Slide #	Commentary
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's fourth quarter and full year 2014 earnings call. With me on the call today are Ken Vecchione, our President and Chief Executive Officer, Paul Grinberg, outgoing Executive Vice President and Chief Financial Officer, and Jonathan Clark, Executive Vice President, Chief Financial Officer of our Midland Credit Management business, and incoming Chief Financial Officer of Encore Capital. Ken and Jon will make prepared remarks today, and then we will be happy to take your questions.
2 (Safe Harbor)	Before we begin, we have a few housekeeping items. Unless otherwise noted, all comparisons made on this conference call will either be between the fourth quarter of 2014 and the fourth quarter of 2013, or will be between the full year of 2014 and the full year of 2013. Today's discussion will include forward-looking statements subject to risks and uncertainties. Actual results could differ materially from these forward-looking statements. Please refer to our SEC filings – and especially our Form 10-K filed today - for a detailed discussion of potential risks and uncertainties. During this call, we will use rounding and abbreviations for the sake of brevity. We will also be discussing non-GAAP financial measures. Reconciliations to the most directly comparable GAAP financial measures are included in our earnings release, which was filed on Form 8-K earlier today. As a reminder, this conference call will also be made available for replay on the Investors section of our website, where we will also post our prepared remarks following the conclusion of this call. With that, let me turn the call over to Ken Vecchione, our President and Chief Executive Officer.

	Ken Vecchione
3 (Intro and 2014 Acquisition & Consolidation Recap)	Thank you, Bruce, and good afternoon. I appreciate everyone joining us for a discussion of our fourth quarter and full year 2014 results. This afternoon we posted fourth quarter and 2014 full-year financial results for Encore. We are extremely pleased with our performance. We significantly grew our collections, expanded our capital deployment throughout our platform, and delivered another year of high-teens percentage growth in EPS. We believe that our progress this past year in growing our business has positioned us well for the future. A number of our accomplishments in 2014 enabled these results and helped us to reduce our exposure to the challenges facing the domestic debt buying market. 2014 marked the continued, successful execution of our asset class and geographic diversification strategy. We started the year by continuing the expansion efforts we began in 2013, having just acquired a controlling stake in Refinancia, a leading debt purchaser in Colombia and Peru. This transaction has provided us with an entry point into Latin America and important perspective, as we consider additional expansion opportunities in the region. Although Refinancia’s business is modest in size, we see attractive returns in the markets they serve.

3 (2014 Acquisition & Consolidation Recap) Continued	We followed that with Cabot's acquisition of Marlin Financial Services. Along with a sizable portfolio with Estimated Remaining Collections of over $600 million dollars, Marlin brought to Cabot a litigation-focused platform that added value and synergies from day one. Marlin's high success rate in collecting on non-performing debt has proven to be an ideal complement to Cabot's strength in semi-performing paper. We're now beginning to see this powerful combination driving accelerated earnings contribution to Encore's bottom line, with more than 100,000 of Cabot's accounts benefitting from Marlin's enhanced collection capabilities. In the second quarter, we acquired a controlling interest in Grove Capital Management. Grove has allowed us to expand our footprint in the UK through its expertise in buying and servicing IVAs, or Individual Voluntary Arrangements, which are the rough equivalent to Chapter 13 bankruptcies in the United States. Grove has proven to be an excellent entry point for us to begin learning about and buying debt in Spain. During the third quarter of 2014 we acquired Atlantic Credit and Finance to augment our domestic debt buying business. Atlantic provided us with greater collection and deployment opportunity in the high-balance, fresh paper channel. We considered this an extremely important skill set to either acquire or develop, given the significant opportunity in the market for fresh paper. Our instincts have proven correct, as Atlantic has delivered on the promise of their expertise and our business is significantly better positioned today as a result of this acquisition. Finally, I'd like to add that Propel's acquisition of a nationwide tax lien portfolio and servicing platform in 2014 helped the business expand dramatically. During 2014, Propel expanded its operational footprint from 9 states to 22 states, greatly increasing our ability to deploy capital in the tax lien market.

