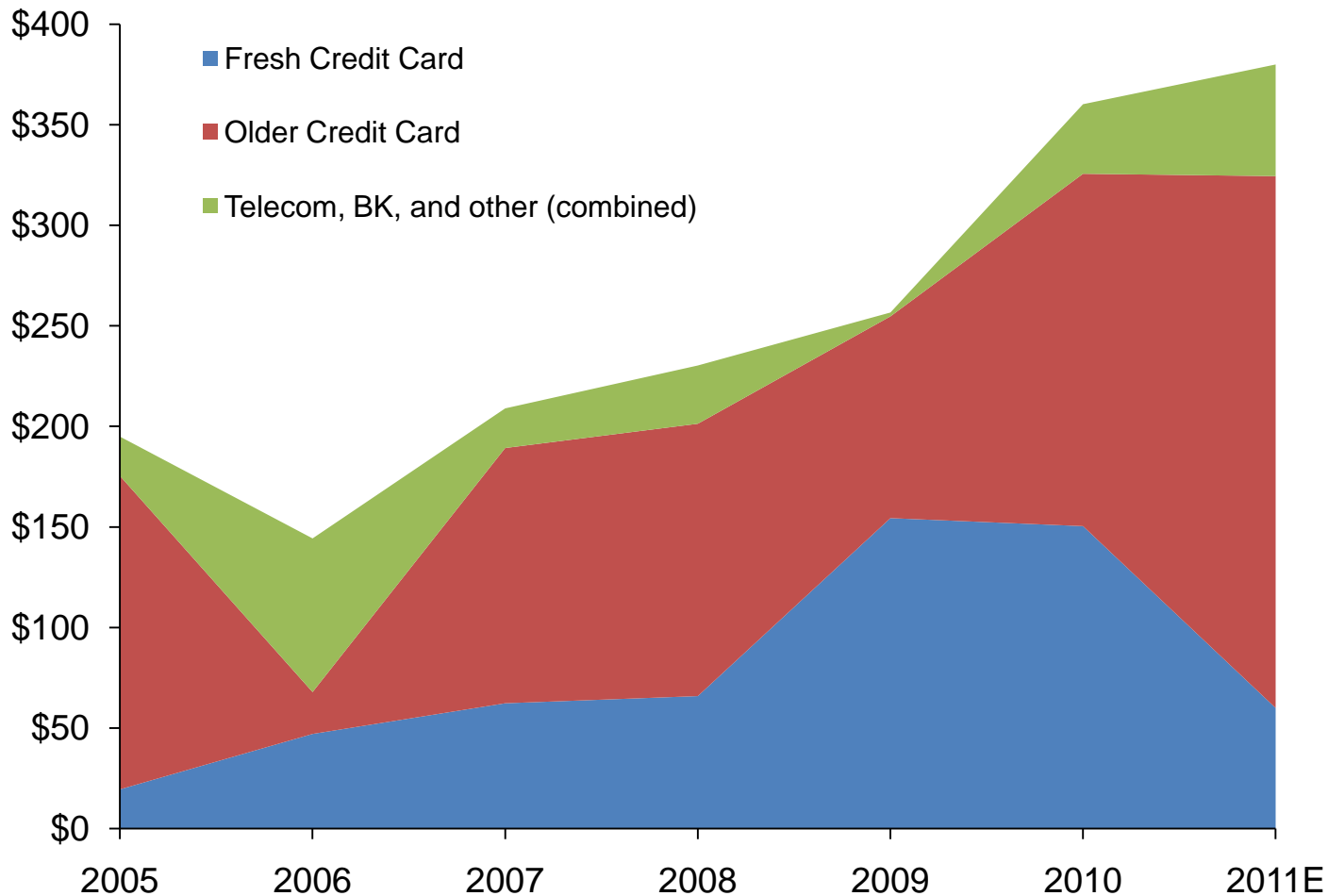
(\$ millions, March 01 – June 11)



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)



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

Timeframe

ORIGINAL CREDITOR

- Charge-off threshold extends a maximum of 6 months

CONTINGENCY COLLECTION AGENCY

- Four-to-six month collection cycle



- Consumer has 84 months to recover financially

Process and relationship with consumers

Transactional

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

Pressured

- Artificial deadlines
- Multiple collection companies
- Counterproductive incentive structure

