

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): March 1, 2007

ENCORE CAPITAL GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-26489
(Commission File
Number)

48-1090909
(IRS Employer
Identification No.)

8875 Aero Drive, Suite 200, San Diego, California
(Address of Principal Executive Offices)

92123
(Zip Code)

(877) 445-4581
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

A copy of an investor slide presentation to be given by J. Brandon Black, President and Chief Executive Officer, at investor presentations during March 2007, is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein solely for purposes of this Item 7.01.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.**

Exhibit Number	Description
99.1	Investor slide presentation of Encore Capital Group, Inc. dated March 2007.

The information in this Current Report on Form 8-K, including the exhibits, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities under that Section. Furthermore, the information in this Current Report on Form 8-K, including the exhibit, shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933.

Forward-Looking Statements:

The slide presentation attached to this report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). The words “believe,” “expect,” “anticipate,” “estimate,” “project,” or the negation thereof or similar expressions constitute forward-looking statements within the meaning of the Reform Act. These statements may include, but are not limited to, projections of revenues, income or loss, estimates of capital expenditures, plans for future operations, products or services, and financing needs or plans, as well as assumptions relating to these matters. For all forward-looking statements, the Company claims the protection of the safe-harbor for forward-looking statements contained in the Reform Act.

Forward-looking statements speak only as of the date the statement was made. They are inherently subject to risks and uncertainties, some of which we cannot predict or quantify. Future events and actual results could differ materially from the forward-looking statements. When considering each forward-looking statement, you should keep in mind the risk factors and cautionary statements found throughout the Company’s annual report on Form 10-K as of and for the year ended December 31, 2006 filed with the Securities and Exchange Commission. We do not undertake and specifically decline 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 a result of new information, future events, or for any other reason.

In addition, it is our policy generally not to make any specific projections as to future earnings and we do not endorse projections regarding future performance that may be made by third parties.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENCORE CAPITAL GROUP, INC.

Date: March 1, 2007

/s/ Paul Grinberg

Paul Grinberg
Executive Vice President, Chief Financial
Officer and Treasurer

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1 Investor slide presentation of Encore Capital Group, Inc. dated March 2007.



Leveraging Intellectual Capital

**Investor Presentation
March 2007**

Encore Capital Group

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

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This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). The words "believe," "expect," "anticipate," "estimate," "project," or the negation thereof or similar expressions constitute forward-looking statements within the meaning of the Reform Act. These statements may include, but are not limited to, projections of revenues, income or loss, estimates of capital expenditures, plans for future operations, products or services, and financing needs or plans, as well as assumptions relating to these matters. Such statements involve risks, uncertainties and other factors that 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. For a discussion of these factors, we refer you to the Company's reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2006. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or by any other person or entity that the objectives and plans of the Company will be achieved. For all forward-looking statements, the Company claims the protection of the safe-harbor for forward-looking statements contained in the Reform Act.



- **What We Saw Coming**

- **How We Responded**

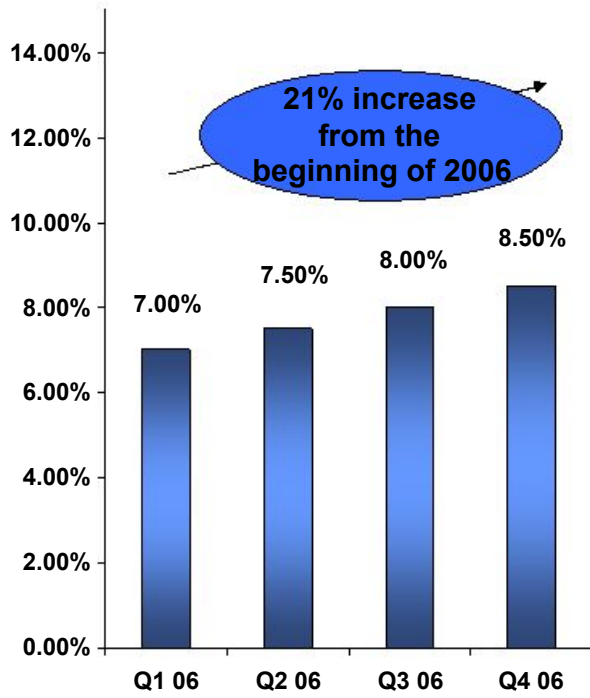
- **2006 Financial Results Were Impacted**

- **Looking Ahead**

2006 WAS THE 3RD CONSECUTIVE YEAR OF PORTFOLIO PRICING INCREASES

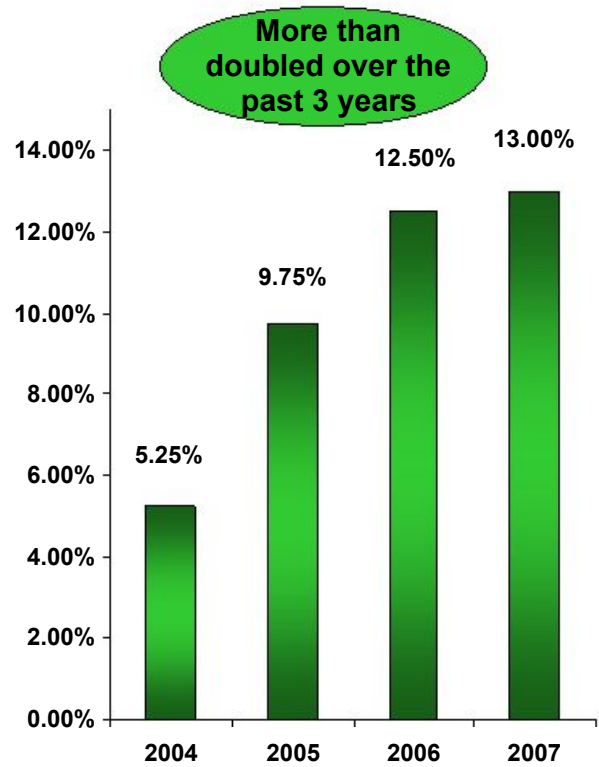
Large national bank's core product

(% on a dollar of face)



Top 10 issuer of fresh charge-off forward flow

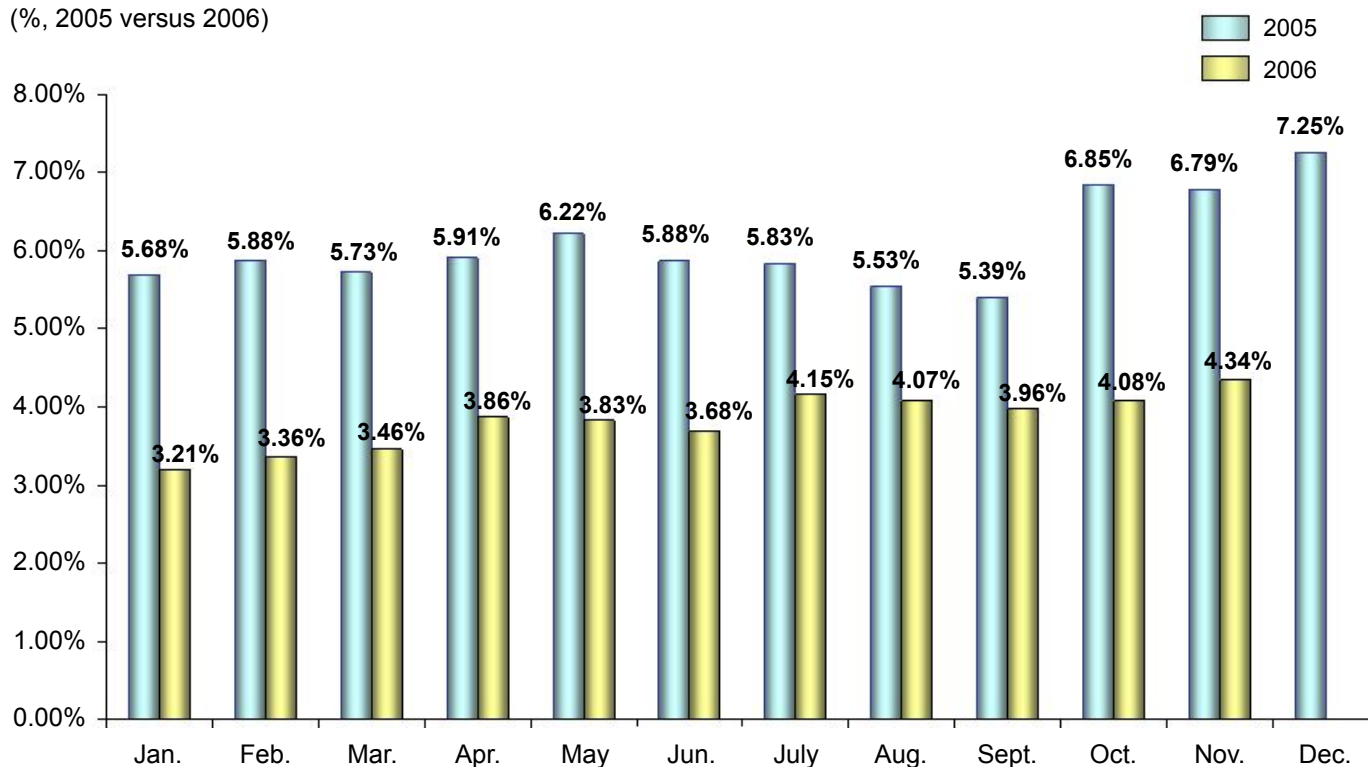
(% on a dollar of face)



WHICH WAS DRIVEN BY NEW ENTRANTS INTO THE BUSINESS AND THE DROP IN SUPPLY FROM CREDIT CARD ORIGINATORS

Charge-off rate from Moody's credit card indices*

(%, 2005 versus 2006)