3 (2014 Acquisition & Consolidation Recap) continued	The key to a powerful acquisition strategy is execution and focus. While every acquisition has its unique challenges, I'm pleased to share that all of the acquisitions we made over the past couple of years have now been assimilated into Encore. We're quite happy with the performance of each new addition. Even so, it's important to understand that we're constantly working toward improving the returns generated by each of our platforms. We dedicate ourselves to a formula for success that demands us to be superior operators - continuously working toward improving the performance of our existing book, while at the same time requires us to be effective asset managers - seeking out the best returns for our capital across a growing list of asset classes and a widening global footprint.
4 (Our Global Business)	By incorporating these new organizations into our worldwide structure, Encore exited 2014 a much stronger and more diversified company with a truly global reach. We believe that more consolidation and acquisition opportunities exist, both in the US and abroad, and we'll apply our disciplined approach to evaluating each opportunity, moving forward only when our criteria for financial return or strategic value are satisfied. Our intent is to drive improved shareholder value by continually strengthening our company, diversifying our business and growing and protecting our core.

5 (4th Quarter Results)	Now for our results: • Encore's fourth quarter GAAP EPS rose to one dollar and 4 cents per share, compared to 87 cents per share in the fourth quarter of 2013. • Excluding one-time items and convertible non-cash interest, Non-GAAP Economic EPS matched our all-time high established last quarter at one dollar and 17 cents per share, compared to one dollar and 5 cents per share, an increase of 11% from the fourth quarter of 2013. • GAAP Net income for the quarter was $28 million dollars and Adjusted income was $31 million dollars, or 8% greater than the same quarter last year. • Cash collections increased 12 percent to $394 million dollars. This increase was driven primarily by the strong performance of Cabot and Marlin in the UK. Adjusted EBITDA was $241 million dollars, an increase of 17 percent. • Our overall cost-to-collect this quarter was 39.8 percent, reflecting the favorable impact of our international business in our results this quarter. Our Estimated Remaining Collections, or ERC, at December 31st was approximately $5.2 billion dollars, an increase of 30%, or $1.2 billion dollars, compared to the end of the prior year.

6 (2014 Full-Year Results)	On a full-year basis, • GAAP EPS from continuing operations attributable to Encore grew 30% - to a record 3 dollars and 83 cents per share. • After adjusting for one-time and certain non-cash items, we generated Economic EPS of 4 dollars and 52 cents per share in 2014, up 17% compared to 2013, representing yet another successful year. • After crossing the billion-dollar threshold for the first time in our company's history last year, collections grew 26% to over $1.6 billion dollars in 2014, thanks in large part to our expanding global platform. • Our Adjusted EBITDA grew 27% in 2014, to approximately a billion dollars, providing our investors with a clear picture of the strong cash flow generated by our business. • And our overall cost-to-collect was 38.6%, a 50 basis point improvement compared to 2013. The hard work and dedication of our global workforce has positioned us well for the future and we wouldn't be where we are today without their drive and determination.

7 (Q4 and 2014 Deployments)	When we began our geographic diversification strategy with the acquisition of Cabot in July 2013, we described our strategy of deploying capital in markets throughout the world where we could generate the best return. Our capital deployment in the fourth quarter reflected the successful execution of that strategy. We deployed $101 million dollars in the United States, $113 million dollars in Europe and $61 million dollars in Latin America, demonstrating our versatility in seizing opportunities and the strength of our global platform. Our ability to deploy capital at solid returns, in multiple markets, protects us from supply/demand imbalances in any one market and insulates us from the volatility that reliance on one market could cause. In 2014, this strategy allowed us to be more selective in the US market, which is still challenged by pricing pressure and the continued absence of the market's largest issuers. We deployed over $1.4 billion dollars around the world in 2014, with the majority of our capital spend occurring outside of the United States for the first time. Within the US, we deployed $700 million dollars in total, of which $526 million dollars came from our core business. I would like to note that this is the third year in a row that we've purchased at this approximate level within the core domestic market. We deployed the equivalent of $632 million dollars in Europe during 2014, and another $93 million dollars in Latin America.

8 (Our Markets)	With regard to our core markets, pricing in the US remains challenging. In some segments, pricing rose after remaining relatively flat for most of the year. Supply in the US market did not materially change during the fourth quarter. As I mentioned at our Investor Day in June, our 2015 purchasing plan was developed with the assumption that some of the larger issuers would not be returning to the market in 2015. I know there has been speculation about when certain issuers would begin selling. We have always planned on achieving our growth objectives as if the large issuers do not return to the market this year. In the UK, pricing remains competitive and supply in the seasonally stronger back half of the year improved, as expected. Consolidation opportunities continue to emerge within the debt buyer market and we expect that there will only be a few large players over time, similar to the US market. Grove's strategy to invest in the Spanish market through telecom has paid off. With the large number of telecom accounts acquired since late 2012, we were able to build out our data sets and gain significant experience with various servicers in Spain. This enabled us to deploy approximately 40 million Euros in Spain in the fourth quarter, at solid returns. With many of the financial buyers in Spain shifting their focus to secured assets, we are well positioned to increase our market share in the unsecured consumer market. In Colombia and Peru, 2014 was a period of consistent supply with attractive returns. We expect to see a seasonal slowdown as we enter 2015. In other Latin American markets, we continue to come across interesting expansion opportunities.

