



Encore Capital Group, Inc. Retires \$1.8 Million Secured Financing

July 1, 2004

SAN DIEGO--(BUSINESS WIRE)--July 1, 2004--Encore Capital Group, Inc. (Nasdaq:ECPG), a leading accounts receivable management firm, today announced that it has paid off, in advance, the remaining \$400,000 balance on the \$1.8 million loan it had with Patriot Capital Markets. This loan was secured by four of Encore's non-credit card portfolios.

This early debt retirement was funded with cash from operations. It was retired in advance of the establishment of Encore's new \$75 million revolving credit facility, which is expected to close this week. The new credit facility is expected to have an all-in interest cost of less than half the 15% interest on the Patriot loan.

"A year ago, the Patriot loan represented an attractive opportunity for Encore to finance a portion of its business," said Carl C. Gregory, III, President and CEO. "Today, following steady growth in cash flow and net income, Encore has many more funding choices that are significantly less expensive. We are very pleased that just as we have become more efficient by improving our operating processes, we have also lowered our cost of borrowing by strengthening our balance sheet. These developments lay a strong foundation for future growth."

About Encore Capital Group, Inc.

Encore Capital Group, Inc. is an accounts receivable management firm that specializes in purchasing charged-off and defaulted consumer debt. More information on the company can be found at www.encorecapitalgroup.com.

Forward-Looking Statements

The statements in this press release that are not historical facts, including, most importantly, those statements preceded by, or that include, the words "may," "believes," "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, projections of revenues, income or loss; estimates of capital expenditures; plans for future operations, products or services; and financing needs or plans, as well as assumptions relating to those matters. 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 our subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could affect the Company's results and cause them to materially differ from those contained in the forward-looking statements include: the Company's ability to purchase receivables portfolios on acceptable terms and in sufficient quantities; the availability and cost of financing; the Company's ability to recover sufficient amounts on or with respect to receivables to fund operations; the Company's continued servicing of receivables in its third party financing transactions; the Company's ability to hire and retain qualified personnel to recover on its receivables efficiently; changes in, or failure to comply with, government regulations; the costs, uncertainties and other effects of legal and administrative proceedings; and risk factors and cautionary statements made in the Company's Annual Report on Form 10-K as of and for the year ended December 31, 2003.

Forward-looking statements speak only as of the date the statement was made. They are inherently subject to risks and uncertainties, some of which the Company cannot predict or quantify. Future events and actual results could differ materially from the forward-looking statements. The Company will not undertake and specifically declines any obligation to publicly release the result of any revisions to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, whether as the result of new information, future events or for any other reason. In addition, it is the Company's policy generally not to make any specific projections as to future earnings, and the Company does not endorse any projections regarding future performance that may be made by third parties.

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