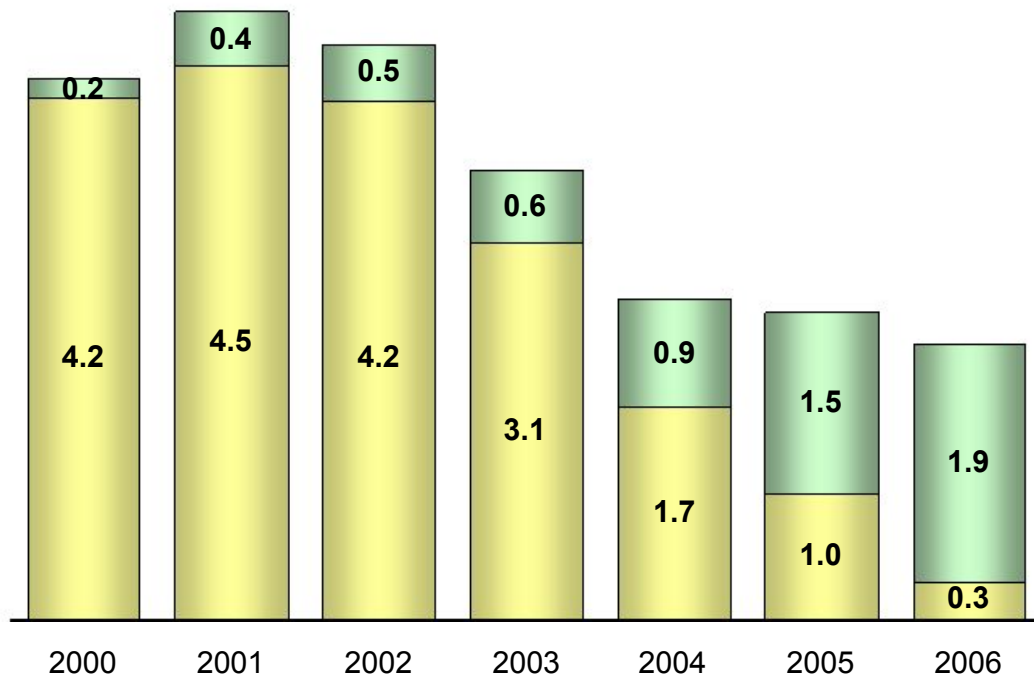
*The indices track approximately \$400 billion of U.S. bank credit card loans backing securities rated by Moody's

Source: Moody's Investors Service

THE INCREASE IN PRICING HAS REDUCED OUR COLLECTION MULTIPLES AND THE RELATED IRR'S

Multiple to date
Estimated remaining multiple

Purchase multiple by year of purchase



Source: Derived from Encore Capital Group 2006 Form 10-K

Encore Capital Group



- **What We Saw Coming**

- **How We Responded**

- **2006 Financial Results**

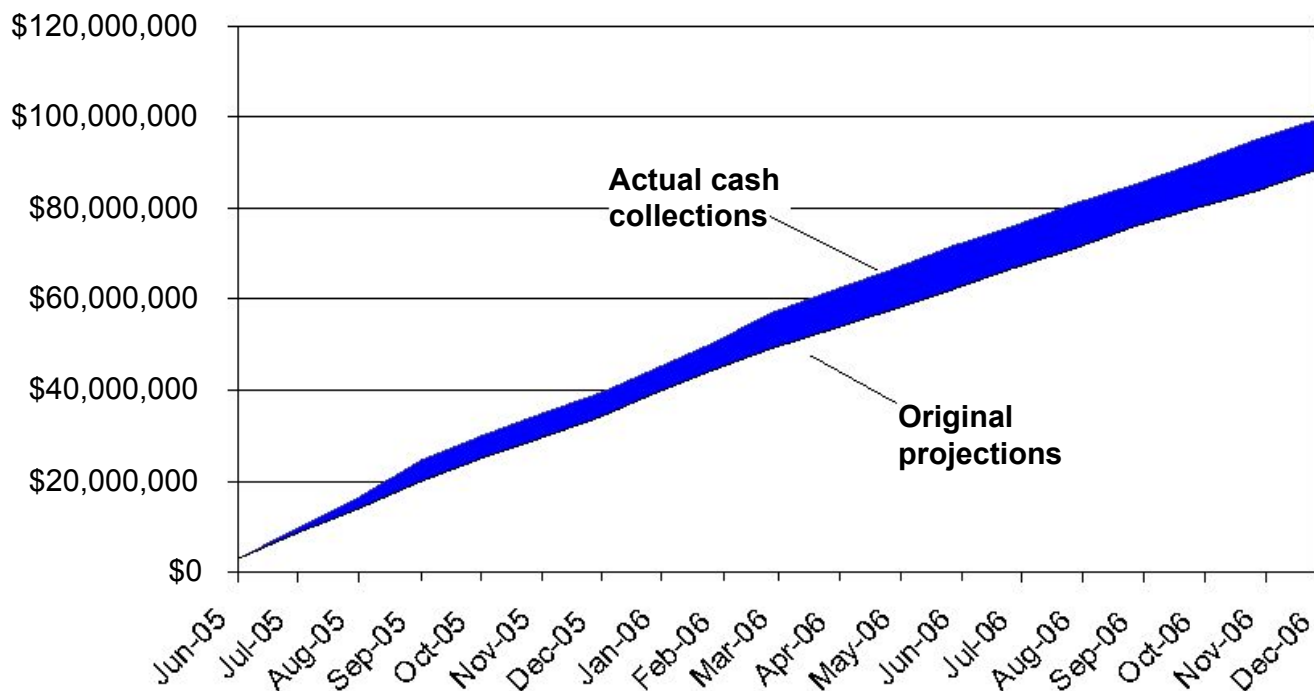
- **Looking Ahead**

WE RECOGNIZED THIS TREND IN EARLY 2005 AND PROACTIVELY DEVELOPED A PLAN TO ADDRESS IT BY:

- Identifying large, negotiated portfolio purchase opportunities where pricing is more rational
- Developing new collection strategies designed to improve liquidation and reduce cost per dollar collected
 - New strategies enabled IRR targets to be achieved despite higher pricing for portfolio
- Diversifying into other areas of the distressed consumer debt management business
- Expanding capability to purchase and collect upon alternative asset classes

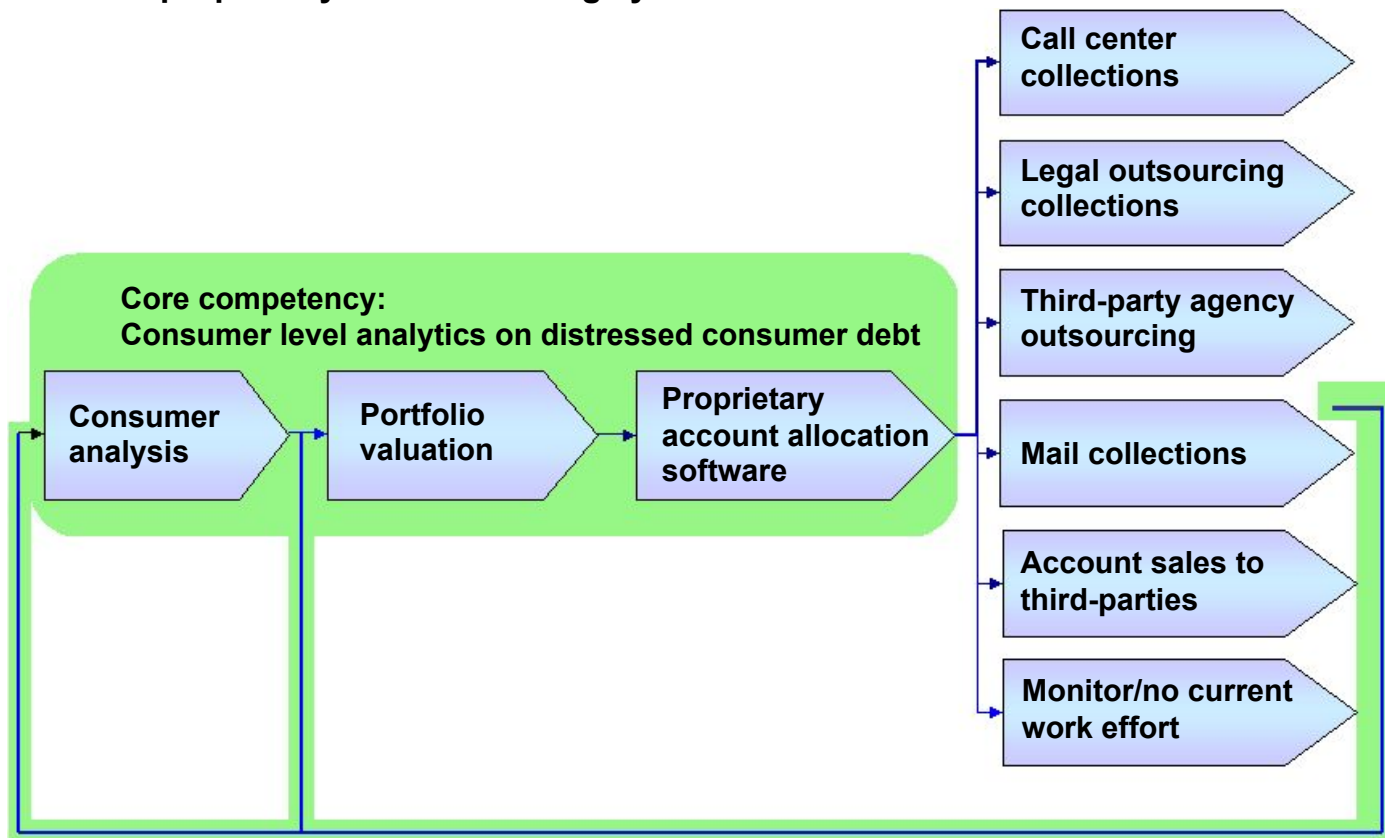
WE ADDRESSED OUR 2005 SUPPLY NEEDS WITH THE LARGE, NEGOTIATED TRANSACTION WITH JEFFERSON CAPITAL