9 (Cabot)	I'd now like to provide a few updates on a couple of our subsidiaries, beginning with Cabot: Cabot delivered solid performance in the fourth quarter and for the year. Cabot's Economic EPS contribution to Encore's results rose to 26 cents this quarter as they gained traction on enhancing their collections through Marlin's capabilities on non-paying accounts. And for the year, Cabot contributed 87 cents to Encore's overall profitability. Cabot enjoyed a solid year from a purchasing perspective as well, as they deployed $565 million dollars in 2014, including $357 million dollars for portfolios purchased directly from issuers and $208 million dollars for the acquisition of Marlin's portfolio. As a result, Cabot has grown their ERC to over $2.3 billion dollars. The performance of our call center in India in servicing Cabot's accounts continues to meet our high expectations in both the quality and quantity of collections and we expect to continue to increase India's capacity in the coming year.

10 (Propel)	Propel continues to grow and contribute to Encore's financial performance. Propel's receivables secured by property tax liens grew 22% in 2014 and now exceed $259 million dollars.

11 (Detailed Financial Discussion)	With that, I will turn it over to Jon, who will go through the financial results in more detail. Before I do that, I'd like to take this opportunity to thank Paul for his financial and strategic leadership as CFO of Encore over the last ten years. Paul's deep understanding of our business positioned him to assume responsibility for our European and Latin American operations while continuing to manage our global M&A activity. And after several months of transition and working closely with Paul, Jonathan officially becomes the CFO of Encore today. Working with him over the past five months and seeing how he thinks about the business and addresses business challenges has reconfirmed my excitement about having him on board. His experience with complex financial organizations, and his depth of experience in raising capital, will be crucial as we continue to evolve Encore into an international specialty finance company. Jon…

	Jonathan Clark
11 (Detailed Financial Discussion) - continued	Thank you, Ken. Before I go into our financial results in detail, I would just like to remind you that, as required by US GAAP, we are showing 100 percent of Cabot, Grove and Refinancia's results in our financial statements. Where indicated, we will adjust the numbers to account for non-controlling interests.

12 (Q4 Collections)	We generated $394 million dollars of collections in the fourth quarter. This performance reflects especially solid execution by our call centers in what is typically a seasonally slow quarter. It also reflects the continued growth of our overseas operations. Twenty-six percent of our total collections, $104 million dollars, were generated from accounts in Europe, compared to 19 percent of our total collections in Q4 of 2013. For the quarter, our call centers contributed 47 percent of total collections, rising to $185 million dollars, compared to 40 percent of total collections, or $140 million dollars, in Q4 of 2013. Legal channel collections accounted for 41 percent of total collections and grew to $160 million dollars in the fourth quarter, compared to $155 million dollars in 2013. As we transition accounts away from collection agencies and onto our own platform, the portion of collections from agencies is declining. Agencies accounted for 12 percent of total collections, down to $49 million dollars in the fourth quarter, compared to 16 percent of total collections, or $56 million dollars, in Q4 of 2013.

13 (2014 Collections)	For the full year, we generated over $1.6 billion dollars of collections, up 26 percent compared to 2013. Overall in 2014, we generated $415 million dollars of collections from consumers outside of the United States, or 26 percent of the year's total. This reflects the progress of our international expansion, particularly in the UK. Recall that in 2012, we had no collections from consumers outside of the US.

