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

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of report (Date of earliest event reported): November 2, 2009**

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**ENCORE CAPITAL GROUP, INC.**

(Exact Name of Registrant as Specified in Charter)

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**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)

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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 an investor slide presentation to be given by J. Brandon Black, President and Chief Executive Officer, and Paul Grinberg, Chief Financial Officer, at investor presentations during November 2009, 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.**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Investor slide presentation of Encore Capital Group, Inc. dated November 2009.

The information in Item 2.02 of this Current Report on Form 8-K, including the exhibit, 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, nor be deemed to be incorporated by reference into the filings of the registrant 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 reports it files with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2008. The Company does 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 the Company’s policy generally not to make any specific projections as to future earnings and the Company does 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.

/s/ PAUL GRINBERG

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**Paul Grinberg**  
**Executive Vice President, Chief Financial**  
**Officer and Treasurer**

Date: November 2, 2009

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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***Leveraging Intellectual Capital***

**Investor Presentation  
November 2009**

*Encore Capital Group*

# CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

## FORWARD-LOOKING STATEMENTS

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## INVESTMENT HIGHLIGHTS

- Increasing supply combined with decreasing demand is creating an opportunity for well capitalized companies

- Sophisticated analytics, differentiated servicing strategies and our high performing, low cost site in India enable us to generate superior returns in today's challenging economic times

- Disciplined purchasing strategy allowed us to succeed over the past few years without entering the then dramatically overpriced "fresh" portfolio market

- Demonstrated history of generating strong cash flows

- Strategically positioned to take advantage of significant near-term growth prospects

## AGENDA

- Company snapshot and industry overview
- Current environment and key operating metrics
- Operational competitive advantages
- Additional financial information



# ENCORE IS A LEADING PLAYER IN THE DEBT RECOVERY INDUSTRY

## **Distressed consumer debt purchasing**

*(95% of revenue)*

- Purchase and collection of charged-off consumer receivables (primarily credit card)
- Robust business model emphasizing consumer intelligence and operational specialization
- Invested ~\$1.4B to acquire receivables with a face value of ~\$45B
- Acquired >25MM consumer accounts since inception