Jefferson Capital bulk purchase - actual collections versus original projections



OUR MULTI-CHANNEL COLLECTION STRATEGY HAS BEEN THE CATALYST

Encore's proprietary account routing system

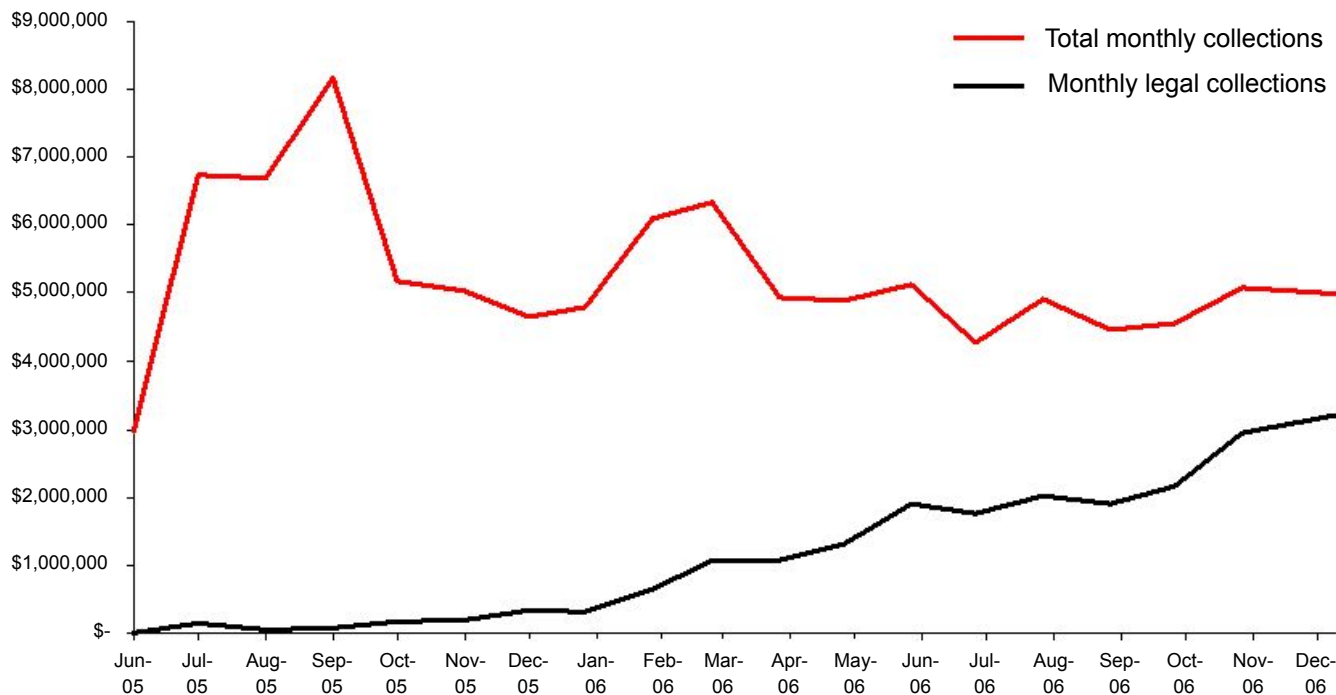


Continuous feedback

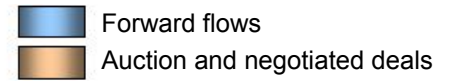
Encore Capital Group

THIS DIVERSE APPROACH HAS ALLOWED US TO MAINTAIN CONSISTENT COLLECTIONS ON THE JEFFERSON CAPITAL BULK PURCHASE

Jefferson Capital bulk purchase - actual monthly collections

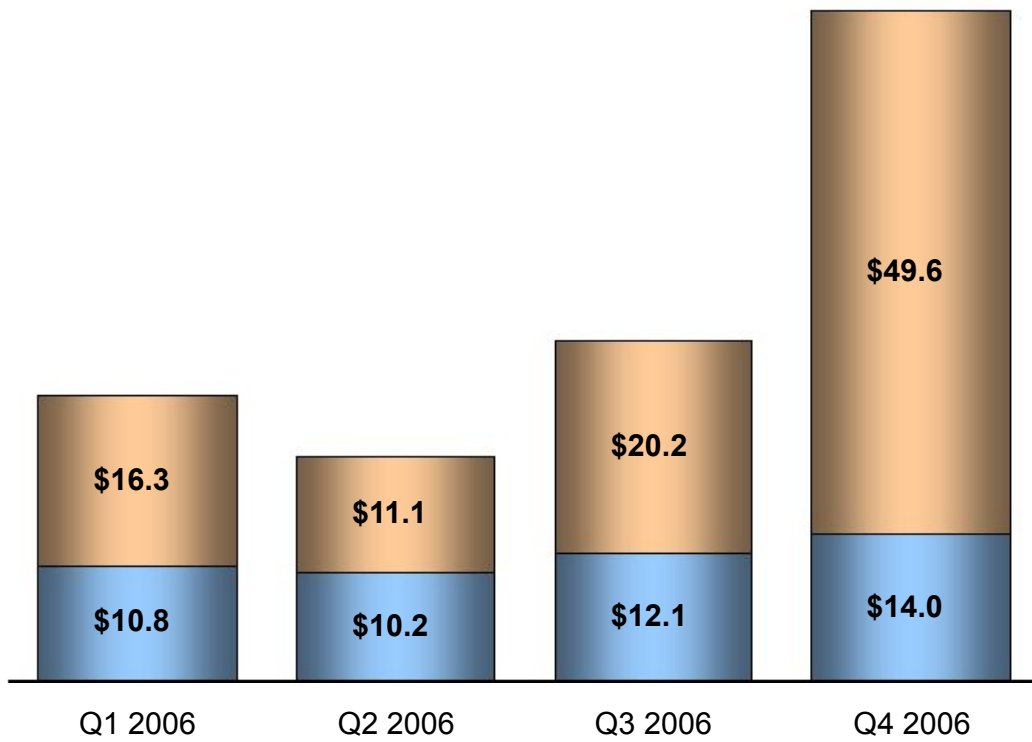


WHILE THE CHALLENGES TO GROW PURCHASE VOLUMES HAVE PROVEN TO BE SIGNIFICANT, WE STARTED TO SEE MOMENTUM BUILDING IN LATE 2006



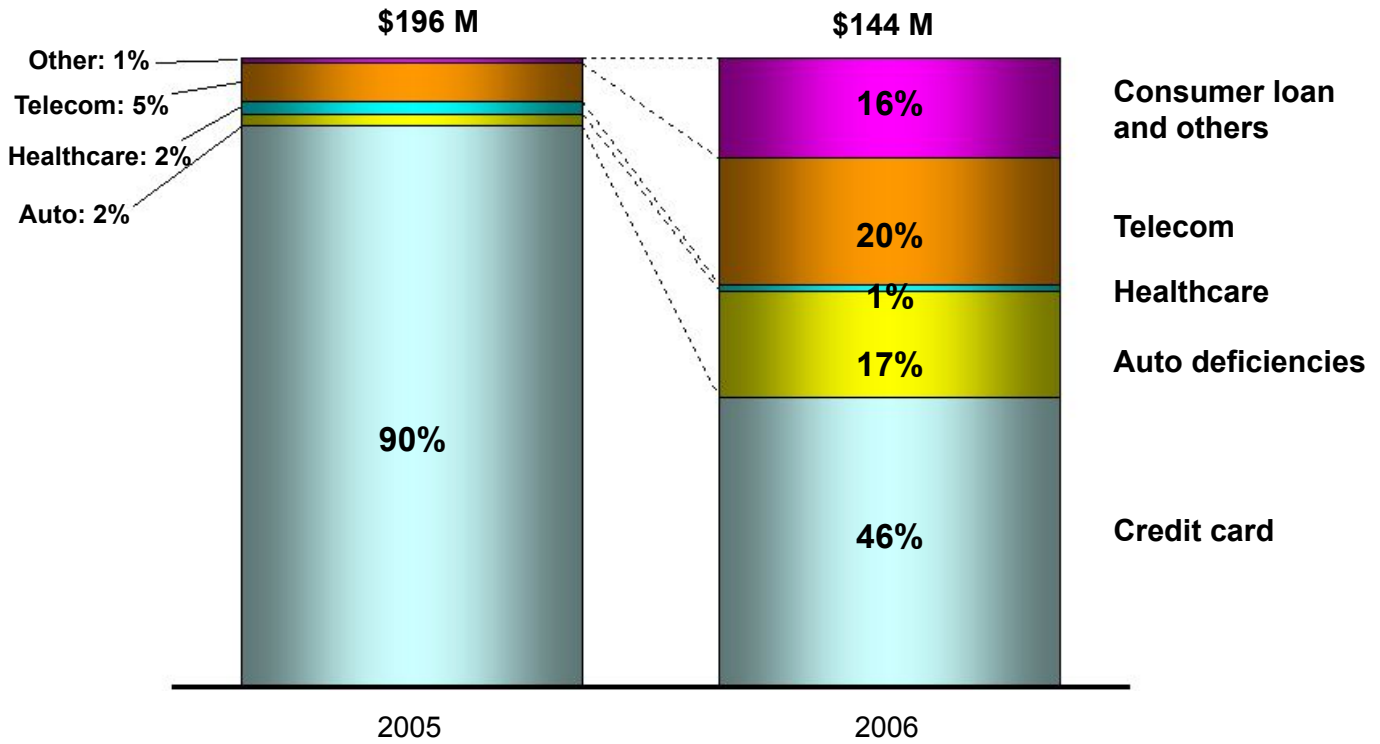
Quarterly deal flow

(\$ millions)