14 (2014 Revenue)	For the full year, revenue grew 39 percent as we generated over one billion dollars of revenue for the first time in our history. Overall in 2014, we generated $320 million dollars of revenue from our international business, or 30 percent of the year's total, once again reflecting the early success of our geographic expansion. Overall, we've nearly doubled revenues over the past two years, growing 93 percent since 2012.
15 (Q4 Revenue)	For the quarter, revenue was $277 million dollars, an increase of 17 percent over the $237 million dollars in the fourth quarter of 2013, and was the 8th consecutive quarter of revenue growth for Encore. Our revenue recognition rate, excluding the effects of allowance reversals, was 63.5 percent, compared to 63.3 percent in the fourth quarter of 2013. For the quarter, we had $5 million dollars of allowance reversals, compared to $4.5 million dollars of allowance reversals in the fourth quarter of 2013. We had no portfolio allowances in the quarter. As many of you know, once we have evidence of sustained over-performance in a pool, we will increase that pool's yield. Consistent with this practice, and as a result of continued over-performance, we increased yields in the fourth quarter, primarily in the 2009 through 2013 vintages.

16 (Cost-to-Collect)	Turning to cost-to-collect, excluding acquisition-related and other one-time costs, our overall cost-to-collect for the fourth quarter was 39.8 percent. Breaking the overall cost-to-collect into its components, Cabot's cost-to-collect in the quarter was lower than our overall cost-to-collect as Cabot's portfolio includes many consumers who are already on payment plans, and therefore involves very little litigation. Marlin has marginally increased Cabot's cost-to-collect due to its litigation-focus. However, we expect that over time, Cabot's investment in Marlin will drive incremental net collections and a higher overall return. Within our U.S. business, direct cost-per-dollar collected in our call centers remained steady at 8.9 percent in the fourth quarter, the same rate as last year. Direct cost-per-dollar collected in the domestic legal channel was 35.9 percent, a 120 basis point improvement from 37.1 percent in the fourth quarter of 2013. While cost-to-collect is an important metric, we don't focus on it in isolation. Overall, success in our business is driven by generating the greatest net return per dollar invested. We accomplish this by collecting more gross dollars per investment dollar, at what we believe to be the industry's lowest cost.

17 (US Legal Outsourcing & Internal Legal)	Our legal channel in the United States, which includes both legal outsourcing and our internal legal operations, contributed greater collections in 2014 versus 2013. Our legal outsourcing channel in the US collected $494 million dollars, at a cost-to-collect of 35.6 percent, representing a 30 basis point improvement over the 35.9 percent cost-to-collect in 2013. For the year we collected $117 million dollars in our internal legal channel at a cost-to-collect of 39.3 percent, compared to 47.3 percent in 2013. Even though we expect that our internal legal cost-to-collect will continue to improve over time as we place more volume in this channel, it's important to understand that, above all, our primary financial goal is to maximize the net present value of each collection opportunity. Put simply, in some instances, it makes sense to spend more in order to collect more. I'd also like to reiterate that our long-stated preference is to work with our consumers to negotiate a mutually acceptable payment plan, tailored to their personal financial situation. These plans almost always involve substantial discounts from what the consumer owes. We not only believe that this is the right thing to do for our consumers, but the right thing to do for our business. For Encore, legal action is always a last resort and is pursued only after numerous attempts to communicate and reach an acceptable agreement with a consumer.

18 (Cash flows)	Adjusted EBITDA is one of the most important ways that we measure our company's operating performance. It helps us determine amounts available for future purchases, capital expenditures, debt service, and taxes - and it gives investors a clear picture of the strong cash flow generated by our business. Our strong collections performance in the fourth quarter led to improved cash flows. Adjusted EBITDA increased 17 percent over Q4 of last year to $241 million dollars. For the full year, adjusted EBITDA grew 27 percent to roughly one billion dollars, reflecting the strong cash generation capability of our global business.
19 (ERC)	Our Estimated Remaining Collections, or ERC, at the end of the fourth quarter was $5.2 billion dollars, an increase of 30 percent over last year. This increase was driven primarily by Cabot's acquisition of Marlin and the portfolio we acquired as part of the Atlantic acquisition. We believe that our ERC, which reflects the value of portfolios that we have already acquired, is conservatively stated, because of our cautious approach to setting initial curves and our practice of only increasing future expectations after a sustained period of overperformance.
20 (2014 Cabot EPS)	For the year, Cabot contributed $23 million dollars to Encore's 2014 results, which equates to 87 cents of economic earnings per share. Because we own our interest in Cabot together with our partner JC Flowers, Cabot's contribution to Encore's profit is calculated by backing out JC Flowers' interest and managements' interest, along with the Preferred Equity Certificates attributable to Encore, which eliminate in consolidation. From a financing standpoint, Cabot recently amended their senior revolving credit facility, increasing its size to 195 million pounds and negotiated a lower, fixed interest rate.