Partnership

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

Outcome

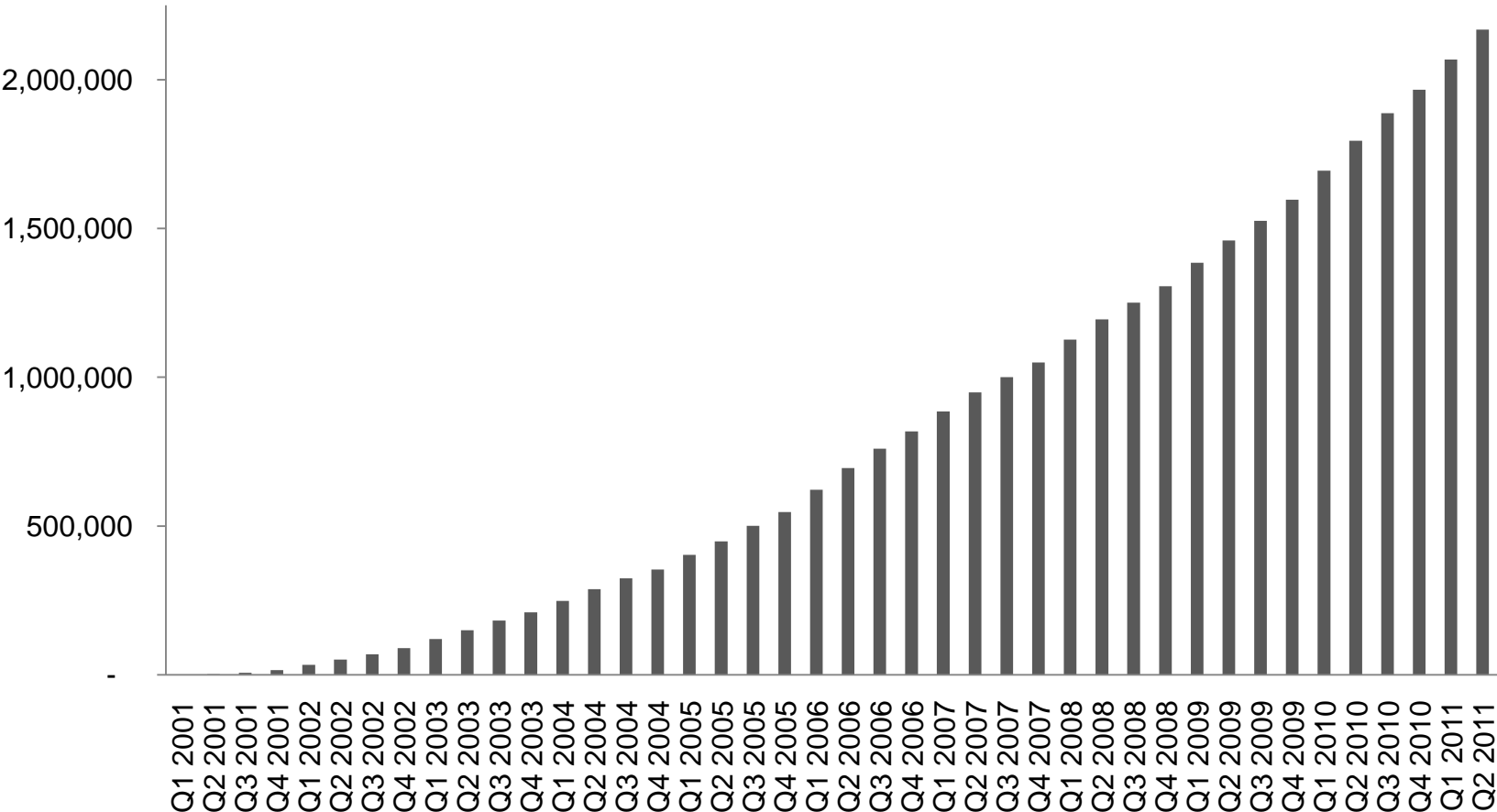
- Issuer offers to sell unsecured, charged-off debt or service through 3rd party agencies

- Consumer is confused and frustrated

- 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.