IN 2006, WE DIVERSIFIED OUR PURCHASING TO OTHER ASSET CLASSES

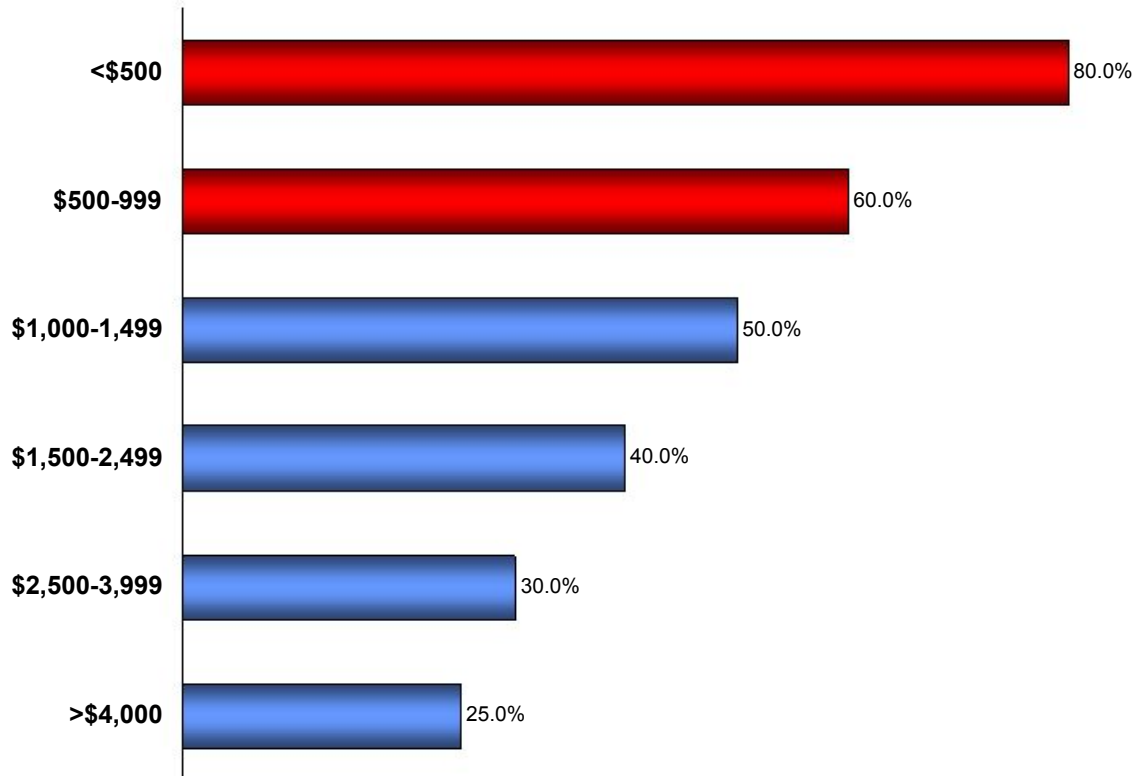
Purchase price by asset class



SOME OF WHICH ARE CONCENTRATED IN AREAS WITH A HIGH COST OF SERVICING

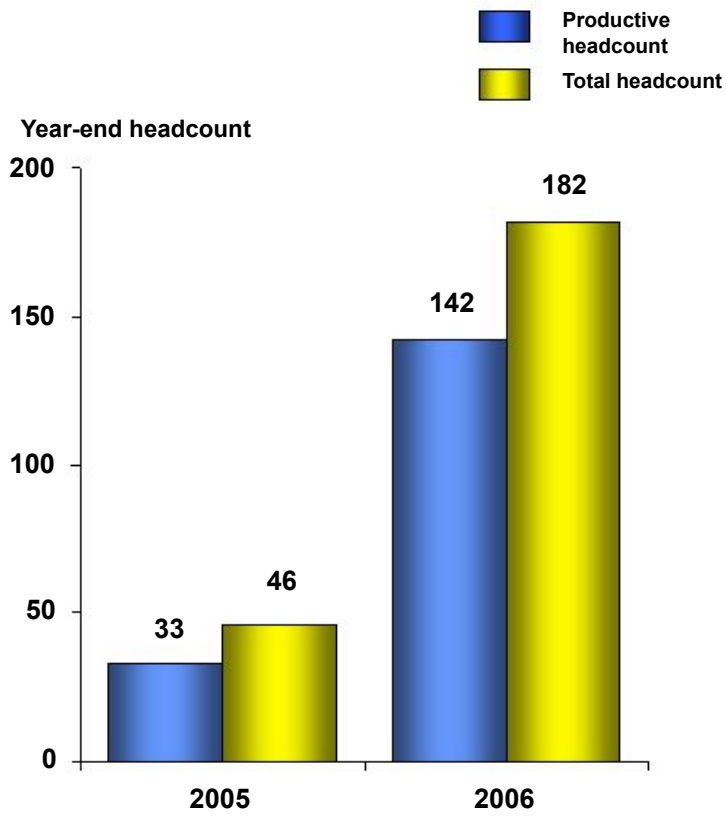
Approximate cost to collect in US call centers by balance

Cost per Dollar Collected (includes variable and fixed costs)

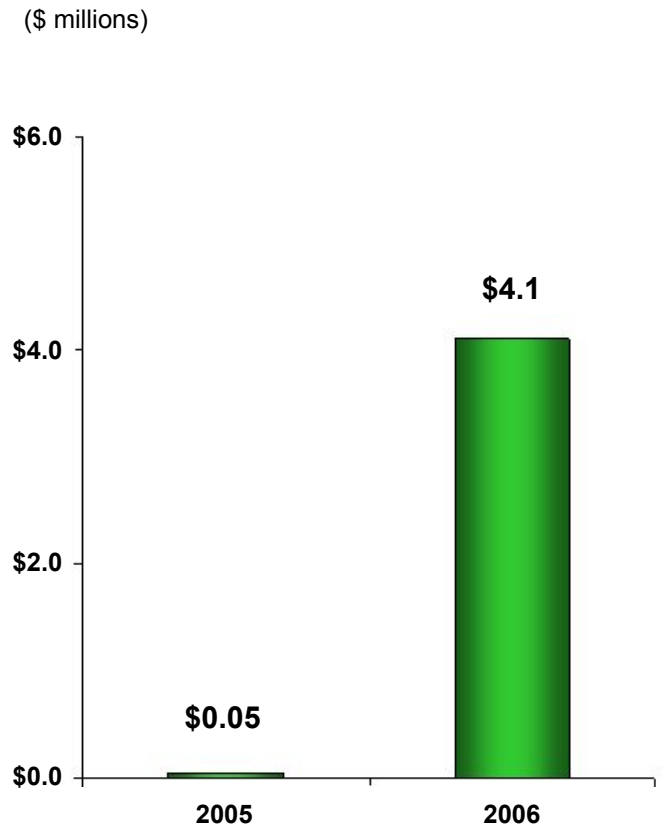


WE PREPARED FOR THIS BY BUILDING A CALL CENTER IN INDIA...

Headcount growth

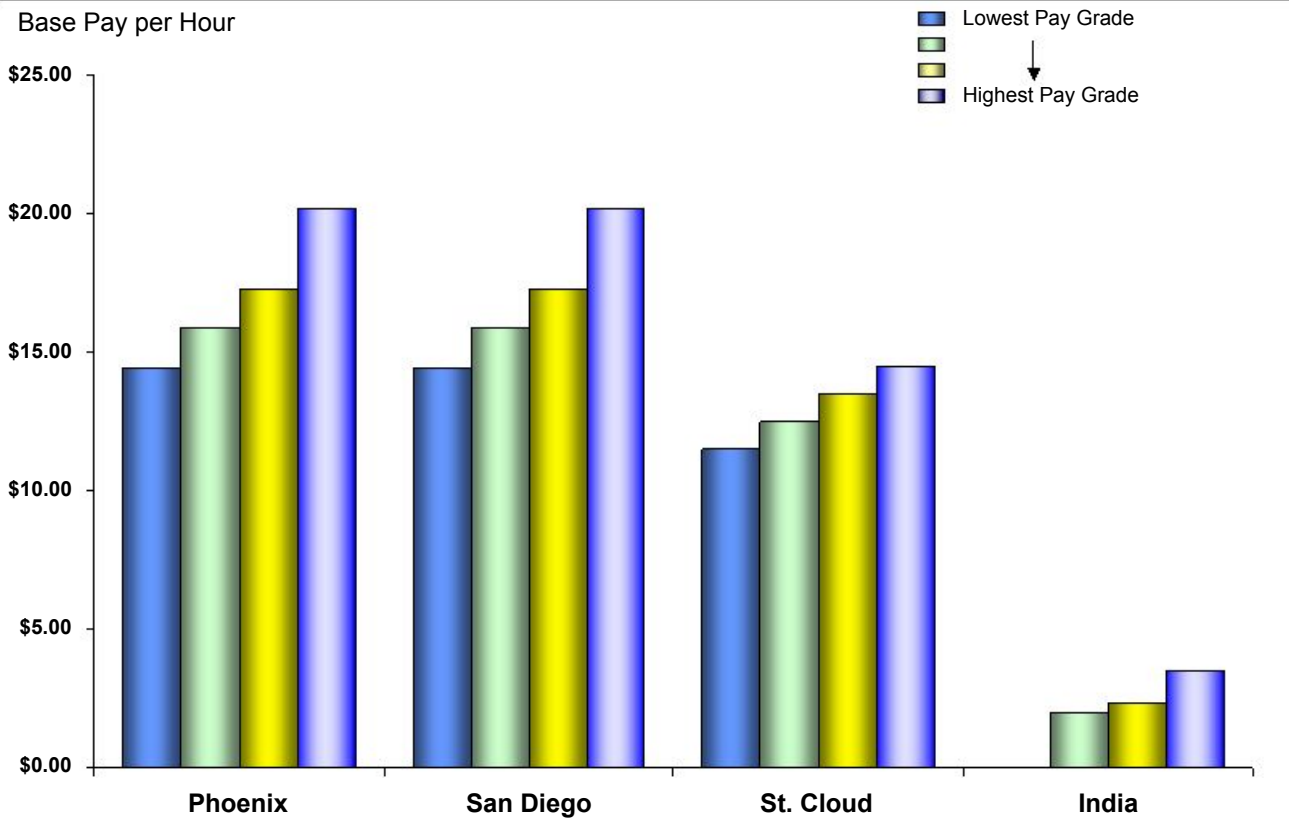


Collection growth



...WHICH HAS A LOWER COST STRUCTURE

2006 hourly wage rate by site



THIS INVESTMENT MAKES US VERY COMPETITIVE ON LOWER BALANCE PORTFOLIOS

RECENT TELECOM EXAMPLE

Balance band	Face value	Pre India	Post India	Enhancement
- Collections				
Bal<250	135M (32% total)	4M (16% total)	20M (49% total)	400%
Bal>250	283M (68% total)	21M (84% total)	21M (51% total)	0%
Total	418M	25M	41M	64%
- Liquidation				
Total		6.0%	9.8%	64%
- Multiple				
Total (market price: 3.5% over face)		1.71	2.80	64%

WE ALSO DIVERSIFIED INTO DISTRESSED CONSUMER DEBT BANKRUPTCY SERVICES THROUGH THE ASCENSION ACQUISITION

Timing

- August 2005

Ascension business overview

- **Location:** Arlington, Texas
- **Number of employees:** 160*
- **Business scope:**
 - Core: Secured consumer bankruptcy account servicing, mainly auto
 - Others: Secured auto bankruptcy accounts purchasing**,
Bankruptcy software licensing
- **Major clients:**
 - Large national auto lenders and local banks
 - Two new clients added since acquisition