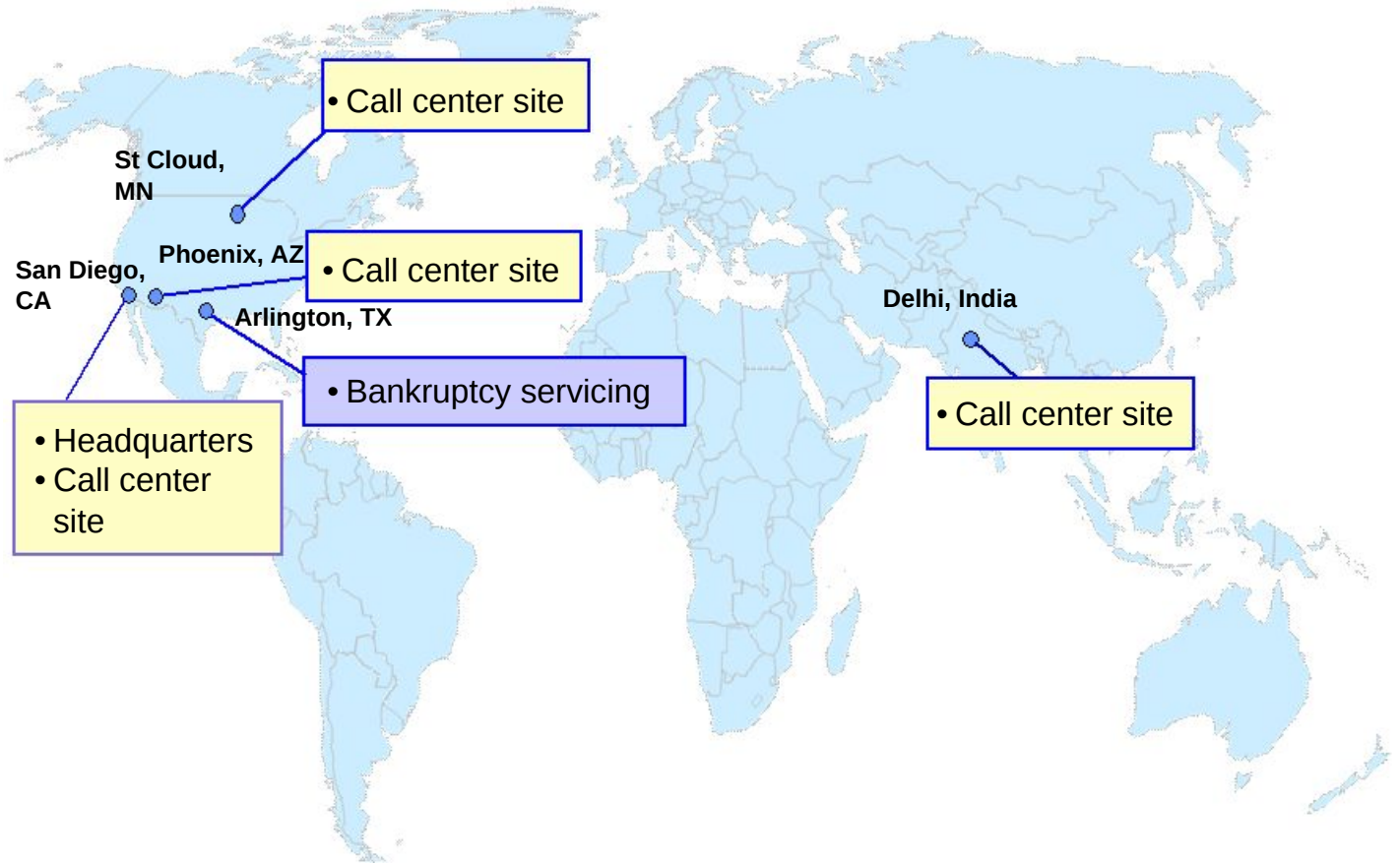
## **Bankruptcy servicing**

*(5% of revenue)*

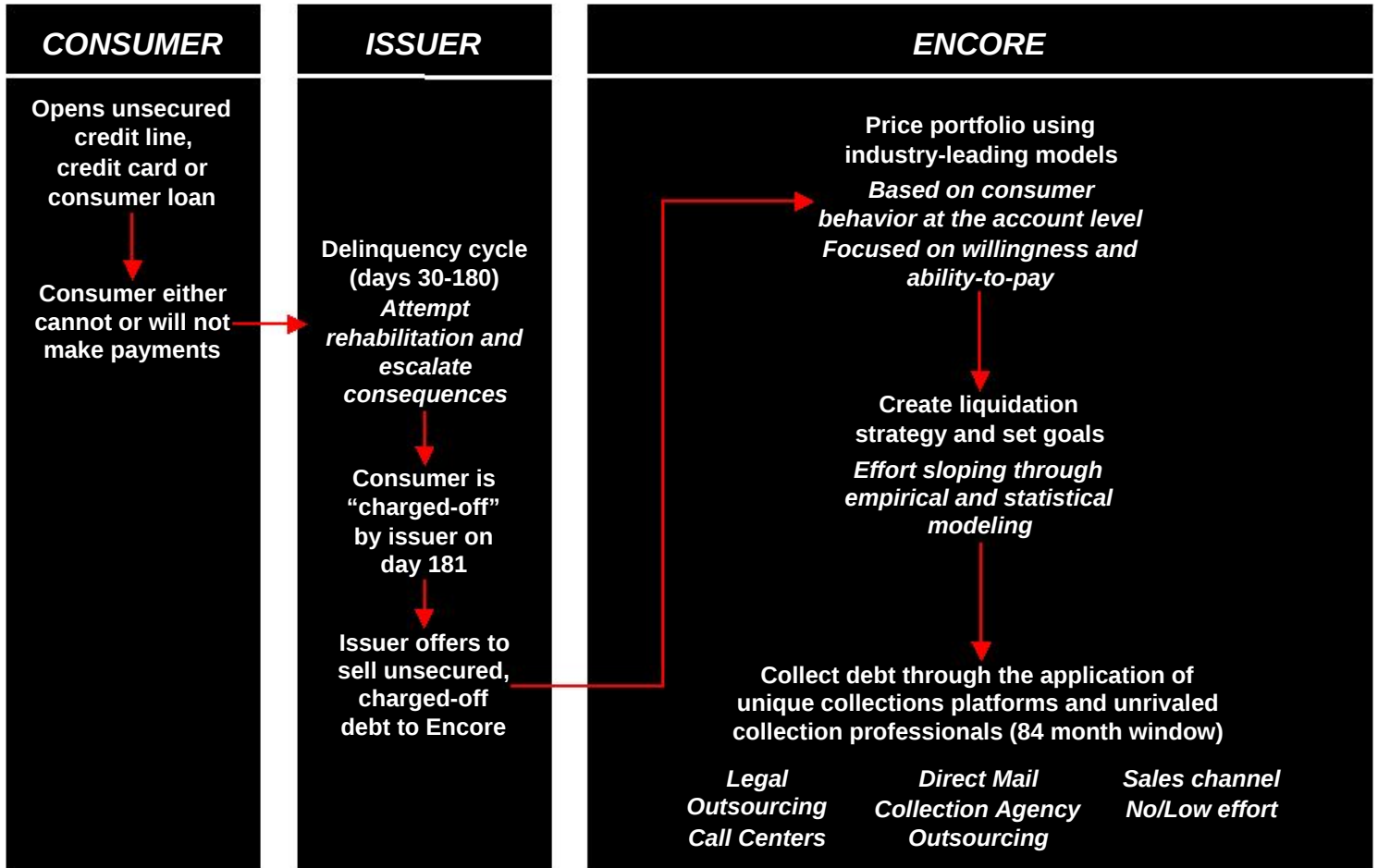
- Process secured consumer bankruptcy accounts for leading auto lenders and other financial institutions
- Proprietary software dedicated to bankruptcy servicing
- Operational platform that integrates lenders, trustees, and consumers