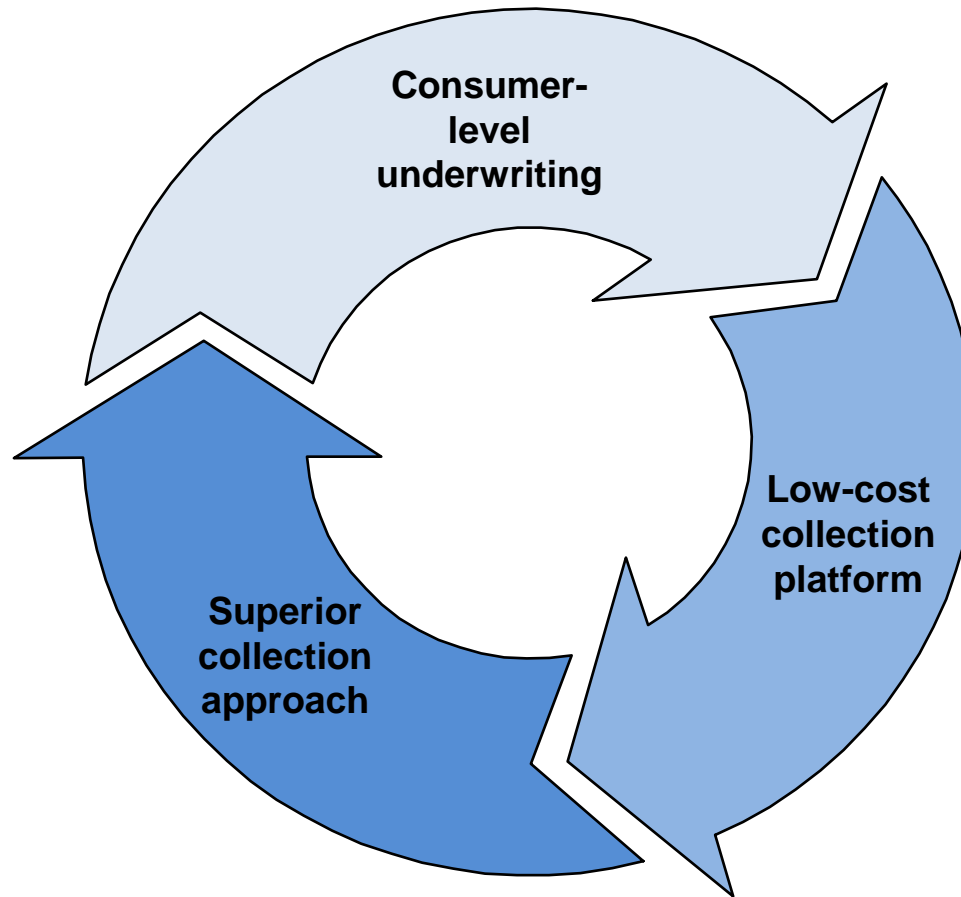
Article 1: Contacting Consumers in a Timely and Effective Manner

- 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.