Synergies and capabilities targeted

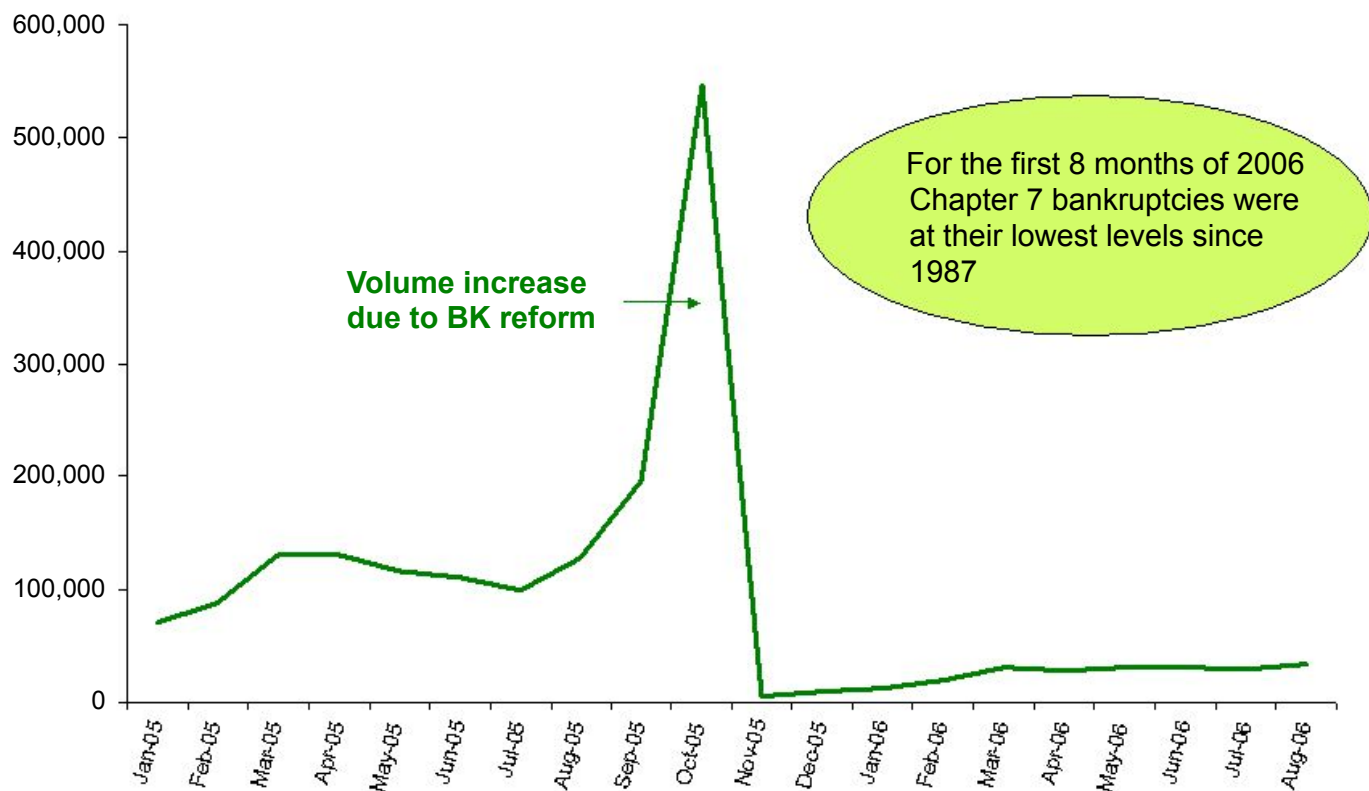
- Strong platform to enter large consumer bankruptcy processing outsourcing market with significant entry barriers and high switching costs
- Cross-selling opportunity with core business
- Automated legal processing platform leveraged in collection litigation

* As of December 31, 2006 ** Last purchase made in 2001

Encore Capital Group

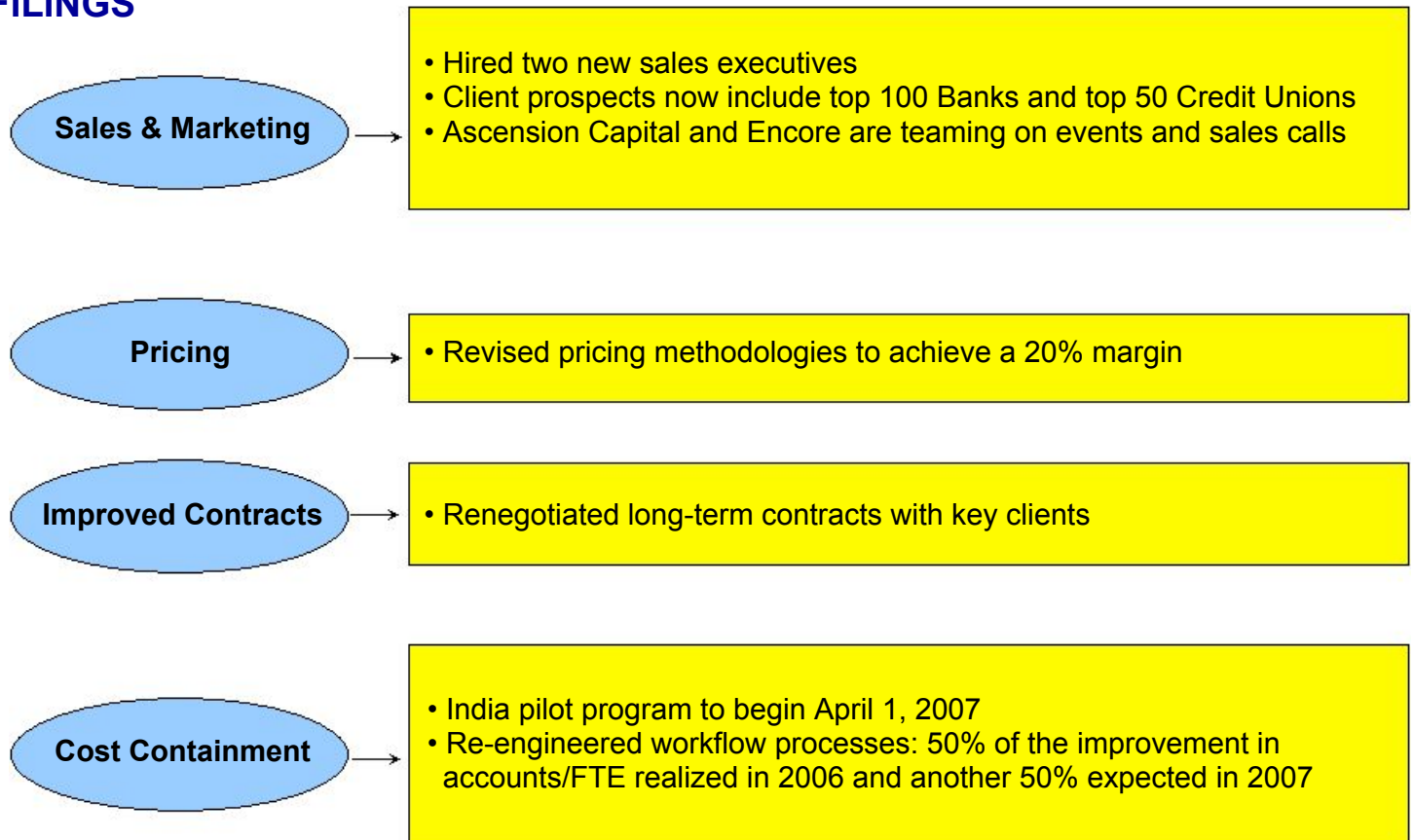
UNFORTUNATELY, AS A RESULT OF BK REFORM, BANKRUPTCIES WERE AT AN ALL TIME LOW IN 2006

U.S. Chapter 7 bankruptcy filings



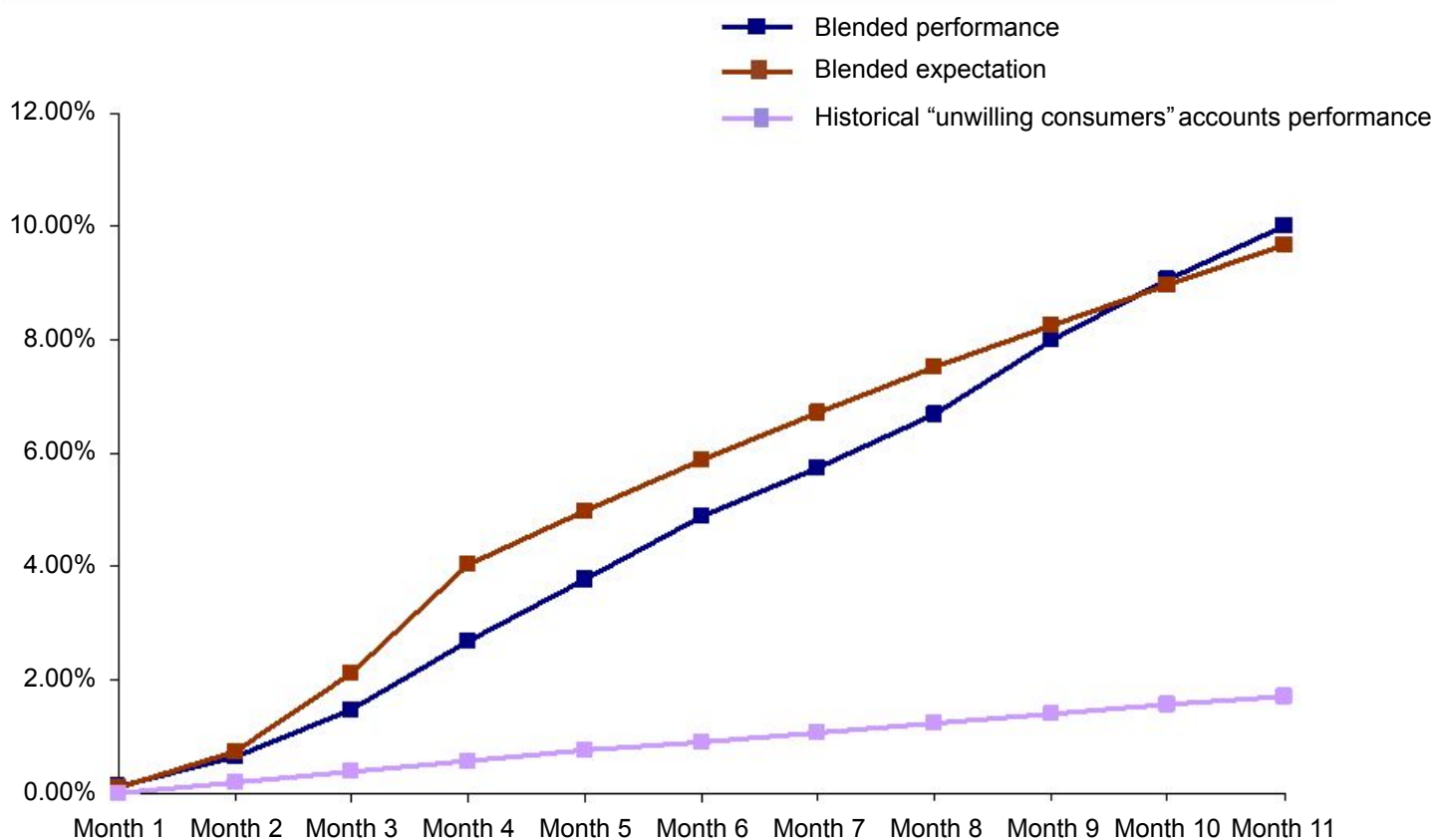
Sources: U.S. Courts

AS A RESULT, ASCENSION HAS NOT MET OUR EXPECTATIONS, BUT IT IS CURRENTLY POISED TO TAKE ADVANTAGE OF INCREASED BANKRUPTCY FILINGS



