UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, DC 20549

WASHINGTON, DC 2054

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): August 10, 2015

ENCORE CAPITAL GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation) 000-26489 (Commission File Number)

3111 Camino Del Rio North, Suite 103, San Diego, California (Address of Principal Executive Offices) 48-1090909 (IRS Employer Identification No.) 92108 (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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On August 10, 2015, Encore Capital Group, Inc. issued a press release announcing its financial results for the second quarter ended June 30, 2015. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information in Item 2.02 of this Current Report on Form 8-K, including the information contained in Exhibit 99.1, is being furnished to the Securities and Exchange Commission pursuant to Item 2.02, and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by a specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

Exhibit Number	Description
99.1	Press release dated August 10, 2015

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: August 10, 2015

<u>/s/ Jonathan C. Clark</u> Jonathan C. Clark Executive Vice President, Chief Financial Officer and Treasurer Exhibit NumberDescription99.1Press release dated August 10, 2015



Encore Capital Group Announces Second Quarter 2015 Financial Results; Q2 Capital Deployments Exceed \$500 Million

- GAAP EPS increases 20% to \$1.03
- Non-GAAP Economic EPS increases 15% to record \$1.27
- Encore deploys \$505 million worldwide, \$290 million in Europe
- Collections increase 7% to record \$437 million
- Adjusted EBITDA increases 8% to record \$277 million
- Estimated Remaining Collections increase 16% to \$5.7 billion

SAN DIEGO, August 10, 2015 -- Encore Capital Group, Inc. (NASDAQ: ECPG), an international specialty finance company providing debt recovery solutions for consumers and property owners across a broad range of assets, today reported consolidated financial results for the second quarter ended June 30, 2015.

"Encore delivered strong financial performance in the second quarter as we established new records for total collections, revenues, Estimated Remaining Collections and non-GAAP Economic EPS. We deployed more than \$500 million of capital in the second quarter, with more than half of the total applied to purchasing debt internationally, demonstrating the diversity of our global business," said Kenneth A. Vecchione, President and Chief Executive Officer. "We also generated a record level of cash flow in the second quarter as our Adjusted EBITDA grew to \$277 million, with trailing 12-month Adjusted EBITDA topping \$1 billion."

Financial Highlights for the Second Quarter of 2015:

- Estimated Remaining Collections (ERC) grew 16% to \$5.7 billion, compared to \$4.9 billion at June 30, 2014.
- Gross collections from the portfolio purchasing and recovery business grew 7% to a record \$437 million, compared to \$409 million in the same period of the prior year.
- Investment in receivable portfolios in the portfolio purchasing and recovery business was \$419 million, to purchase \$5.5 billion in face value of debt, compared to \$226 million, to purchase \$3.1 billion in face value of debt in the same period of the prior year. Encore's subsidiary Propel Financial Services also purchased \$86 million of tax liens during the second quarter of 2015, raising Encore's total deployment in the quarter to \$505 million.
- Total revenues increased 8% to a record \$290 million, compared to \$269 million in the same period of the prior year.
- Total operating expenses increased 7% to \$203 million, compared to \$191 million in the same period of the prior year. Adjusted operating expenses (defined as operating expenses excluding stock-based compensation expense, expenses related to non-portfolio purchasing and recovery business, one-time charges, and acquisition, integration and restructuring related expenses) increased 6% to \$164 million, compared to \$155 million in the same period of the prior year. Adjusted operating expenses per dollar collected for the portfolio purchasing and recovery business decreased to 37.6%, compared to 37.9% in the same period of the prior year.
- Adjusted EBITDA (defined as net income before interest, taxes, depreciation and amortization, stock-based compensation expenses, portfolio amortization, one-time items, and acquisition, integration and restructuring related expenses), increased 8% to \$277 million, compared to \$256 million in the same period of the prior year.
- Total interest expense increased to \$46.3 million, as compared to \$43.2 million in the same period of the prior year, reflecting the financing of Encore's recent acquisitions.

