

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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): September 26, 2005

Encore Capital Group, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-26489
(Commission File Number)

48-1090909
(I.R.S Employer
Identification No.)

8875 Aero Drive, Suite 200
San Diego, California 92123
(Address of Principal Executive Offices) (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))
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Item 7.01 Regulation FD Disclosure

A copy of a slide presentation to be given by Carl C. Gregory, III, Vice Chairman and Chief Executive Officer, at investor presentations during the weeks of September 26, 2005 and October 3, 2005 is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 7.01.

The information in this Current Report on Form 8-K, including the exhibits, is furnished pursuant to Item 7.01 and 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 exhibits, shall not be deemed to be incorporated by reference into the filings of Encore Capital Group, Inc. under the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits

| <u>Exhibit</u> | <u>Description</u> |
|----------------|--|
| 99.1 | Slide presentation to be given by Carl C. Gregory, III, Vice Chairman and Chief Executive Officer, at investor presentations during the weeks of September 26, 2005 and October 3, 2005. |

SIGNATURES

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 thereunto duly authorized.

ENCORE CAPITAL GROUP, INC.

Date: September 26, 2005

By /s/ Paul Grinberg
Paul Grinberg
Executive Vice President,
Chief Financial Officer and Treasurer

EXHIBIT INDEX

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**Business Update
September - October
2005**

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation constitute “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such 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. For a discussion of these factors, we refer you to the Company's Annual Report on Form 10-K as of and for the year ended December 31, 2004 and all other reports filed by the Company thereafter.

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.

Background

- Public company since 1999
- Existing management joined in May 2000
 - Since that time, we have invested over \$439 million to acquire receivables with a face value of more than \$15.4 billion
- Unique business model based on consumer level analytics
- Core business is the purchasing and collecting of charged-off consumer receivables at deep discounts
- LTM net income¹: \$27.2 million

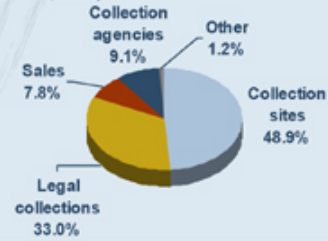
Collections to Purchase Price Multiple

(As of June 30, 2005)



Collection Channels

(LTM ended June 30, 2005)



Industry leader in consumer debt management

 ¹ As of June 30, 2005
Encore Capital Group, Inc.

Leverage analytics to build the leading company in the distressed consumer space

- Continue to grow the profitable core business of purchasing unsecured defaulted consumer receivables
 - Acquire attractively priced portfolios (e.g., Jefferson Capital)
 - Recruit top level managers to further refine business processes
 - Differentiated analytical capabilities utilized for both acquiring and collecting portfolios
- Build new businesses centered around the management of distressed consumers
 - Strategic acquisitions (e.g., Ascension Capital)
 - Organic growth (e.g., Healthcare business)

Investment Highlights

- Recent acquisitions diversify asset base and enhance growth
- Attractive industry dynamics
- Differentiated analytical acquisition and collections approach
- Track record of generating superior financial returns
- Experienced management team

Experienced Management Team

| Name/position | Experience |
|--|--|
| Carl C. Gregory III <i>Vice Chairman and CEO</i> | Former Chairman, President and CEO of West Capital, former Chairman, President and CEO of MIP Properties, Inc., a publicly traded REIT |
| J. Brandon Black <i>President and COO</i> | Former SVP of operations of West Capital and First Data Resources; former VP of Risk Operations of Capital One |
| Paul Grinberg <i>EVP and CFO</i> | Former CFO of Stellcom, Inc.; former EVP and CFO of Telespectrum Worldwide Inc.; former Partner of M&A Services at Deloitte & Touche |
| Ron Eckhardt <i>EVP & GM of Consumer Debt</i> | Former VP and General Manager of the Software Services Division of Hewlett-Packard Consulting & Integration |
| Erich Ramsey <i>EVP & GM of Ascension Capital Group</i> | Founder of Ascension Capital Group and Managing Partner of the Ramsey Law Firm |
| Fritz Heirich <i>SVP & GM of Healthcare</i> | CFO and Treasurer for Premier Insurance Management Services |
| Alison James <i>SVP, Human Resources</i> | Former Director of Human Resources at Gateway, Inc. and M&M Mars |
| Robin Pruitt <i>SVP, General Counsel and Secretary</i> | Former VP and General Counsel of West Capital and Comstream Corp. |
| John Treiman <i>SVP & CIO</i> | Former VP & CIO of West Capital; former VP & CIO for Frederick's of Hollywood and The Welk Group |
| Eric von Dohlen, PhD <i>VP & Chief Credit Risk Officer</i> | Former VP of Decision Science for Associates Home Equity Division |