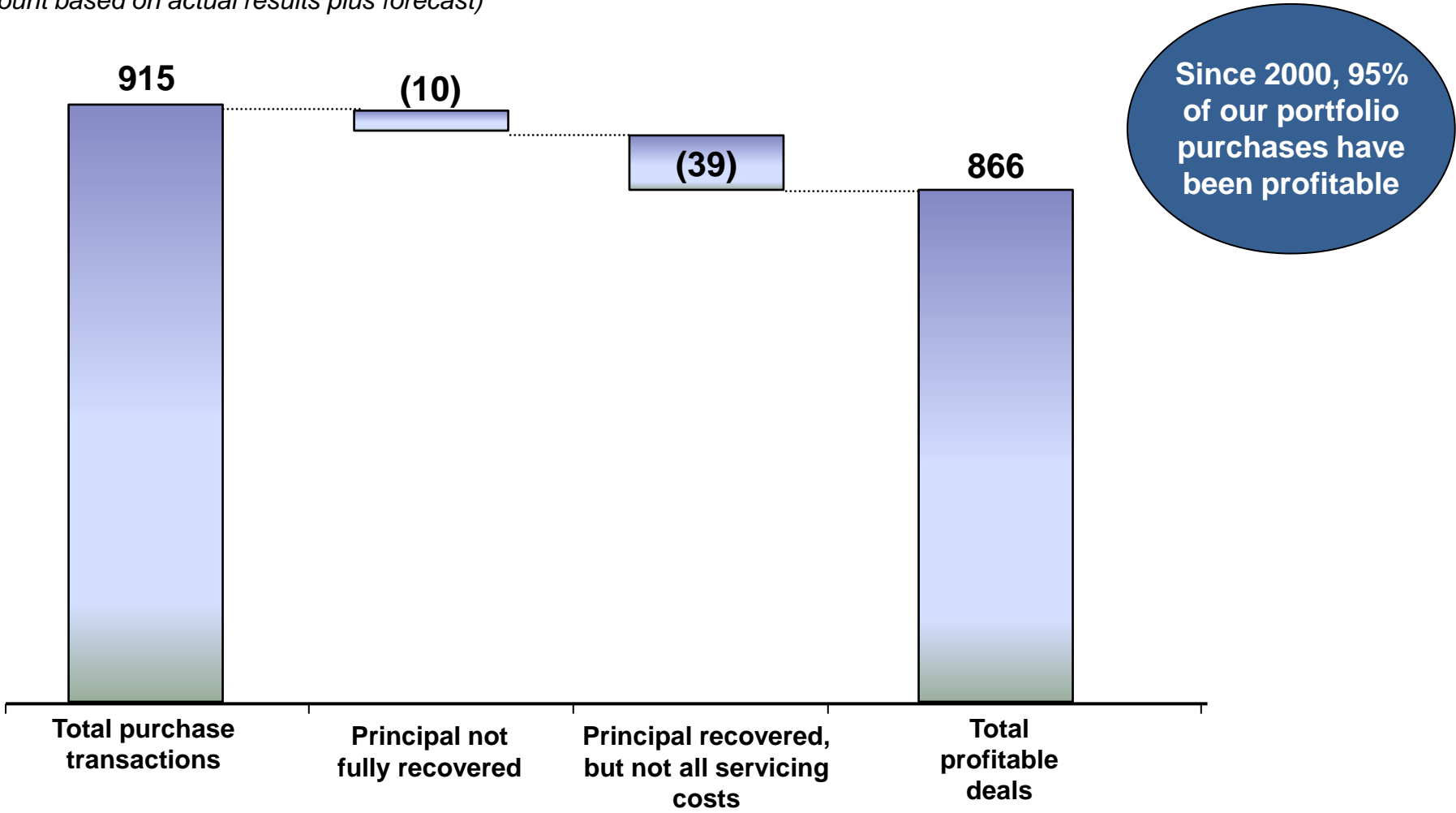
WE BELIEVE LONG-TERM PROFITABILITY IN THIS INDUSTRY WILL BE DRIVEN BY EXCELLENCE IN THREE KEY AREAS