- Net income attributable to Encore was \$27.7 million, or \$1.03 per fully diluted share, compared to net income attributable to Encore of \$23.6 million, or \$0.86 per fully diluted share, in the same period of the prior year.
- Adjusted income attributable to Encore (defined as net income attributable to Encore excluding the noncontrolling interest, non-cash interest and issuance cost amortization, one-time items, and acquisition, integration and restructuring related expenses, all net of tax) increased 14% to \$33.2 million, compared to adjusted income attributable to Encore of \$29.1 million in the same period of the prior year.
- Adjusted income attributable to Encore per share (also referred to as Economic EPS) grew 15% to \$1.27, compared to \$1.10 in the same period of the prior year. In the second quarter, Economic EPS adjusts for approximately 0.8 million shares associated with convertible notes that will not be issued as a result of certain hedge and warrant transactions, but are reflected in the fully diluted share count for accounting purposes.
- Available capacity under Encore's revolving credit facility, subject to borrowing base and applicable debt covenants, was \$126.4 million as of June 30, 2015. Total debt was \$3.1 billion as of June 30, 2015, compared to \$2.8 billion as of December 31, 2014.

Conference Call and Webcast

The Company will hold a conference call today, August 10, 2015, at 5:30 a.m. Pacific time / 8:30 a.m. Eastern time to discuss second quarter financial results.

Members of the public are invited to listen to the event via a listen-only telephone conference call line or the Internet. To access the live telephone conference call, please dial (855) 541-0982 or (704) 288-0606. The Conference ID is 90056856. To access the live webcast via the Internet, log on to the Investors page of the Company's website at www.encorecapital.com.

Non-GAAP Financial Measures

This news release includes certain financial measures that exclude the impact of certain items and therefore have not been calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). The Company has included adjusted income attributable to Encore and adjusted income attributable to Encore per share (also referred to as economic EPS when adjusted for certain shares associated with our convertible notes that will not be issued but are reflected in the fully diluted share count for accounting purposes) because management uses this measure to assess operating performance, in order to highlight trends in the Company's business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP. The Company has included information concerning adjusted EBITDA because management utilizes this information, which is materially similar to a financial measure contained in covenants used in the Company's revolving credit facility, in the evaluation of its operations and believes that this measure is a useful indicator of the Company's ability to generate cash collections in excess of operating expenses through the liquidation of its receivable portfolios. The Company has included information concerning adjusted operating expenses in order to facilitate a comparison of approximate cash costs to cash collections for the portfolio purchasing and recovery business in the periods presented. Adjusted income attributable to Encore, adjusted income attributable to Encore per share/economic EPS, adjusted EBITDA, and adjusted operating expenses have not been prepared in accordance with GAAP. These non-GAAP financial measures should not be considered as alternatives to, or more meaningful than, net income, net income per share, and total operating expenses as indicators of the Company's operating performance. Further, these non-GAAP financial measures, as presented by the Company, may not be comparable to similarly

titled measures reported by other companies. The Company has attached to this news release a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

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, 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 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, the company 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 Encore can be found at http://www.encorecapital.com. More information about the Company's Cabot Credit Management subsidiary can be found at http://www.cabotcm.com. Information found on the Company's website or Cabot's website is not incorporated by reference.

Encore Capital Group, Inc. Page 4 of 8

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 "will," "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 the most recent reports on Forms 10-K and 10-Q, as they may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

Contact:

Encore Capital Group, Inc.

Bruce Thomas (858) 309-6442 bruce.thomas@encorecapital.com

FINANCIAL TABLES FOLLOW

ENCORE CAPITAL GROUP, INC. Condensed Consolidated Statements of Financial Condition (In Thousands, Except Par Value Amounts) (Unaudited)

	June 30, 2015	December 31, 2014
Assets		
Cash and cash equivalents	\$ 138,158	\$ 124,163
Investment in receivable portfolios, net	2,351,767	2,143,560
Receivables secured by property tax liens, net	316,299	259,432
Property and equipment, net	66,413	66,969
Deferred court costs, net	71,724	60,412
Other assets	199,689	197,666
Goodwill	969,928	897,933
Total assets	\$ 4,113,978	\$ 3,750,135
Liabilities and equity		
Liabilities:		
Accounts payable and accrued liabilities	\$ 214,621	\$ 231,967
Debt	3,134,187	2,773,554
Other liabilities	83,877	79,675
Total liabilities	 3,432,685	 3,085,196
Commitments and contingencies		
Redeemable noncontrolling interest	27,924	28,885
Redeemable equity component of convertible senior notes	7,625	9,073
Equity:		
Convertible preferred stock, \$.01 par value, 5,000 shares authorized, no shares issued and outstanding	_	_
Common stock, \$.01 par value, 50,000 shares authorized, 25,237 shares and 25,794 shares issued and outstanding as of June 30, 2015 and December 31, 2014, respectively	252	258
Additional paid-in capital	101,288	125,310
Accumulated earnings	555,436	498,354
Accumulated other comprehensive loss	(14,796)	(922)
Total Encore Capital Group, Inc. stockholders' equity	 642,180	 623,000
Noncontrolling interest	3,564	3,981
Total equity	645,744	626,981
Total liabilities, redeemable equity and equity	\$ 4,113,978	\$ 3,750,135