WHICH LED TO OUR NEW LEGAL INITIATIVE

Cumulative liquidation for specific type of “unwilling consumers”



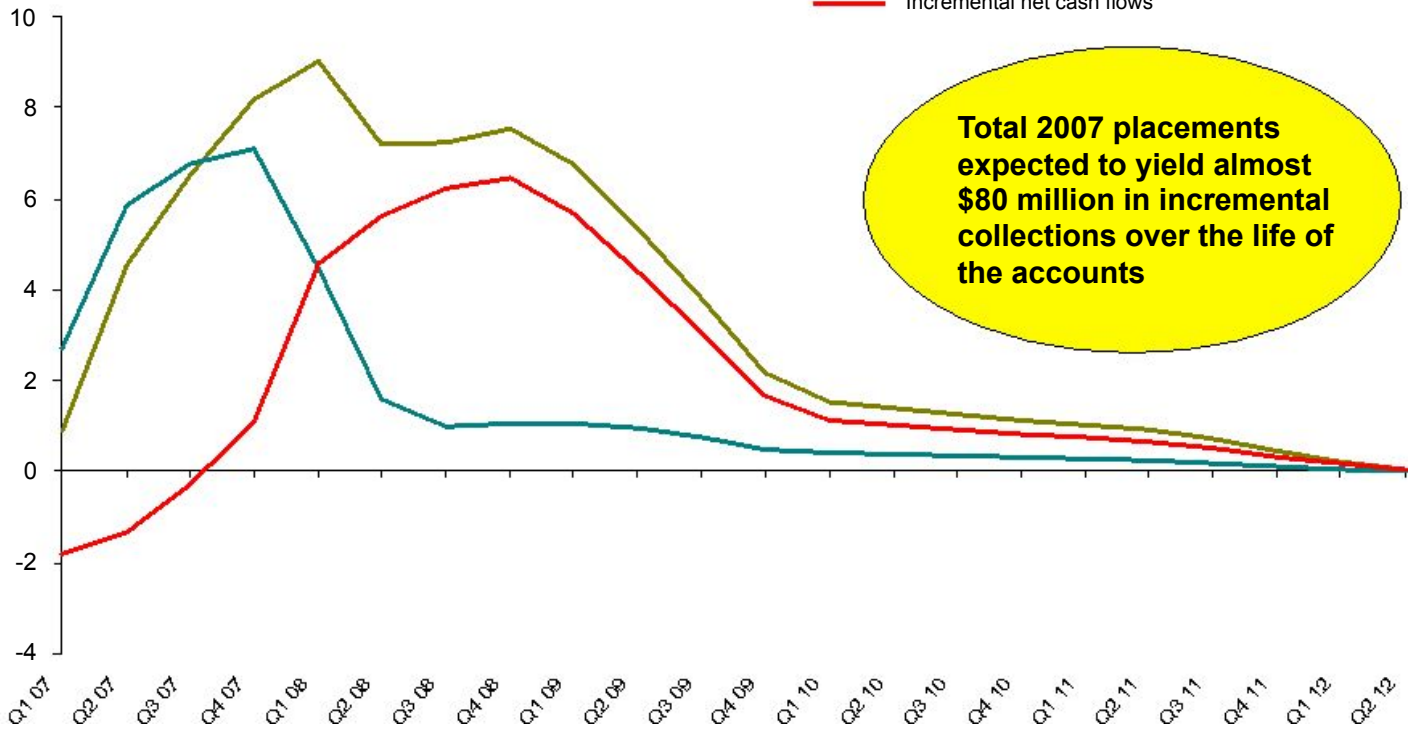
THIS WILL HAVE A SIGNIFICANT POSITIVE CASH IMPACT IN THE LONG RUN

LEGAL INITIATIVE EXAMPLE

Incremental cash flows impacts of 2007 legal initiative

(\$Million)

- Incremental collections over previous program
- Incremental cash outflows
- Incremental net cash flows



HOWEVER, DETERMINING THE TIMING OF THE REVENUE IMPACT FOR 2007 PLACEMENTS IS CHALLENGING AND, IS DEPENDENT ON SEVERAL FACTORS

Factors that impact the revenue recognition

Potential variance

Remaining book value of accounts

- **Age of accounts on book from the original pools**
- **Prior collections on the specific pool groups before the application of legal initiative**
- **Original purchase price for the pools**

IRR used to recognize revenue

- **Expected collections from original pool groups as a whole**
- **The actual collections from the legal initiative can vary by 1) time left in statute 2) balance 3) state 4) credit quality and 5) availability of asset information of debtors**

Operational challenges

- **Placements are selected based on litigation eligibility, not by portfolio or pool group**



- **What We Saw Coming**

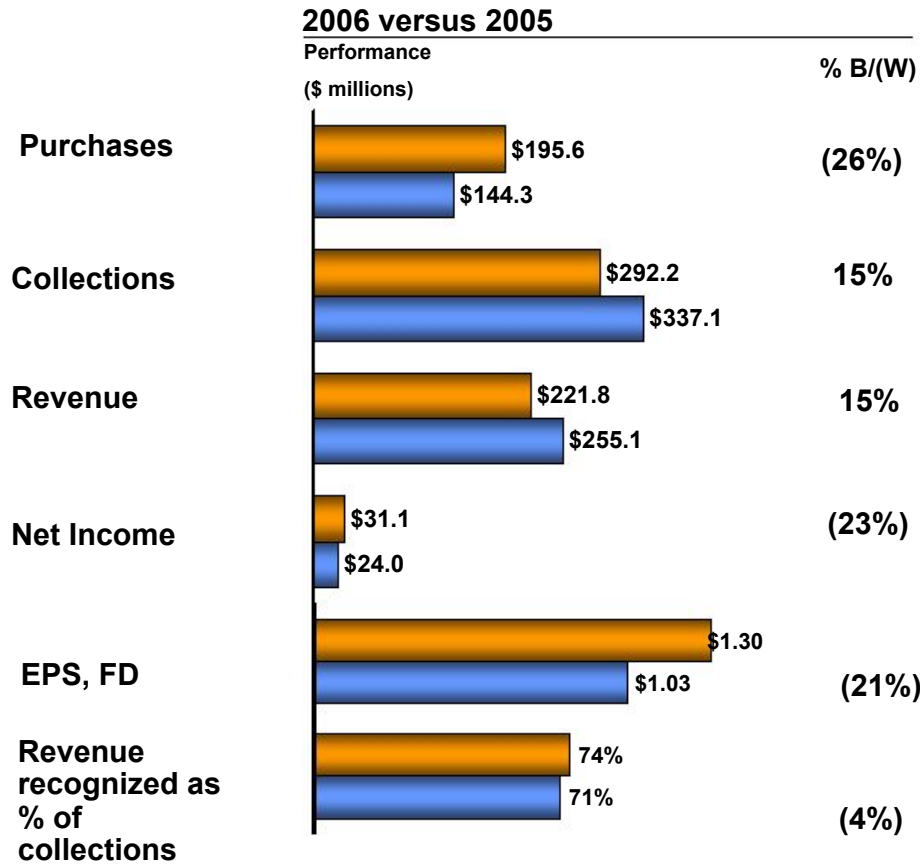
- **How We Responded**

- **2006 Financial Results**

- **Looking Ahead**

FOR THE YEAR, OUR TOP LINE RESULTS WERE ABOVE 2005, ALTHOUGH THIS PERFORMANCE DID NOT DROP TO THE BOTTOM LINE

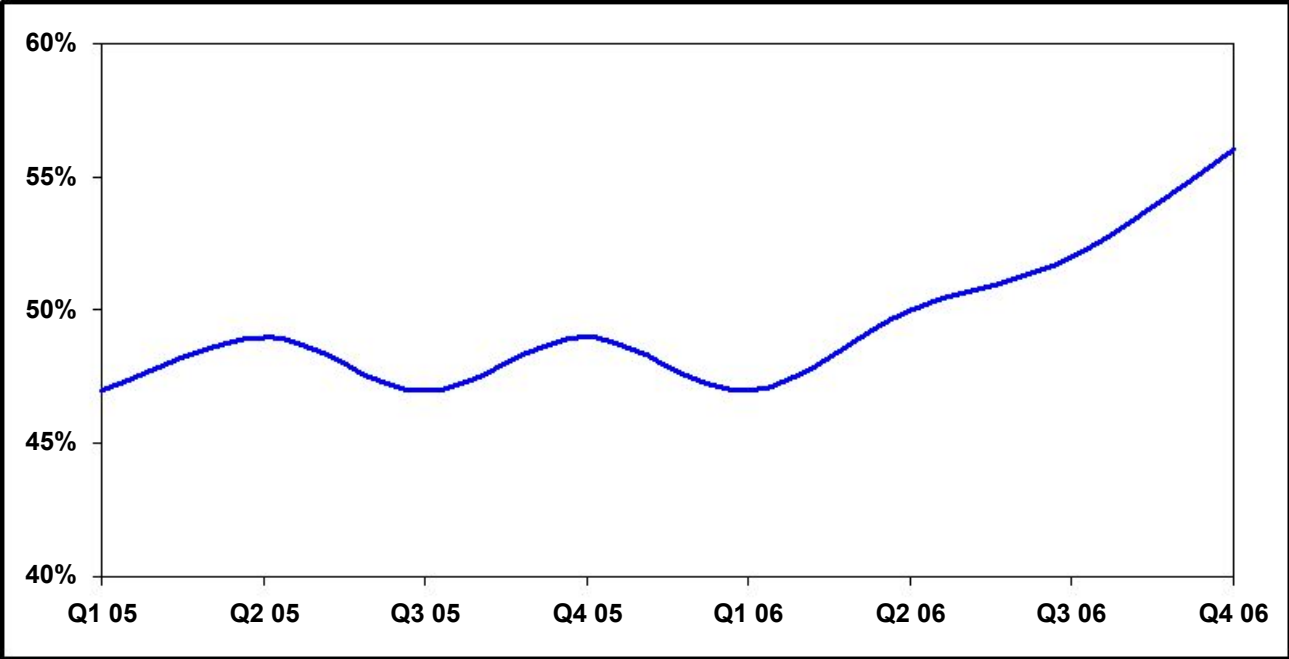
2006 Actual
2005 Actual



PRIMARILY DUE TO AN INCREASE IN OUR EXPENSE TO COLLECTIONS RATIO

Expense/Collections ratio* trend

(%)