Industry Dynamics

Consumer Debt

(\$ billions)



Source: Historical data from Federal Reserve; forecasted data from Global Insight

Purchased Credit Card Charge-Offs

(\$ billions)



Source: Nilson Report (Issue: 835, June 2005)


Industry Dynamics

- Few large sophisticated competitors
- Highly fragmented industry with more than 6,500 players (95% of them have less than \$8mm in revenue)
 - Most buyers tend to specialize in a particular asset class, delinquency range and / or geographic location
 - Most buyers have limited analytic tools and range of collection methods
- Credit originators have increasingly sought to outsource the management of their defaulted receivables
 - Emergence of new charged-off receivable asset classes sold (auto, healthcare, telecom)

Industry Dynamics

Top public consumer debt purchasers for LTM ended June 30, 2005

(\$ millions)

| | Face value | Capital invested | |
|---|------------|------------------|----------|
| | | 2004 | 2005 YTD |
|  Encore Capital Group, Inc. | \$6,122 | \$103 | \$141 |
| Asset Acceptance | \$4,172 | \$89 | \$49 |
| Asta Funding | \$3,600 | \$61 | \$40 |
| Portfolio Recovery | \$3,250 | \$104 | \$57 |

Encore's Differentiated Approach to Business



Buy Right

Purchase distribution¹

| Months Since Charge-off | Face Value (\$ billions) | % of Total Face Purchased |
|-------------------------|--------------------------|---------------------------|
| 0 – 6 | \$2.2 | 14% |
| 7 – 12 | \$1.7 | 11% |
| 13 – 18 | \$2.1 | 14% |
| 19 – 24 | \$0.9 | 6% |
| 25 – 36 | \$4.9 | 32% |
| 37+ | \$3.6 | 23% |
| Total | \$15.4 | 100% |

Balanced acquisition strategy

- Account level analytics allow us to effectively target broad purchase distribution
 - Provides ability to create positively selected deals
 - Enables us to buy accounts from competitors
 - Applies to alternative paper types
- Recent Jefferson Capital purchase highlights ability to buy larger portfolios at attractive prices
- Strong relationships with nation's largest credit grantors

