

Encore Capital Group to Take Controlling Stake in Baycorp

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Acquisition Offers Significant Competitive Advantages and Growth Opportunities

SAN DIEGO, Sept. 28, 2015 (GLOBE NEWSWIRE) -- Encore Capital Group (NASDAQ:ECPG), an international specialty finance company, announced that it is entering into an agreement to acquire a controlling stake in Baycorp, one of Australasia's leading debt resolution specialists. Encore is purchasing a 50.25 percent interest in Baycorp to expand its operations into Australia and New Zealand. Baycorp's current owners, Oceania Capital Partners and SAS Trustee Corporation, have reduced their respective ownership levels, though they will still remain as shareholders and directors of the company to leverage Baycorp's growth prospects.

As with Encore's previous international acquisitions in Europe and Latin America, the company will bring to Baycorp its analytic strength and decision science expertise to help optimize performance and increase market share. As the world's largest debt purchaser, Encore employs more than 5600 people and collected more than \$1.6 billion (USD) in 2014 alone. The Baycorp acquisition expands Encore's global reach to 13 countries.

"Through Baycorp, we now have access to two new markets that are showing strong growth and have promising opportunities for both consolidation and diversification," said Kenneth A. Vecchione, President and Chief Executive Officer of Encore. "Our vision is that Baycorp will be the number one or two player in Australia to complement its current leadership position in New Zealand, and we are excited to support the company in rapidly expanding its growth strategy in the region."

There is approximately \$330 million (USD) of capital deployed in the Australia market each year, which includes not only consumer debt but also the banking, energy and cable sectors. This makes it about one-third the size of the U.S. market. The country has a well-established, robust market where the banks sell debt regularly in a constructive regulatory environment, and it is estimated to grow at approximately 5 percent per year. In terms of contingency collections, the overall market size is approximately \$400 million (USD).

In its industry, Baycorp has the largest customer default database in Australasia, with \$118 million (USD) in estimated remaining collections (ERC) and nearly 60 years' experience in resolving debt across Australia and New Zealand. The company has a vibrant debt collection business, and it is one of the preferred insource and outsource companies for the Australian government. Incorporating Encore's best practices, as well as leveraging its India platform, will strengthen Baycorp's competitive edge and make its offerings even more compelling to the market.

"Our vision is to be the leading debt resolution specialist in the region, and as such, we believe it's important that our teams in Australia and New Zealand have access to global innovation and best practices. This deal, and Encore's international networks, provides just that," said Grant Jorey, Baycorp's Group Chief Executive Officer and Group Managing Director (Australia/New Zealand). "We are excited to join the Encore family of companies and to benefit from the financial, strategic and operational support of a genuine world leader, which will help us accelerate Baycorp's growth and market-leading position."

Beyond the companies' complementary business strengths, the combination of Encore and Baycorp creates a global leader that is committed to treating consumers with respect. Baycorp's values align with Encore's industry-leading Consumer Bill of Rights and emphasize fairness, transparency, professionalism and collaboration with consumers.

About Encore Capital Group, Inc.

Encore Capital Group is an international specialty finance company that provides debt recovery solutions for consumers and property owners across a broad range of assets. Through its subsidiaries around the globe, Encore purchases portfolios of consumer receivables from major banks, credit unions, municipalities, and utility providers. Its Propel

Financial Services subsidiary also helps home and business owners resolve property tax debt and avoid foreclosure through affordable monthly payment plans.

Encore partners with individuals as they repay their debt obligations, helping them on the road to financial recovery and ultimately improving their economic well-being. Encore is the first and only company of its kind to operate with a [Consumer Bill of Rights](#) that provides industry-leading commitments to consumers. 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 Small Cap 600 and the Wilshire 4500. More information about the company can be found at <http://www.encorecapital.com>. Information found on the company's website is not incorporated by reference.

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," "believe," "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, statements regarding our future operating results, performance, business plans or prospects. 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 its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in the reports filed by the Company with the Securities and Exchange Commission, including its most recent report on Form 10-K and its subsequent reports on Form 10-Q, each as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

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