The following table includes assets that can only be used to settle the liabilities of the Company's consolidated variable interest entities ("VIEs") and the creditors of the VIEs have no recourse to the Company. These assets and liabilities are included in the consolidated statements of financial condition above.

	June 30, 2015	December 31, 2014
Assets		
Cash and cash equivalents	\$ 39,518	\$ 44,996
Investment in receivable portfolios, net	1,244,636	993,462
Receivables secured by property tax liens, net	96,212	108,535
Property and equipment, net	19,715	15,957
Deferred court costs, net	29,016	17,317
Other assets	46,062	80,264
Goodwill	742,272	671,434
Liabilities		
Accounts payable and accrued liabilities	\$ 119,187	\$ 137,201
Debt	1,823,897	1,556,956
Other liabilities	18,367	8,724

ENCORE CAPITAL GROUP, INC. Condensed Consolidated Statements of Income (In Thousands, Except Per Share Amounts) (Unaudited)

	Three Mo Ju	nths Ende ne 30,	:d
	2015		2014
Revenues			
Revenue from receivable portfolios, net	\$ 270,301	\$	248,231
Other revenues	13,112		14,149
Net interest income	6,943		6,815
Total revenues	290,356		269,195
Operating expenses			
Salaries and employee benefits	67,545		64,355
Cost of legal collections	57,076		50,029
Other operating expenses	23,015		23,712
Collection agency commissions	8,466		7,482
General and administrative expenses	39,166		38,282
Depreciation and amortization	8,084		6,829
Total operating expenses	203,352		190,689
Income from operations	87,004		78,506
Other (expense) income			
Interest expense	(46,250)		(43,218)
Other income	395		75
Total other expense	(45,855)		(43,143)
Income before income taxes	41,149		35,363
Provision for income taxes	(15,964)		(14,010)
Net income	25,185		21,353
Net loss attributable to noncontrolling interest	2,472		2,208
Net income attributable to Encore Capital Group, Inc. stockholders	\$ 27,657	\$	23,561
Earnings per share attributable to Encore Capital Group, Inc.:			
Basic	\$ 1.07	\$	0.91
Diluted	\$ 1.03	\$	0.86
Weighted average shares outstanding:			
Basic	25,885		25,798
Diluted	 26,919		27,492
Difute	 20,919		27,492

ENCORE CAPITAL GROUP, INC. Condensed Consolidated Statements of Cash Flows (Unaudited, In Thousands)