¹ All purchases from mid-2000 through June 2005



Recent Jefferson Capital Portfolio Acquisition

Deal Overview

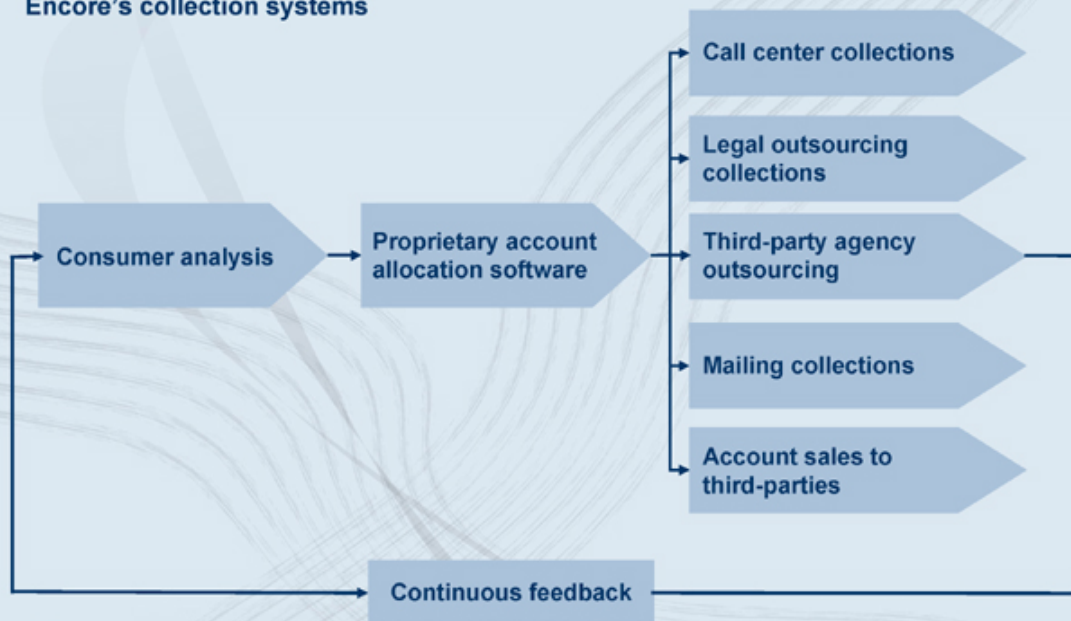
- Purchased charged-off consumer credit card debt from Jefferson Capital, a subsidiary of CompuCredit
- Purchase price of \$142.9mm
 - Initial portfolio with face value of \$2.8bn, as well as:
 - 5-year forward flow agreement to purchase additional \$3.25bn in face value at a fixed price
 - New collection site in St. Cloud, MN with approximately 120 employees
- Concurrently entered into an expanded 3-year \$200mm revolving credit facility with JPMorgan

Benefits

- Secures large, profitable forward flow portfolio
- Essentially fulfills purchase requirements for the duration of 2005
 - Allows for selectivity in future purchases this year
- Increases earnings potential while maintaining purchasing discipline
- Allows the company to focus more on recovery of existing portfolio and strategic objectives

Collect Well – Analytical Collection Approach

Encore's collection systems



Collect Well – Collections Efficiency

Monthly collection dollars per employee

(\$ thousands)



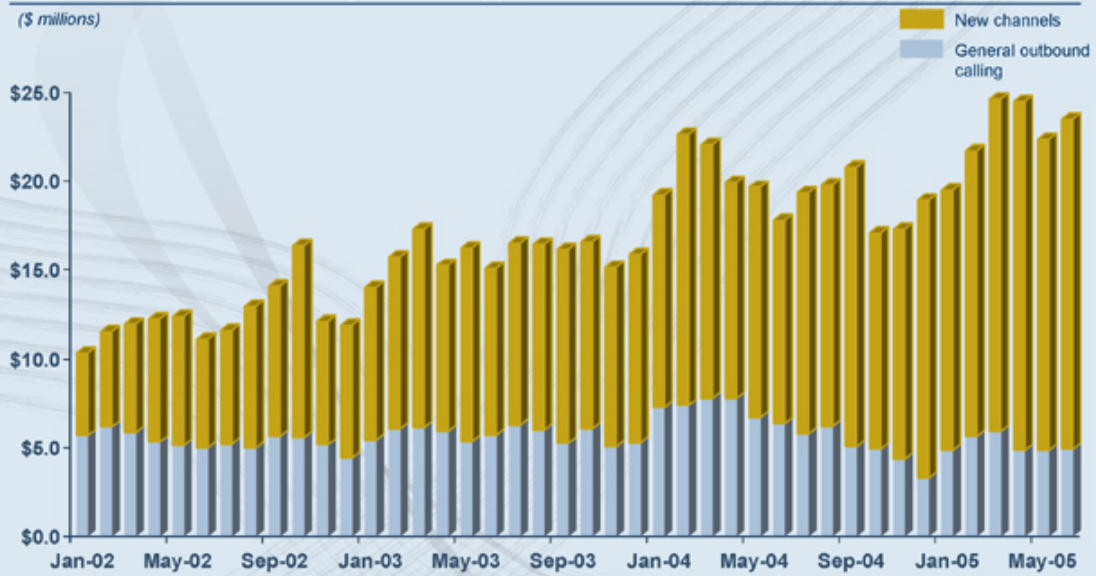
¹ Excludes sale of portfolio of rewritten consumer notes for \$4.0 million