20 (2014 Cabot EPS) continued	Before I finish my remarks about Cabot, I'd like to make a comment about the recent movements in foreign currency exchange rates. We've received a number of questions recently about this topic and its potential impact on our business. Cabot is the focus of this discussion, as it is - by far - our largest international business. Simply stated, because we largely finance this business and deploy capital in the pound sterling, from a cash or economic standpoint we are naturally hedged against the impact of changing exchange rates. This is, therefore, predominantly a financial reporting matter. Since we're not repatriating cash to the US from the United Kingdom, this translation of results alone should not impact the value of the company.

21 (Q4 EPS Walk)	For Encore as a whole, there were certain one-time and non-cash items that affected our results this quarter. 6 cents were related to the non-cash interest and issuance costs associated with our convertible notes and 2 cents were related to one-time acquisition and integration costs. After these adjustments, we end up with one dollar and 12 cents per fully diluted share, and one dollar and 17 cents on a non-GAAP Economic basis. In calculating our EPS on a non-GAAP Economic basis, we exclude those shares associated with our convertible debt that are reflected in our EPS denominator from an accounting perspective, but which will not be issued as a result of the call spread we entered into at the time we issued the convert. For the fourth quarter, we excluded approximately 1 million shares from the calculation as a result of the call spread.

22 (2014 EPS Walk)	For the full year, we had one-time and non-cash items that affected our results. Twenty-three cents were related to the non-cash interest and issuance costs associated with our convertible notes and 36 cents were related to one-time acquisition and integration costs. These charges were partially offset by a tax benefit related to our Asset Acceptance acquisition. After making these adjustments, we end up with 4 dollars and 34 cents per fully diluted share, and 4 dollars and 52 cents on a non-GAAP Economic basis. In this case, excluded from the calculation were approximately 1.1 million shares associated with our convertible debt because of the call spread protection. With that, I'd like to turn it back over to Ken.

	Ken Vecchione
23 (Investment in Compliance)	Thanks, Jon. As regulatory and technology requirements in our industry continue to rise, so do the barriers to entry. The cost to implement and maintain an effective compliance program is expensive, requiring companies to possess substantial market share to absorb these investments. The industry has consolidated as investment costs in compliance management systems have reduced competitors' returns and competitive strength. This phenomenon will continue as smaller and mid-sized firms in our industry are subject to increasing regulatory scrutiny, as new rules are established, and as issuers impose greater demands and increased oversight on their narrowing lists of approved debt buyers. Although regulatory compliance is expensive, we believe our thoughtful implementation of our compliance program has become a competitive differentiator for Encore. At this time, I'd like to mention some important information that we've included in our Form 10-K, which will be filed today: The Consumer Financial Protection Bureau, or CFPB, is currently examining the collection practices of participants in the consumer debt buying industry. We are currently engaged in discussions with the staff of the CFPB regarding practices and controls relating to our engagement with consumers. In these discussions, the staff has taken certain positions with respect to the interpretation of existing legal requirements and the retroactive application of potential requirements from future rulemaking. We agree with the staff on some items under discussion, and disagree with the staff on others.

	As we seek to resolve those areas of disagreement, we intend to vigorously defend our interpretation of the law and, consequently, may ultimately reach a negotiated settlement or become engaged in litigation. If Encore and the CFPB reach a negotiated agreement, it is reasonably possible that we could agree to pay penalties or restitution and could recognize pre-tax charges in excess of $35 million dollars and could agree to additional terms that may impact our future operations, collections or financial results. We share much common ground with the CFPB on policies and practices intended to move our industry forward, and Encore's commitment to treating consumers fairly and respectfully is reflected in our Consumer Bill of Rights. We know you all will have many questions, but CFPB regulations limit our ability to discuss specifics, yet we do hope to resolve our positions amicably. We believe that our actions have been lawful and appropriate, and we are dedicated to meeting or exceeding legal requirements governing our industry. We believe the CFPB's ongoing rulemaking process provides the most appropriate method of driving change and ensuring a level playing field across the industry.
24 (Closing)	In summary, the Encore team delivered a strong fourth quarter performance and record financial results in 2014. As a result of all of these efforts, we're evolving into an increasingly diverse international specialty finance company. Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
Q&A Session	
(Sign Off)	That concludes the call for today. Thanks for taking the time to join us and we look forward to providing our first quarter 2015 results in May.