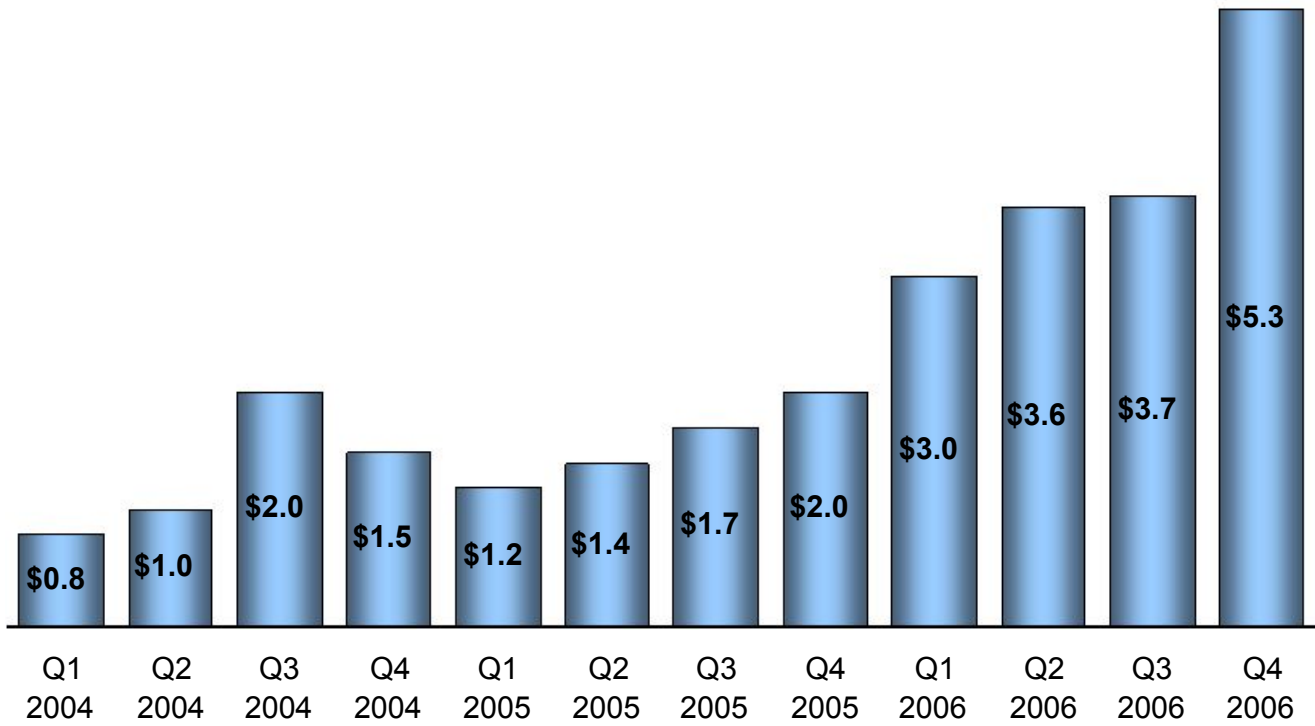


* Excludes portfolio sales, Ascension expenses, stock option expense, strategic alternatives

WHICH WAS DRIVEN BY UPFRONT COSTS ASSOCIATED WITH THE RAMP UP IN OUR LEGAL INITIATIVE AND OTHER NON-RECURRING COSTS

Court Cost Expense by Quarter

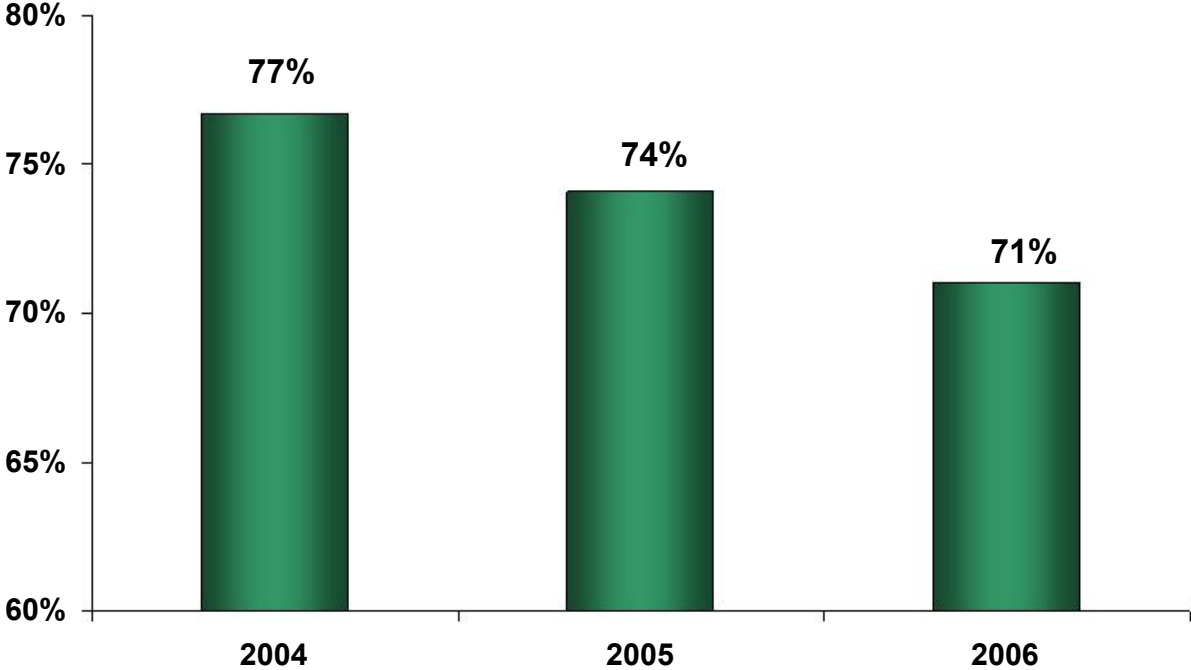
(\$ millions)



EARNINGS WERE ALSO NEGATIVELY IMPACTED BY OUR DECLINING REVENUE RECOGNITION RATES

Revenue recognition rates

(%, 2004-2006)



WHICH RESULT FROM THE CONTINUED SHIFT TO NEWER, LOWER REVENUE RECOGNITION POOLS

(\$ thousands)

	For the Year Ended December 31, 2006			For the Year Ended December 31, 2005			Percentage of Total Revenue
	Revenue to Collections Percentage	Revenue	Collections	Revenue to Collections Percentage	Revenue	Collections	
Zero Basis Portfolios	100.0%	\$28,588	\$28,588	100.0%	\$32,412	\$32,412	15.0%
1999 – 2003 Accrual Basis Portfolios	77.0%	63,151	82,040	82.4%	92,592	112,373	42.9%
2004 – 2005 Accrual Basis Portfolios	66.2%	121,363	183,392	62.1%	90,927	146,326	42.1%
2006 Accrual Basis Portfolios	61.9%	26,238	42,354	-	-	-	-
Total	71.2%	\$239,340	\$336,374	74.2%	\$215,931	\$291,111	100.0%

