



Encore Capital Group Enters Healthcare Debt Market with Purchase of \$300 Million Portfolio and Hiring of General Manager for Medical Business

September 8, 2005

SAN DIEGO, Sept. 8 /PRNewswire/ -- Encore Capital Group, Inc. (Nasdaq: ECPG), a leading accounts receivable management firm, today announced its entrance into the healthcare debt collection market with the establishment of a Medical debt business. Encore has launched its Medical business by purchasing \$274 million in face value of self-pay debt from a major healthcare provider for \$4.27 million and hiring an industry leader to manage this business.

As part of the development of its new Medical business, Encore has formed a servicing relationship with Receivables Management Bureau, a Knoxville, Tennessee based collection company with 12 years of specialized healthcare collections experience. Collections generated by Receivables Management Bureau will flow through Encore's contingent agency outsourcing channel.

"Over a year ago, we identified the healthcare debt collection market as an attractive opportunity to diversify into a complementary area of consumer debt that has solid margins and can serve as an additional growth vehicle for the Company," said Brandon Black, President and COO of Encore Capital Group. "According to industry estimates, there are approximately \$15-20 billion in annual charge-offs of self-pay receivables in the healthcare industry, which represents a huge opportunity for us. We believe the steps we have taken in the development of our Medical business will help position Encore as the preferred purchaser of healthcare debt, as well as making this business immediately productive. We believe our initial portfolio acquisition is the largest reported transaction of this nature in the healthcare industry and our servicing partnership with Receivables Management Bureau provides us with the expertise to maximize collections."

To lead this effort, Encore hired Fritz Heirich on August 1, 2005 to serve as Senior Vice President and General Manager of the new Medical business. Prior to joining Encore, Mr. Heirich was Chief Financial Officer and Treasurer for Premier Insurance Management Services, Inc. (PIMS), a subsidiary of Premier, Inc., the nation's leading alliance of non-profit hospital and healthcare organizations headquartered in San Diego with more than 1,400 member hospitals. As the CFO and Treasurer of PIMS, Mr. Heirich was responsible for the financial management of three industry leading policy-holder owned insurance companies providing medical malpractice, excess and umbrella liability, and directors and officers' liability insurance to member hospitals. Mr. Heirich was part of the initial management team that launched PIMS and held a number of senior management positions over his 14-year career with the company. Mr. Heirich's responsibilities included owner/customer relationship management, strategy development and product design, new member recruitment, reinsurance contract negotiation and rating agency management.

Mr. Heirich has an MBA from University of California, Irvine and a Bachelor of Science degree in Mathematics from Pepperdine University.

"We are very excited about the addition of Fritz Heirich to manage our new Medical business," said Mr. Black. "He is an accomplished executive in the healthcare industry who provides us with instant credibility and established relationships with many hospital and healthcare CFOs that we believe will ultimately open up additional purchasing opportunities for us to grow the Medical business."

"My experience in the healthcare industry has provided a deep understanding of the level of discipline and compliance required for participating and succeeding in this market," said Mr. Heirich. "We have an approach to healthcare debt that we believe will distinguish Encore as having the most attractive model for balancing economics and fairness to the consumers. Over time, we believe that healthcare providers will view us as their valued business partner due to our ability to utilize consumer-level analytics to accurately value their debt and make the appropriate decision on how to proceed with collection efforts in a manner that is respectful to all parties concerned. As we execute on our growth strategies, we believe we can grow the Medical business into a significant contributor to Encore's revenue, profits and cash flow over the next few years."

About Encore Capital Group, Inc.

Encore Capital Group, Inc. is a systems-driven purchaser and manager of charged-off consumer receivables portfolios. 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, cash flows and earnings relating to the Medical business, the size of the market for delinquent consumer healthcare debt, and the exploitation of new opportunities in the healthcare debt market, 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: failure to develop and exploit growth opportunities in the healthcare debt market; the Company's ability to purchase receivables portfolios on acceptable terms and in sufficient quantities; the Company's ability to acquire and collect on portfolios consisting of healthcare receivables; the Company's ability to recover sufficient amounts on or with respect to receivables to fund operations; the effectiveness of collection efforts of Receivables Management Bureau; 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, 2004. 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.

SOURCE Encore Capital Group, Inc.

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