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

Deal Accuracy Since 2000

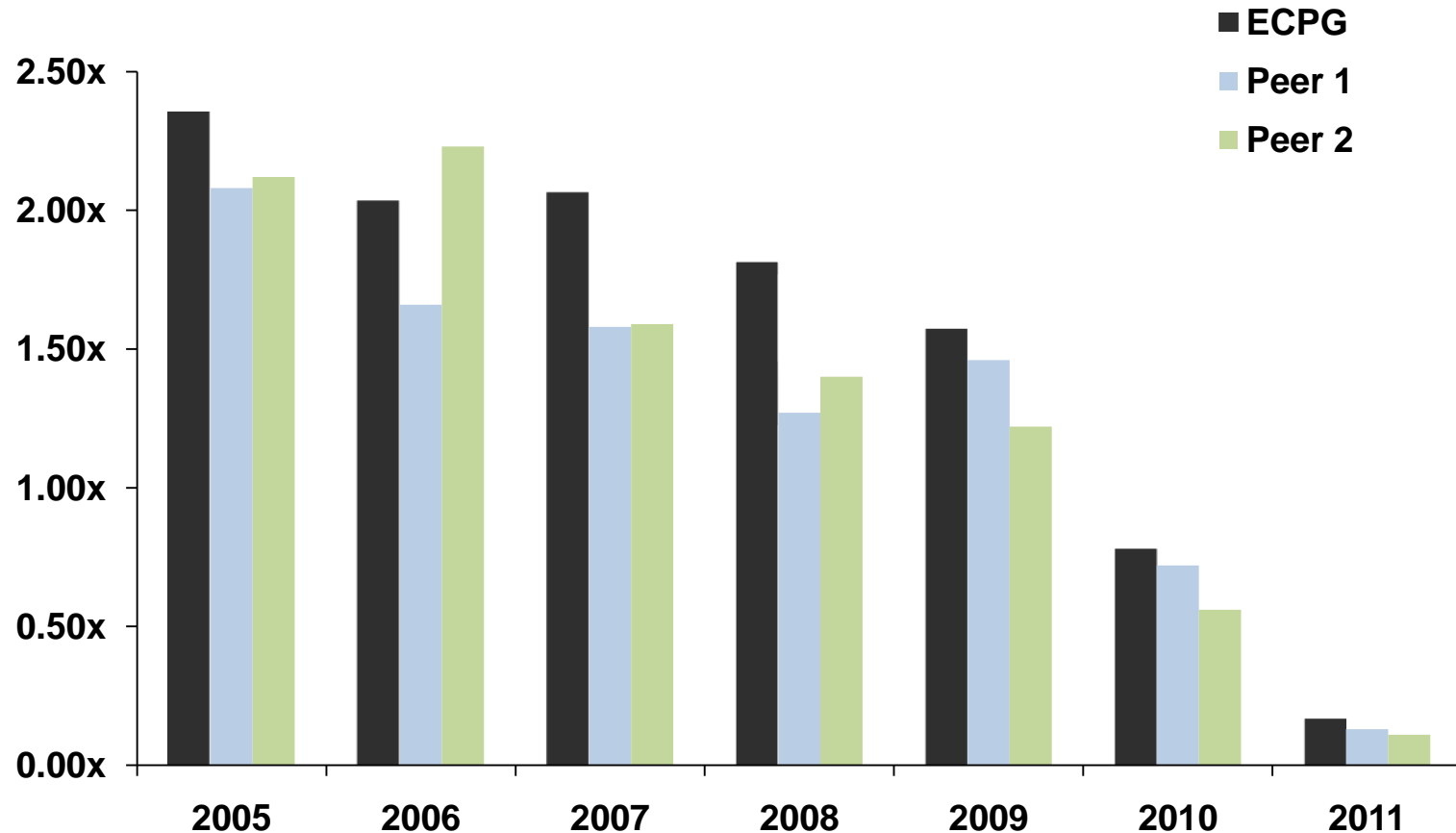
(Count based on actual results plus forecast)



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

Cumulative Actual Collection Multiples by Vintage Year as of June 30, 2011

(Total Collections / Purchase Price)



Source: SEC Filings, Encore Capital Group Inc.

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

1. Diversify our legal platform

Drive a meaningful portion of our legal collections through internal resources

2. Capture incremental value through increased offshore activities

Create a world class near-shore facility

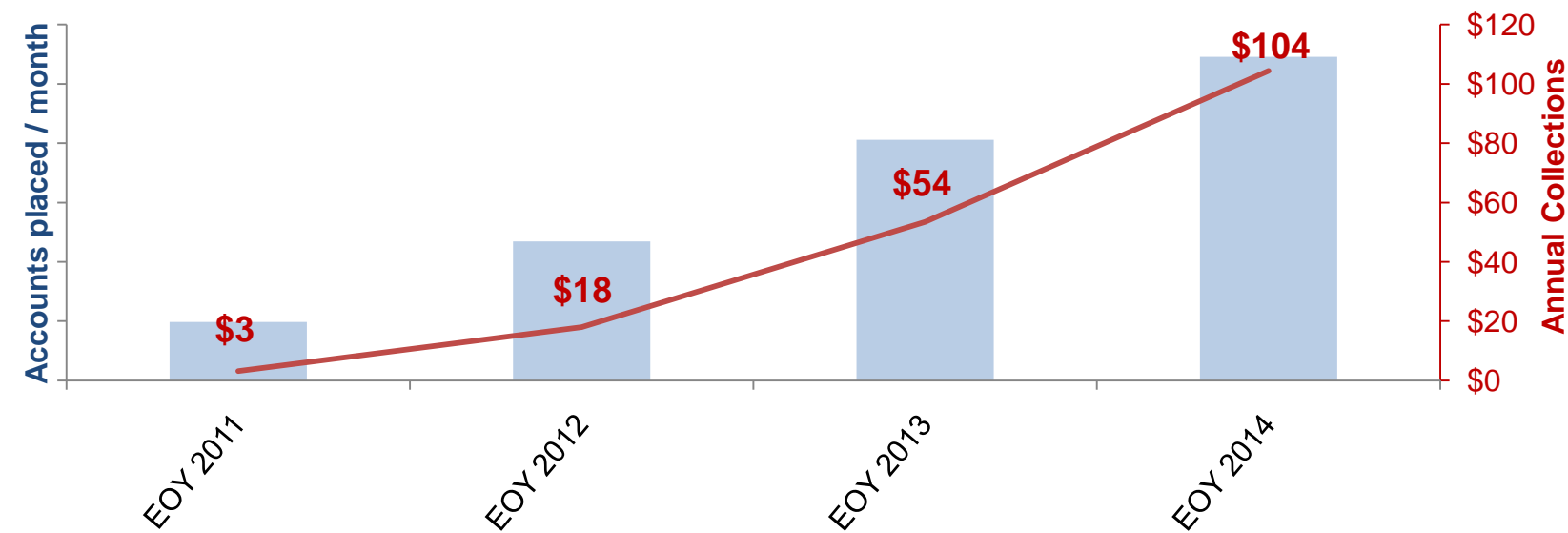
3. Develop new insights about our consumers

