



Encore Capital Group, Inc. Announces its Largest Portfolio Purchase

July 7, 2004

SAN DIEGO--(BUSINESS WIRE)--July 7, 2004--Encore Capital Group, Inc. (Nasdaq:ECPG), a leading accounts receivable management firm, announced today that it has closed on the largest portfolio purchase in the Company's history. Encore paid \$13.0 million for a portfolio with a face value of \$421 million, at an average purchase price of 3.1%. The portfolio contains 213,000 accounts. During the last four years, Encore has purchased approximately 200 portfolios that range up to \$9.5 million in purchase price.

Eighty-four percent (84%) of this portfolio consists of non-credit card accounts, similar to accounts the Company has been purchasing for over three years. These accounts were financed utilizing Encore's new Revolving Credit Facility with J.P. Morgan Chase, which closed last week. The remaining 16% of the portfolio consists of credit card accounts financed under the Company's Secured Financing Facility.

"Although the purchase market has been difficult for the past six months or so, our success in closing this sizable, attractively priced portfolio demonstrates the value of our multi-disciplined approach," said Carl C. Gregory, III, President and CEO. "Our Marketing Department is constantly exploring new opportunities that allow us to make purchases outside of a competitive bidding environment. They identified an opportunity that wasn't on the market, worked with our Decision Science group to analyze it, and then coordinated with our Legal team to negotiate and close this complex transaction in a timely fashion.

"We are very pleased to have identified and closed the purchase of such a large amount of non-credit card receivables, which furthers our strategy of increasing our purchases of this more profitable asset class. Due to the significantly lower interest expense related to non-credit card portfolios purchased with our new Revolving Credit Facility, we expect the financial results for the portion of this portfolio financed under that agreement to be substantially better than we would achieve under our Secured Financing Facility," said Mr. Gregory.

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; cash flows; 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 statements were 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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