 **Encore Capital Group, Inc.**

Collect Well – New Channels

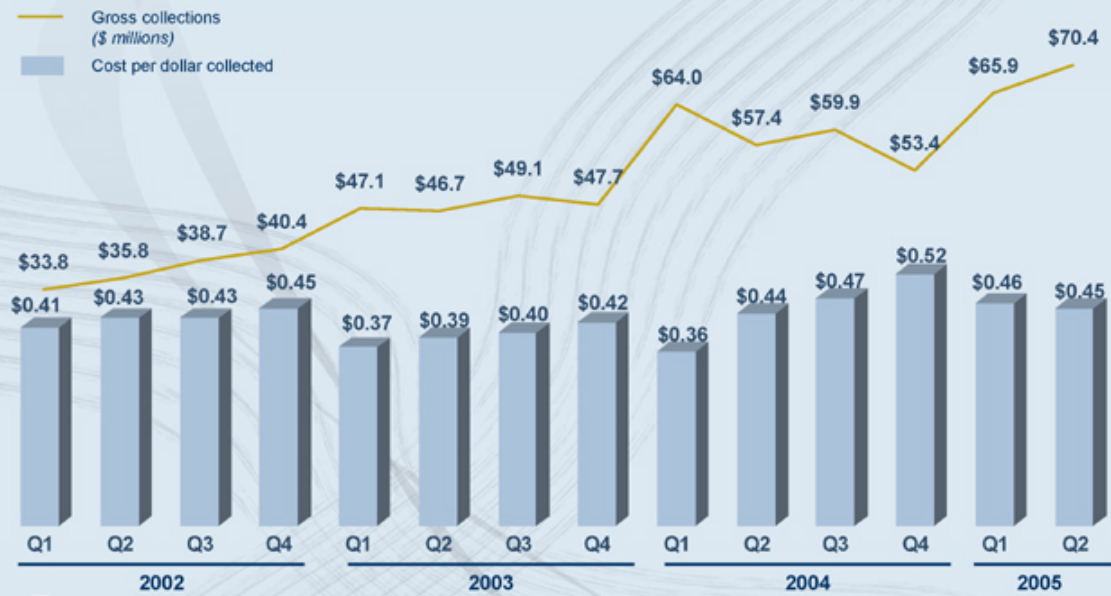
Total monthly collections by channel type

(\$ millions)



Manage Expenses – Stable Cost Base

Our cost per dollar collected has remained stable while collections have grown by 108%



 **Encore Capital Group, Inc.**

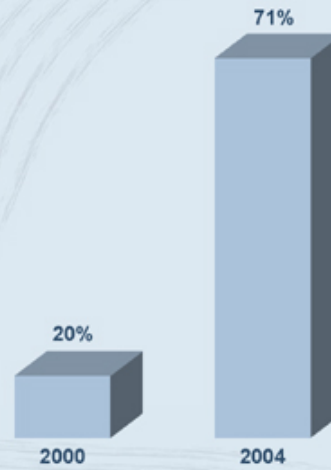
Professional and Ethical Behavior

Significant focus is placed on hiring and retaining experienced collectors

Encore call center collector hiring and retention process

- Hiring
 - Behavioral test
 - Background checks
- Training
 - 6 months of concentrated development
- Compensation
 - Unlimited earnings potential
 - Reward consistency

Experienced collectors retention rate



Strategic Growth

Active Approach to Broaden Business

- Penetration into secured bankruptcy servicing through Ascension acquisition
- Organic expansion into medical receivables

Strategic Rationale

- Builds upon core credit card charge-off business by expanding into higher growth areas
- Allows entry into growing niches within the consumer debt recovery business
- Affords significant cross-selling opportunities

Future Areas of Opportunity

- Auto
- Telecom
- Utilities
- Student loans
- Secured loans
- Other asset classes / consumer types

Ascension Acquisition Provides Entry into Growing Bankruptcy Servicing Opportunity

Ascension Capital Group, Ltd.