Collaborate with accomplished academics to extend our deep consumer knowledge

IT WILL TAKE SOME TIME BEFORE THE INSOURCING OF LEGAL CONTRIBUTES TO THE BOTTOM LINE

Placements, Collections

(#, \$ millions)

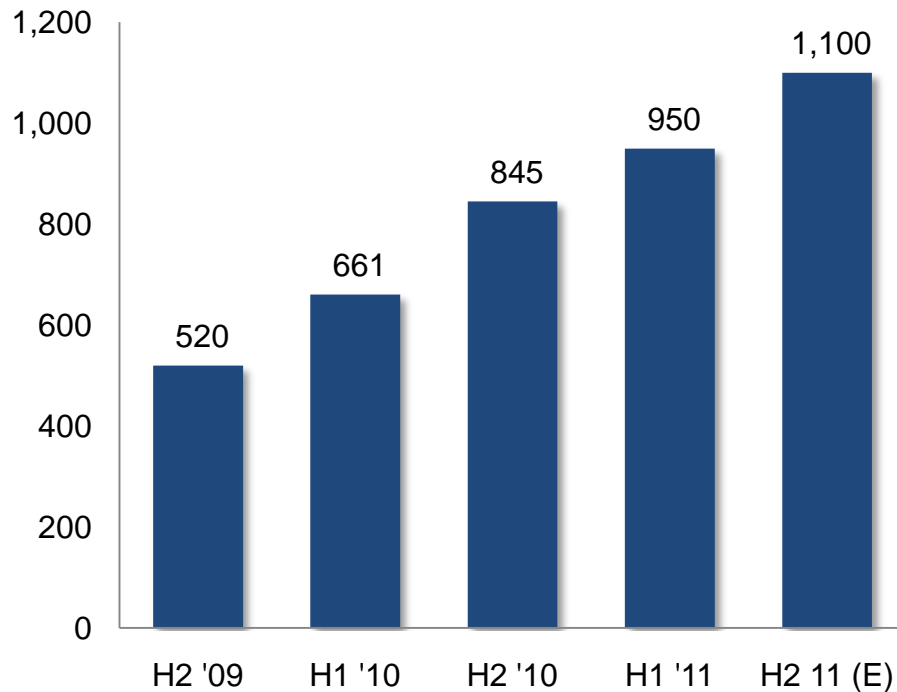


Number of states	5	10	17	27
EoY headcount	120-140	225-250	350-375	450-500

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

Spanish Account Inventory

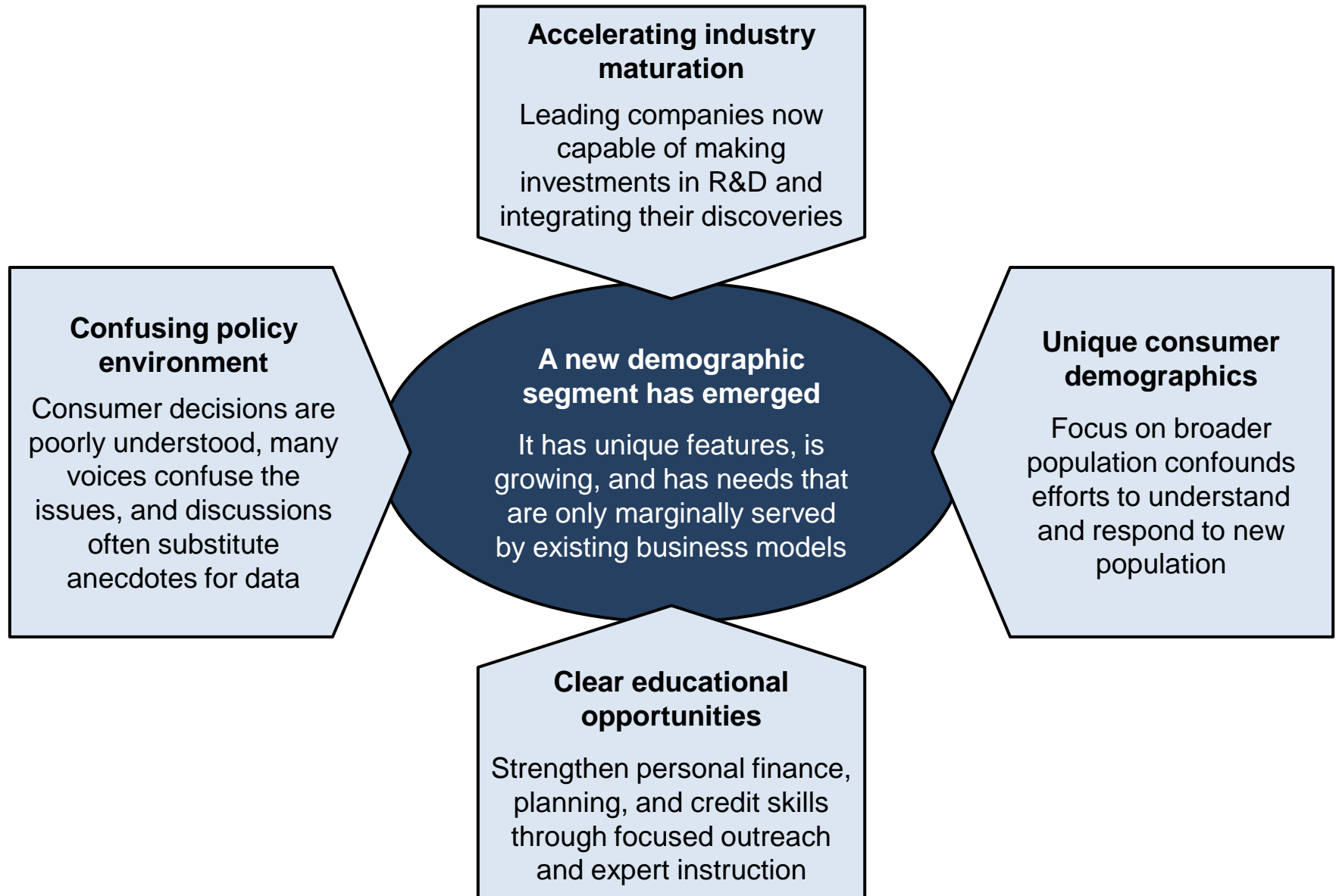
(000s)



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

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



- 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 June 30, 2011 (000's)

Year of Purchase	Purchase Price	<2005	2005	2006	2007	2008	2009	2010	2011	Total	CCM
<2005	\$385,478	\$749,791	\$224,620	\$164,211	\$85,333	\$45,893	\$27,708	\$19,986	\$8,479	\$1,326,021	3.4
2005	192,585		66,491	129,809	109,078	67,346	42,387	27,210	10,633	452,954	2.4
2006	141,028			42,354	92,265	70,743	44,553	26,201	10,367	286,483	2.0
2007	204,106				68,048	145,272	111,117	70,572	25,631	420,640	2.1
2008	227,872					69,049	165,164	127,799	50,634	412,646	1.8
2009	253,414						96,529	206,773	93,905	397,207	1.6
2010	359,305							125,853	156,051	281,904	0.8
2011	183,853								30,368	30,368	0.2
Total	\$1,947,641	\$749,791	\$291,111	\$336,374	\$354,724	\$398,303	\$487,458	\$604,394	\$386,068	\$3,608,223	1.9

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	6/30/11
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	14,775
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	5,369
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	9,486
Depreciation and amortization	869	840	833	810	722	766	674	652	623	620	652	697	673	752	816	958	1,053	1,105
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	83,939
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	1,810
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	116,484

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