Source: Encore Capital Group 2006 Form 10-K

Encore Capital Group



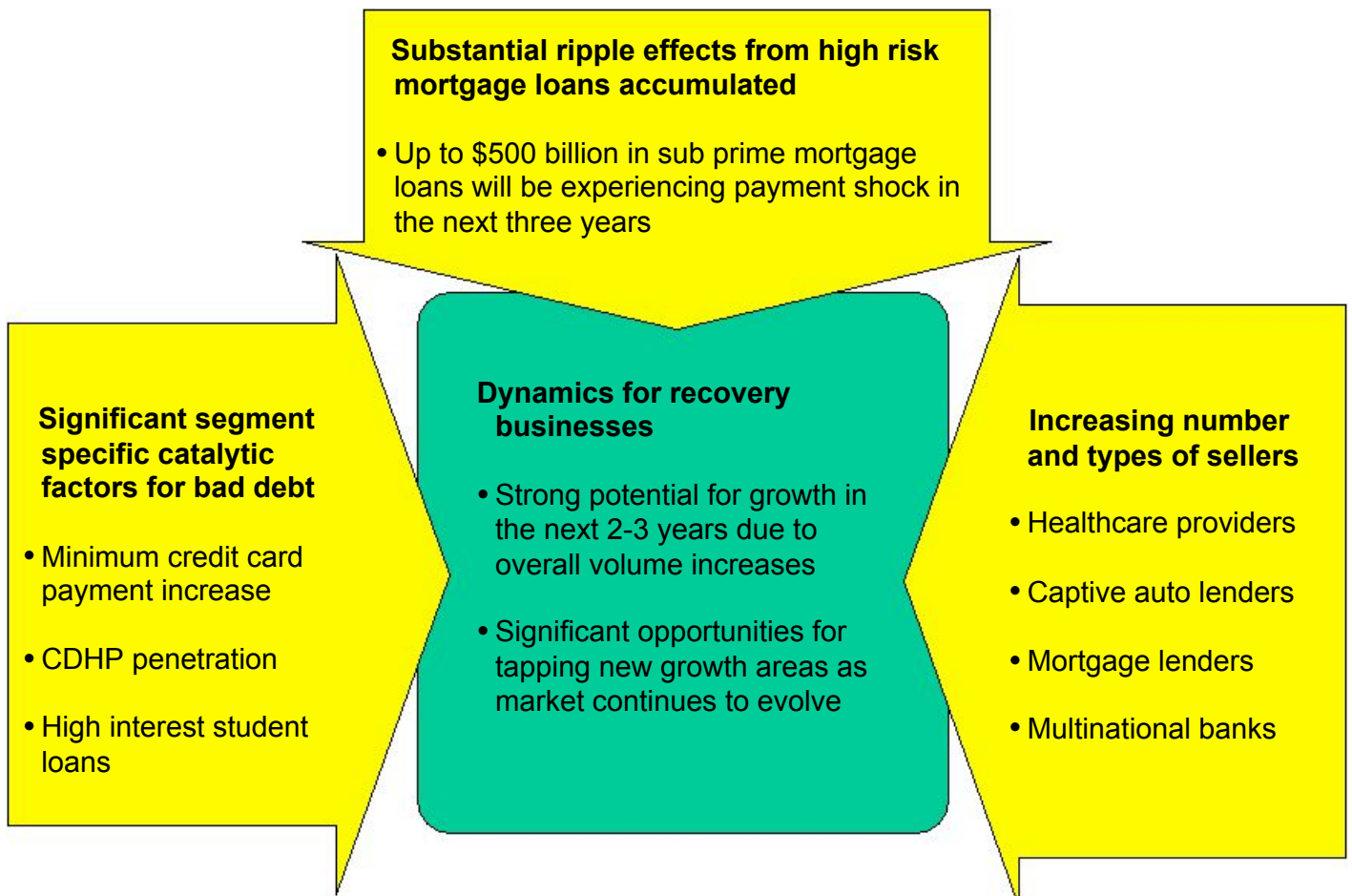
- **What We Saw Coming**

- **How We Responded**

- **2006 Financial Results**

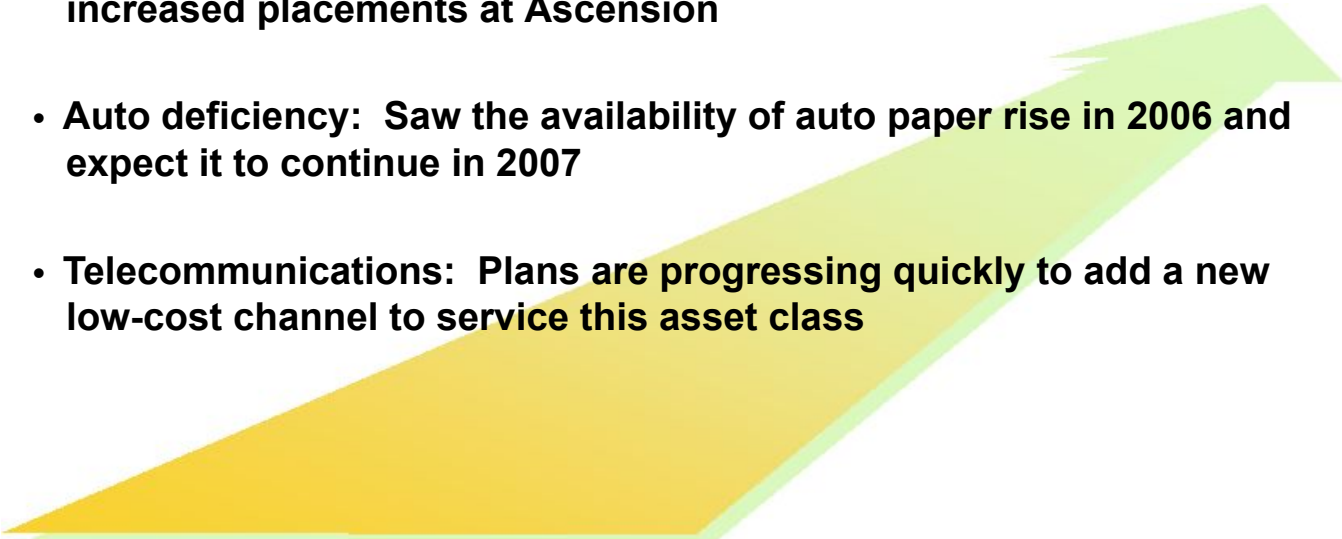
- **Looking Ahead**

THERE ARE BROAD MACROECONOMIC FACTORS THAT WILL BE CATALYSTS FOR OVERALL EXPANSION IN OUR CORE MARKETS



Source: Literature search, interviews

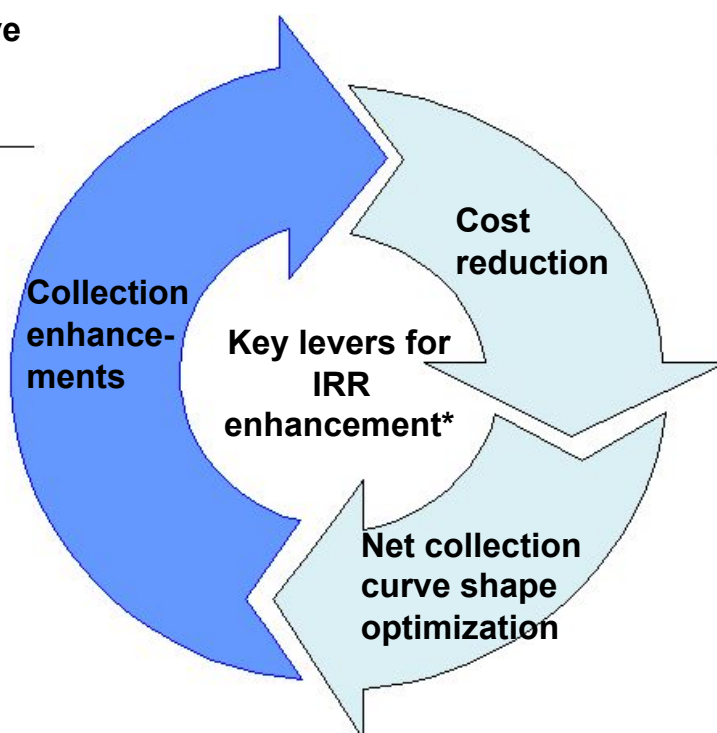
AS WE LOOK TO 2007, WE ALREADY SEE SEVERAL THINGS MOVING IN OUR FAVOR

- **Purchasing:** The legal initiative has made us more competitive on “auctioned” deals and we have developed new acquisition and sales strategies
 - **Bankruptcies:** Filings are on the rise – which will hopefully lead to increased placements at Ascension
 - **Auto deficiency:** Saw the availability of auto paper rise in 2006 and expect it to continue in 2007
 - **Telecommunications:** Plans are progressing quickly to add a new low-cost channel to service this asset class
- 

WE ARE CONTINUALLY DEVELOPING NEW OPERATING INITIATIVES, SOME OF WHICH HAVE ALREADY BEEN IMPLEMENTED, THAT ARE DRIVING IMPROVEMENTS IN PORTFOLIO LIQUIDATION

Initiatives that have been partially deployed

- Legal initiative
- Settlement enhancement
- Deeper penetration of low balance accounts through India

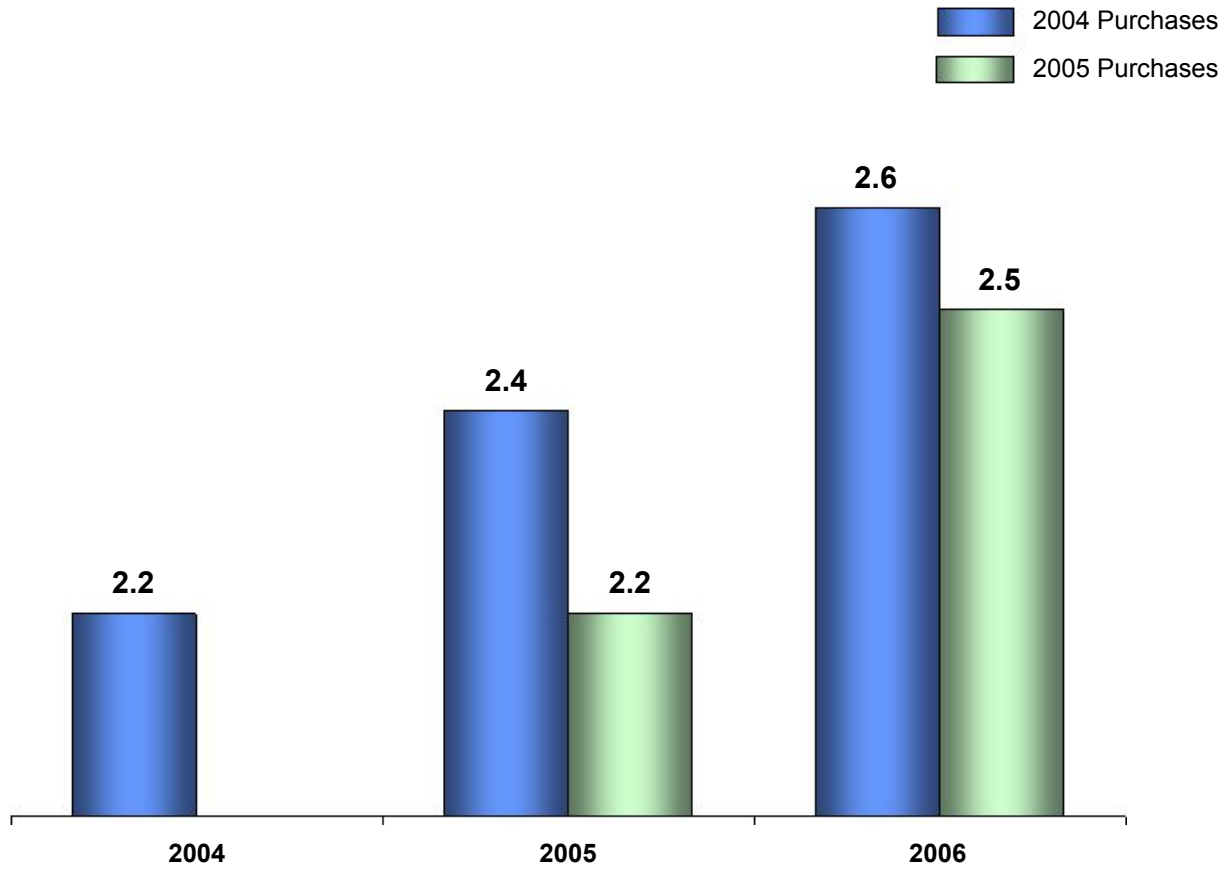


Initiatives that will be deployed in 2007

- Location optimization
- Life cycle channel optimization
- Outsourcing strategies for late stage accounts

* Since operations are key focus of the discussion, assumes pricing is constant

THE INITIATIVES THAT HAVE BEEN IMPLEMENTED HAVE ALREADY RESULTED IN AN IMPROVEMENT IN OUR EXPECTED MULTIPLES FROM RECENT VINTAGES



Source: Derived from Encore Capital Group Form 10-Ks

Encore Capital Group

WE BELIEVE ENCORE REPRESENTS AN OPPORTUNITY TO CAPITALIZE ON A STRONG PLATFORM AND FAVORABLE INDUSTRY DYNAMICS TO ACHIEVE ATTRACTIVE RETURNS