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Net cash provided by operating activities $47,412$ $52,3$ Investing activities: $47,412$ $52,3$ Cash paid for acquisitions, net of cash acquired $(237,873)$ $(303,5)$ Purchases of receivable portfolios, net of put-backs $(356,302)$ $(475,1)$ Collections applied to investment in receivable secured by tax liens $(139,820)$ $(85,0)$ Collections applied to receivables secured by tax liens $76,876$ $53,2$ Purchases of property and equipment $(10,642)$ $(6,5)$ Other, net $1,292$ $(493,5)$ Net cash used in investing activities $(331,882)$ $(493,5)$ Financing activities: $(354,362)$ $(732,6)$ Payment of loan costs $(6,574)$ $(14,6)$ Proceeds from senior secured notes $(7,500)$ $(7,5)$ Proceeds from secured notes $(7,500)$ $(7,5)$ Proceeds from sisuance of securitized notes $(22,694)$ $(8,7)$ Proceeds from sisuance of securitized notes $(22,694)$ $(8,7)$ Purchases of convertible beige instruments $(22,694)$ $(8,7)$ Purchase of convertible heige instruments $(22,694)$ $(8,7)$ Repayment of securitized notes $(22,694)$ $(8,7)$ Purchase of convertible heige instruments $(33,185)$ $(16,6)$ Taxes paid related to net share settlement of equity awards $(5,260)$ $(18,3)$ Every as a benefit from stock-based payment arrangements $(4,79)$ $(10,79)$ Net cash provided by financing activities $303,795$ $443,0$ <tr< td=""><td>Prepaid income tax and income taxes payable</td><td></td><td>(23,648)</td><td></td><td>(9,038)</td></tr<>	Prepaid income tax and income taxes payable		(23,648)		(9,038)	
Investing activities:(237,873)(303,57)Cash paid for acquisitions, net of cash acquired(237,873)(303,57)Purchases of receivable portfolios, net(334,587)(325,4)Collections applied to investment in receivables secured by tax liens(139,820)(85,00)Collections applied to receivables secured by tax liens(139,820)(85,00)Collections applied to receivables secured by tax liens76,87653,2Purchases of property and equipment(10,642)(8,50)Other, net1,292(443,51)Net cash used in investing activities(31,882)(439,52)Financing activities(6,574)(14,60)Proceeds from credit facilities(354,362)(73,26)Proceeds from senior secured notes	Accounts payable, accrued liabilities and other liabilities		(1,313)		1,574	
Cash paid for acquisitions, net of cash acquired(237,873)(303,52Purchases of receivable portfolios, net of put-backs(356,302)(475,1)Collections applied to investment in receivable portfolios, net334,587325,4Originations and purchases of receivables secured by tax liens(139,820)(86,0)Collections applied to receivables secured by tax liens76,87653,2Purchases of property and equipment(10,642)(86,2)Other, net1,292(493,5)Fhancing activities(31,882)(493,5)Formering activities(31,882)(493,5)Proceeds from credit facilities(354,362)(73,2,8)Proceeds from senior secured notes	Net cash provided by operating activities		47,412		52,373	
Purchases of receivable portfolios, net of put-backs(356,302)(475,1)Collections applied to investment in receivable portfolios, net334,587325,4Originations and purchases of receivables secured by tax liens(139,820)(85,0)Collections applied to receivables secured by tax liens(13,0,20)(85,0)Collections applied to receivables secured by tax liens(10,642)(85,0)Purchases of property and equipment(10,642)(85,0)Other, net1,222(433,9)Financing activities(31,882)(433,9)Financing activities(331,882)(433,9)Payment of loon costs(6,574)(14,6)Proceeds from credit facilities(354,362)(73,28,9)Proceeds from credit facilities(354,362)(73,28,9)Proceeds from senior secured notes-288,60Repayment of secured notes-288,60Proceeds from sisuance of convertible senior notes-288,60Repayment of secured notes-(33,185)Purchases of convertible senior notes-(33,185)Repayment of securitized notes-(33,185)Purchases of convertible hedge instruments-(33,185)Conter, net(5,260)(18,3)Repayment of securitized notes(5,260)(18,3)	Investing activities:					
Collections applied to investment in receivable portfolios, net334,587325,4Originations and purchases of receivables secured by tax liens(139,820)(85,0Collections applied to receivables secured by tax liens76,87653,2Purchases of property and equipment(10,642)(8,9Other, net1,292(493,5)Payment of loan costs(6,574)(14,6)Proceeds from credit facilities737,648679,8Repayment of credit facilities(354,362)(732,8)Proceeds from senior secured notes-288,6Proceeds from sisuance of securitized notes-161,0Proceeds from issuance of securitized notes-161,0Proceeds from issuance of securitized notes-163,0Proceeds from issuance of securitized notes-161,0Proceeds from issuance of securitized notes-134,05Purchases of convertible hedge instruments-(33,185)Purchase of convertible hedge instruments-(33,185)Conservertible hedge instruments-(33,185)Purchase of convertible hedge instruments-(33,185)Purchase of convertible hedge instruments-(33,185)Purchase of convertible head payment arrangements1,47910,7Net cash provided by financing activities303,795443,00Repayment of securitized notes-14,30Purchase of convertible head payment arrangements1,47910,7Other, net(5,757)1.3Net	Cash paid for acquisitions, net of cash acquired		(237,873)		(303,532)	