- Location: Arlington, Texas
- Number of employees: 197
- 2004 revenue: \$12.3 million

Total estimated market size: \$1.2 – \$1.4 billion in annual fees¹

Provides an additional growing and profitable revenue stream

Leading position in the largely untapped bankruptcy servicing market

Strong cross-selling opportunities with core business

Healthcare Opportunity

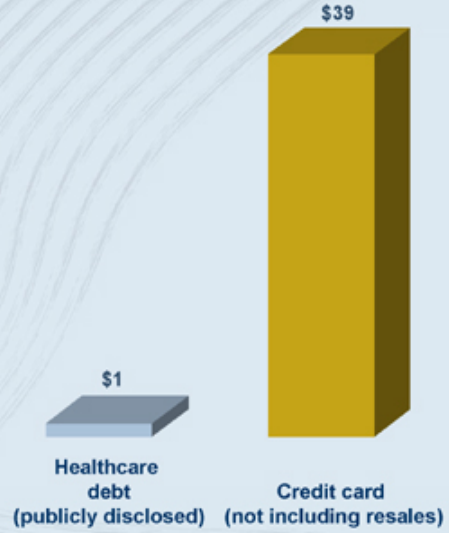
Bad debt in statute

(\$ billions, 2005E)



Bad debt sold - 2004

(\$ billions)



Source: Nilson reports, company websites, internal analysis, press releases



Access to Capital

(\$ millions)

Previous Facility

Initiated: June 30, 2004

| | |
|-------------------------|---------------------------|
| JPMorgan | \$27.5 |
| Guaranty Bank | 12.5 |
| Banco Popular | 10.0 |
| Bank of Scotland | 10.0 |
| California Bank & Trust | 10.0 |
| Bank Leumi | 5.0 |
| Total | \$75.0¹ |

New Facility

Initiated: June 7, 2005

| | |
|-------------------------|----------------------------|
| JPMorgan | \$35.0 |
| Bank of America | 30.0 |
| Bank of Scotland | 30.0 |
| California Bank & Trust | 25.0 |
| Guaranty Bank | 20.0 |
| Citibank | 15.0 |
| First Bank | 15.0 |
| Standard Federal Bank | 15.0 |
| Bank Leumi USA | 10.0 |
| Manufacturers Bank | 5.0 |
| Total | \$200.0¹ |

¹ Excludes accordion feature allowing for an additional \$25mm

 **Encore Capital Group, Inc.**

Strong Financial Results

Revenue



Net Income



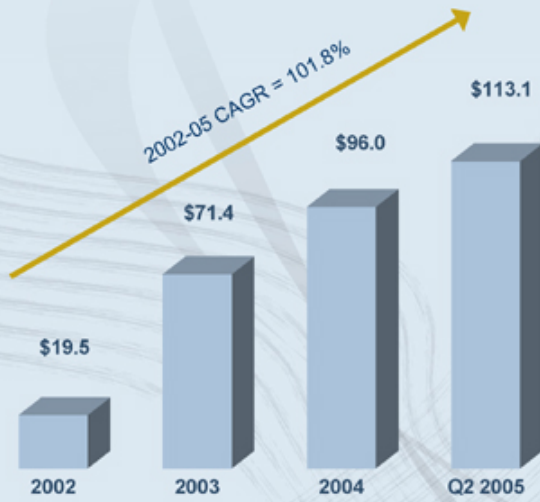
Note: Excludes one-time items
¹ H1 2005 annualized



Strong Balance Sheet

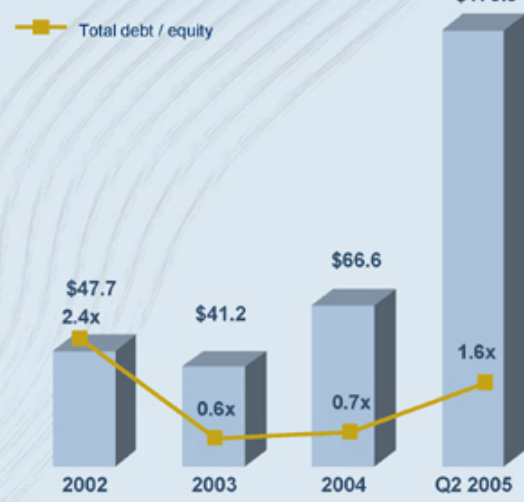
Stockholders' Equity

(\$ millions)



Total Debt

(\$ millions)



Investment Highlights

- Recent acquisitions diversify asset base and enhance growth
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