



Encore Capital Group Announces Acquisition of Propel Financial Services

May 9, 2012

SAN ANTONIO, May 9, 2012 /PRNewswire/ -- Encore Capital Group, Inc., a leader in consumer debt buying and recovery, today announced the acquisition of Texas-based Propel Financial Services, LLC, a leader in the tax lien acquisition industry.

Encore President and CEO Brandon Black said: "Propel has an excellent track record of deploying capital at attractive returns and provides a valuable and affordable service for consumers, consistent with Encore's core competencies and principles. The acquisition of Propel will capitalize on Encore's expertise in consumer-level analytics and operational capabilities, will leverage the company's deep experience assisting financially stressed consumers, and will put Encore in position to build a significant tax lien acquisition business. The acquisition allows Encore to expand our work with financially stressed consumers and to help a new group of people work toward financial recovery."

Propel was founded by Texas entrepreneur Red McCombs and Jack Nelson in 2007. "I'm very excited to see Propel continue to grow with Encore Capital," said Mr. McCombs. "Propel is a wonderful company and this is the next step for a great group of people as they look to expand their business."

The company's core business – tax lien transfers – assists property owners who are delinquent on their property taxes by acquiring tax obligations from local municipalities and working with property owners to create mutually agreeable payment plans. By assisting property owners with their tax obligations, tax lien transfers provide important revenue to municipal governments. (For more on how the business works, see: <http://www.propeltax.com/how-it-works.html>.)

Propel will retain its name and Texas operations, and current customers will experience a seamless transition. There are no planned personnel changes, and the company's leadership will remain in place. "We built Propel to help homeowners and businesses experiencing financial difficulties pay the much needed property taxes used to maintain and grow their communities," said Propel President Jack Nelson. "Becoming a part of the Encore family is the next step for Propel as we look to increase the positive impact we have on Texans and expand our consumer-friendly services nationwide."

Encore acquired Propel at a purchase price of \$187 million, utilizing a new \$160 million credit facility and existing cash and credit facilities. The acquisition is expected to be accretive to 2012 earnings.

In addition to its headquarters in San Antonio, Propel has offices in Dallas and McAllen, TX. With seven total locations, the company is home to 70 employees. Propel was recognized by the San Antonio *Express-News* as a "Top Workplace" in 2011.

About Encore Capital Group, Inc.

Encore Capital Group is a leader in consumer debt buying and recovery. The company purchases portfolios of defaulted consumer receivables from major banks, credit unions, and utility providers and partners with individuals as they repay their obligations and work toward financial recovery. Encore's success and future growth are driven by its sophisticated and widespread use of analytics, its broad investments in data and behavioral science, the significant cost advantages provided by both its worldwide operations and its enterprise-wide, account-level cost database, and the company's demonstrated commitment to conducting business ethically and in ways that support its consumers' financial recovery.

Headquartered in San Diego, Encore is a publicly traded NASDAQ Global Select company (ticker symbol: ECPG) and a component stock of the Russell 2000, the S&P SmallCap 600, and the Wilshire 4500. More information about the company can be found at www.encorecapital.com.

About Propel Financial Services

Propel Financial Services is a Texas-based private refiner that assists property owners who are delinquent on their property taxes by structuring affordable monthly payment plans. Since its founding in 2007, Propel has focused primarily on the property tax financing industry. Propel is the largest property tax finance company in Texas, and its customers appreciate Propel's competitive rates, flexible terms, and ability to fund deals quickly.

For more information about Propel, please visit the Company's website at www.propelfinancialservices.com.

For media inquiries, please contact:

George Durham, Encore Capital Group
george.durham@encorecapital.com
(858) 309-9491

Sean O'Neill, Propel Financial Services
soneill@propelfs.com
(210) 582-2872

Katie Lilley, Hillenby, for Encore Capital Group
katielilley@hillenby.com
(703) 889-8504, ext. 2

SOURCE Encore Capital Group, Inc.