Originations and purchases of receivables secured by tax liens $(139,820)$ $(85,0)$ Collections applied to receivables secured by tax liens $76,876$ $53,2$ Purchases of property and equipment $(10,642)$ $(8,9)$ Other, net $1,292$ $(331,882)$ $(493,9)$ Financing activities $(331,882)$ $(493,9)$ Payment of loan costs $(6,574)$ $(14,6)$ Proceeds from credit facilities $(354,362)$ $(732,6)$ Repayment of credit facilities $(354,362)$ $(732,6)$ Proceeds from secured notes $ 288,6$ Repayment of secured notes $ 288,6$ Repayment of secured notes $ 134,0$ Proceeds from secured notes $ 134,0$ Proceeds from issuance of convertible senior notes $ 134,0$ Repayment of securitized notes $ 134,0$ Repayment of securitized notes $ (33,185)$ Purchases of convertible hedge instruments $ (33,25)$ Repurchase of convertible hedge instruments $ (33,260)$ Taxes paid related to net share settlement of equity awards $(5,260)$ $(18,3)$ Excess tax benefit from stock-based payment arrangements $1,479$ $100,7$ Other, net $(5,757)$ $1,3$ $1,479$ Net cash provided by financing activities $303,795$ $443,0$ Net cash provided by financing activities $303,795$ $443,0$ Net cash provided by financing activities $303,795$ $443,0$	Purchases of receivable portfolios, net of put-backs		(356,302)		(475,121)	
Collections applied to receivables secured by tax liens76,87653,2Purchases of property and equipment(10,642)(8,9Other, net1,2921Net cash used in investing activities(331,882)(493,9Financing activities:(331,882)(493,9Payment of loan costs(6,574)(14,6Proceeds from credit facilities737,648679,2Repayment of credit facilities(354,362)(732,8Proceeds from secured notes-288,6Repayment of senior secured notes-288,6Repayment of senior secured notes-161,0Proceeds from issuance of convertible senior notes-161,0Proceeds from issuance of securitized notes-134,0Repayment of securitized notes-134,0Repaynent of securitized notes-134,0R	Collections applied to investment in receivable portfolios, net		334,587		325,451	
Purchases of property and equipment(10,642)(6,57)Other, net1,292Net cash used in investing activities(331,882)Financing activities:(331,882)Payment of loan costs(6,574)Proceeds from credit facilities737,648Repayment of credit facilities(354,362)Proceeds from senior secured notes(7,500)Proceeds from issuance of convertible senior notes-Proceeds from issuance of convertible senior notes-Proceeds from issuance of securitized notes-Repayment of securitized notes-Proceeds from issuance of securitized notes-Repayment of securitized notes-Purchases of convertible hedge instruments-Repayment of securitized notes(33,185)Other, net(5,260)Taxes paid related to net share settlement of equity awards(5,260)Excess tax benefit from stock-based payment arrangements1,479Other, net(5,757)Net cash provided by financing activities303,795Atd 30,795443,0Effect of exchange rate changes on cash(5,330)Other(5,330)Other(5,330)Other(5,330)Other(5,330)	Originations and purchases of receivables secured by tax liens		(139,820)		(85,014	
Other, net1,292Net cash used in investing activities(331,82)Financing activities:(6,574)Payment of loan costs(6,574)Proceeds from credit facilities737,648Repayment of credit facilities(354,362)Proceeds from senior secured notesRepayment of senior secured notesRepayment of senior secured notesProceeds from issuance of convertible senior notesProceeds from issuance of securitized notesPurchases of convertible hedge instrumentsRepurchase of common stock(33,185)Repurchase of common stock(33,185)Taxes paid related to net share settlement of equity awards(5,260)Excess tax benefit from stock-based payment arrangements1,479Net cash provided by financing activities303,795Net cash provided by financing activities19,325It increase in cash and cash equivalents19,325Let increase in cash and cash equivalents(5,330)Other, net(5,330)Other of exchange rate changes on cash(5,330)	Collections applied to receivables secured by tax liens		76,876		53,216	
Other, net1,292Net cash used in investing activities(331,82)Financing activities:(6,574)Payment of loan costs(6,574)Proceeds from credit facilities737,648Repayment of credit facilities(354,362)Proceeds from senior secured notesRepayment of senior secured notesRepayment of senior secured notesProceeds from issuance of convertible senior notesProceeds from issuance of securitized notesProceeds from issuance of securitized notesProceeds from issuance of securitized notesRepayment of securitized notesPurchases of convertible hedge instrumentsRepurchase of conto stock(33,185)Other, net(5,260)Other, net(5,757)Net cash provided by financing activities303,795Met cash provided by financing activities19,325Net increase in cash and cash equivalents19,325Effect of exchange rate changes on cash(5,330)	Purchases of property and equipment		(10,642)		(8,943	
Net cash used in investing activities(331,882)(493,9)Financing activities:9ayment of loan costs(6,574)(14,6)Porceeds from credit facilities737,648679,6)Repayment of credit facilities(354,362)(732,8)Proceeds from senior secured notes288,6)Repayment of senior secured notes(7,500)(7,5)Proceeds from issuance of convertible senior notes161,0)Proceeds from issuance of securitized notes134,0)Repayment of securitized notes134,0)Repurchase of convertible hedge instruments134,0)Taxes paid related to net share settlement of equity awards(5,260)(18,3)Excess tax benefit from stock-based payment arrangements1,47910,7)Other, net(5,757)1,3)14,300Net cash provided by financing activities303,795443,000Net increase in cash and cash equivalents19,3251,400Effect of exchange rate changes on cash(5,330)(4,3)	Other, net		1,292		_	
Financing activities:Payment of loan costs(6,574)(14,6Proceeds from credit facilities737,648679,8Repayment of credit facilities(354,362)(732,8Proceeds from senior secured notes288,6Repayment of senior secured notes288,6Repayment of senior secured notes161,0Proceeds from issuance of convertible senior notes134,0Proceeds from issuance of securitized notes134,0Repayment of securitized notes134,0Repayment of securitized notes(33,5Repayment of securitized notes(33,5Repurchase of convertible hedge instruments(33,55)Repurchase of common stock(33,185)(16,8Taxes paid related to net share settlement of equity awards(5,260)(18,3Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)	Net cash used in investing activities				(493,943)	
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Proceeds from credit facilities737,648679,648Repayment of credit facilities(354,362)(732,68Repayment of credit facilities(354,362)(732,68Proceeds from senior secured notes—288,6Repayment of senior secured notes—161,0Proceeds from issuance of convertible senior notes—161,0Proceeds from issuance of securitized notes—134,0Repayment of securitized notes—134,0Repayment of securitized notes—(33,185)Purchases of convertible hedge instruments—(33,185)Repurchase of common stock(33,185)(16,8Taxes paid related to net share settlement of equity awards(5,260)(18,3Excess tax benefit from stock-based payment arrangements1,47910,7Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)	Payment of loan costs		(6,574)		(14,673)	
Repayment of credit facilities(354,362)(732,8Proceeds from senior secured notes—288,6Repayment of senior secured notes(7,500)(7,5Proceeds from issuance of convertible senior notes—161,0Proceeds from issuance of securitized notes—134,00Repayment of securitized notes—134,00Repayment of securitized notes—(33,185)Purchases of convertible hedge instruments—(33,185)Repurchase of common stock(33,185)(16,80)Taxes paid related to net share settlement of equity awards(5,260)(18,30)Excess tax benefit from stock-based payment arrangements1,47910,77Other, net(5,757)1,33Net cash provided by financing activities19,3251,4Effect of exchange rate changes on cash(5,330)(4,30)	-				679,872	
Proceeds from senior secured notes—288,0Repayment of senior secured notes(7,500)(7,5Proceeds from issuance of convertible senior notes—161,0Proceeds from issuance of securitized notes—134,0Repayment of securitized notes—(33,5Purchases of convertible hedge instruments—(33,5Repurchase of common stock(33,185)(16,6Taxes paid related to net share settlement of equity awards(5,260)(18,3Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3Net cash provided by financing activities19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)	Repayment of credit facilities				(732,857	
Repayment of senior secured notes(7,500)(7,550)Proceeds from issuance of convertible senior notes—161,0Proceeds from issuance of securitized notes—134,0Repayment of securitized notes(22,694)(8,7Purchases of convertible hedge instruments—(33,185)Repurchase of common stock(33,185)(16,8Taxes paid related to net share settlement of equity awards(5,260)(18,3Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)			(,)		288,645	
Proceeds from issuance of convertible senior notes—161,0Proceeds from issuance of securitized notes—134,0Repayment of securitized notes(22,694)(8,7Purchases of convertible hedge instruments—(33,185)Repurchase of common stock(33,185)(16,8Taxes paid related to net share settlement of equity awards(5,260)(18,3)Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3Net cash provided by financing activities303,795443,00Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)			(7.500)		(7,500)	
Proceeds from issuance of securitized notes—134,0Repayment of securitized notes(22,694)(8,7Purchases of convertible hedge instruments—(33,5Repurchase of common stock(33,185)(16,8Taxes paid related to net share settlement of equity awards(5,260)(18,3Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)			(,,:::)		161,000	
Repayment of securitized notes(22,694)(8,7Purchases of convertible hedge instruments-(33,5Repurchase of common stock(33,185)(16,8Taxes paid related to net share settlement of equity awards(5,260)(18,3Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)					134,000	
Purchases of convertible hedge instruments—(33,5)Repurchase of common stock(33,185)(16,8)Taxes paid related to net share settlement of equity awards(5,260)(18,3)Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3)Net cash provided by financing activities303,795443,00Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)			(22 694)		(8,793	
Repurchase of common stock(33,185)(16,8Taxes paid related to net share settlement of equity awards(5,260)(18,3Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)			(22,001)		(33,576	
Taxes paid related to net share settlement of equity awards(5,260)(18,3)Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)	0		(33 185)		(16,815	
Excess tax benefit from stock-based payment arrangements1,47910,7Other, net(5,757)1,3Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)	-					
Other, net(5,757)1,3Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)						
Net cash provided by financing activities303,795443,0Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)					1,382	
Net increase in cash and cash equivalents19,3251,4Effect of exchange rate changes on cash(5,330)(4,3)						
Effect of exchange rate changes on cash (5,330) (4,3					1,496	
	-					
Cash and cash equivalents, beginning of period 124,105 120,2						
Cash and cash equivalents and of period		¢		¢		
	Cash and cash equivalents, end of period	\$	138,158	\$	123,407	
	Supplemental disclosures of cash flow information:					
	-	\$		\$	54,672	
			58,510		37,805	
	Supplemental schedule of non-cash investing and financing activities:					
Fixed assets acquired through capital lease\$1,290\$3,7	Fixed assets acquired through capital lease	\$	1,290	\$	3,766	

ENCORE CAPITAL GROUP, INC.

Supplemental Financial Information Reconciliation of Adjusted Income Attributable to Encore to GAAP Net Income Attributable to Encore, Adjusted EBITDA to GAAP Net Income, and Adjusted Operating Expenses Related to Portfolio Purchasing and Recovery Business to GAAP Total Operating Expenses (In Thousands, Except Per Share amounts) (Unaudited)

				Three Months	Ende	d June 30,			
		2015					2014		
	\$	Per Diluted Share— Accounting]	Per Diluted Share— Economic		\$	Per Diluted Share— Accounting	_	er Diluted Share— Economic
GAAP net income attributable to Encore, as reported	\$ 27,657	\$ 1.03	\$	1.06	\$	23,561	\$ 0.86	\$	0.89
Adjustments:									
Convertible notes non-cash interest and issuance cost amortization, net of tax	1,685	0.06		0.06		1,694	0.06		0.06
Acquisition, integration and restructuring related expenses, net of tax	3,833	0.14		0.15		3,836	0.14		0.15
Adjusted income attributable to Encore	\$ 33,175	\$ 1.23	\$	1.27	\$	29,091	\$ 1.06	\$	1.10

	 Three Months Ended June 30,			
	2015		2014	
GAAP net income, as reported	\$ 25,185	\$	21,353	
Adjustments:				
Interest expense	46,250		43,218	
Provision for income taxes	15,964		14,010	
Depreciation and amortization	8,084		6,829	
Amount applied to principal on receivable portfolios	167,024		161,048	
Stock-based compensation expense	6,198		4,715	
Acquisition, integration and restructuring related expenses	7,900		4,645	
Adjusted EBITDA	\$ 276,605	\$	255,818	

	 Three Months	Ended Ju	ıne 30,
	2015		2014
GAAP total operating expenses, as reported	\$ 203,352	\$	190,689
Adjustments:			
Stock-based compensation expense	(6,198)		(4,715)
Operating expenses related to non-portfolio purchasing and recovery business	(24,928)		(26,409)
Acquisition, integration and restructuring related expenses	(7,900)		(4,645)
Adjusted operating expenses related to portfolio purchasing and recovery business	\$ 164,326	\$	154,920