# WE OPERATE IN FIVE DIFFERENT SITES ACROSS THE U.S. AND INDIA

- Defaulted consumer debt purchasing
- Bankruptcy servicing business



# OUR LONG-TERM FINANCIAL MODEL IS NOT BASED ON MONTHLY CASH PAYMENTS AND GIVES THE CONSUMER TIME TO RECOVER



**AT THE PEAK OF THE COLLECTION CYCLE, WE WILL GENERATE PAYMENTS FROM FEWER THAN 1% OF OUR ACCOUNTS PER MONTH**

**ILLUSTRATIVE**

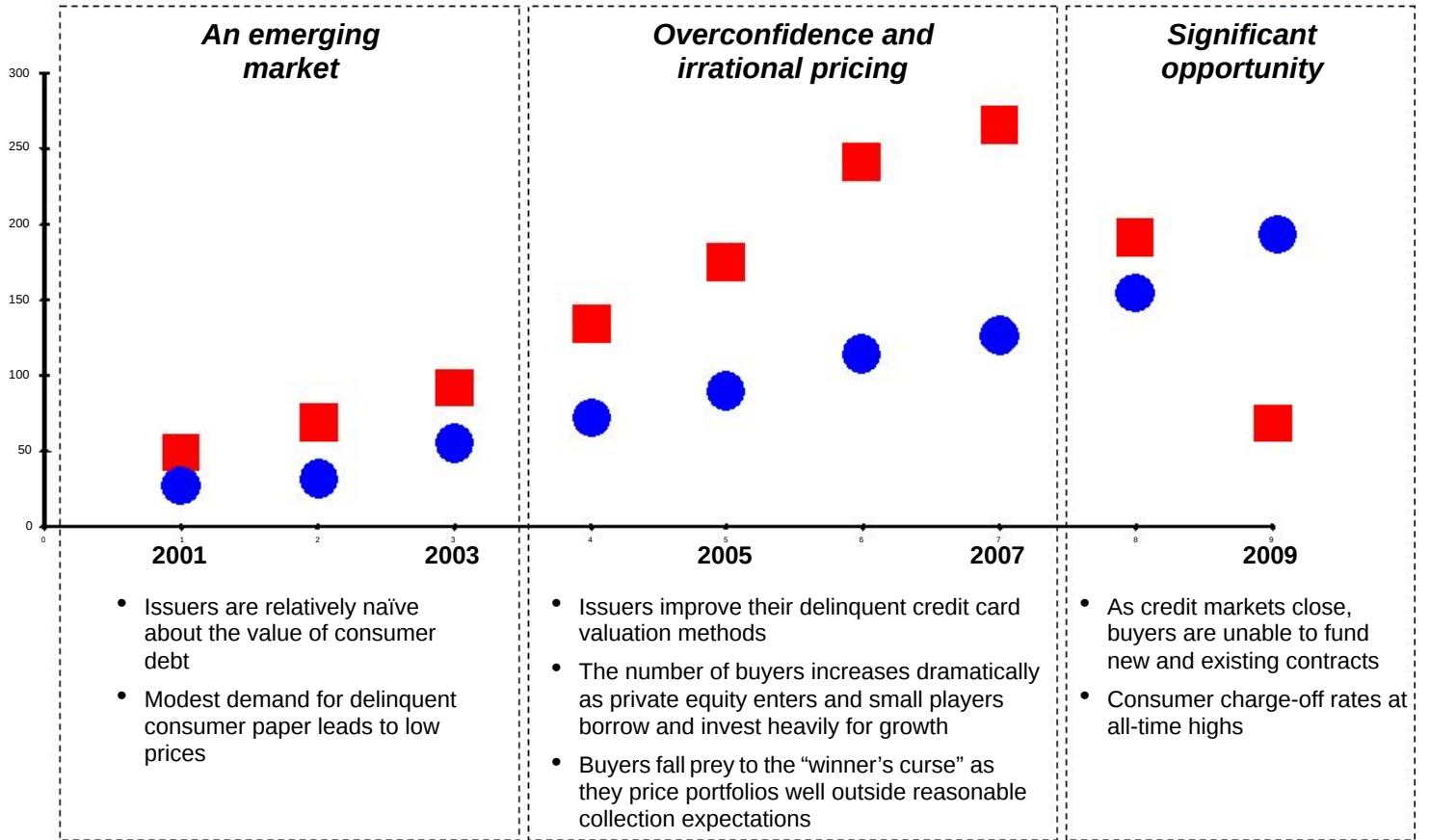
<b><i>Portfolio Face Amount</i></b>	<b><i>\$15,000,000</i></b>
<b><i>Average Balance</i></b>	<b><i>\$3,000</i></b>
<b><i>Number of Accounts</i></b>	<b><i>5,000</i></b>
<b><i>Purchase Factor</i></b>	<b><i>\$0.05</i></b>
<b><i>Purchase Price</i></b>	<b><i>\$750,000</i></b>
<b><i>Projected Return (2.7x)</i></b>	<b><i>\$2,025,000</i></b>

Only requires 20% payers, at a 67.5% settlement rate, to achieve expected returns over a seven year period. This equates to:

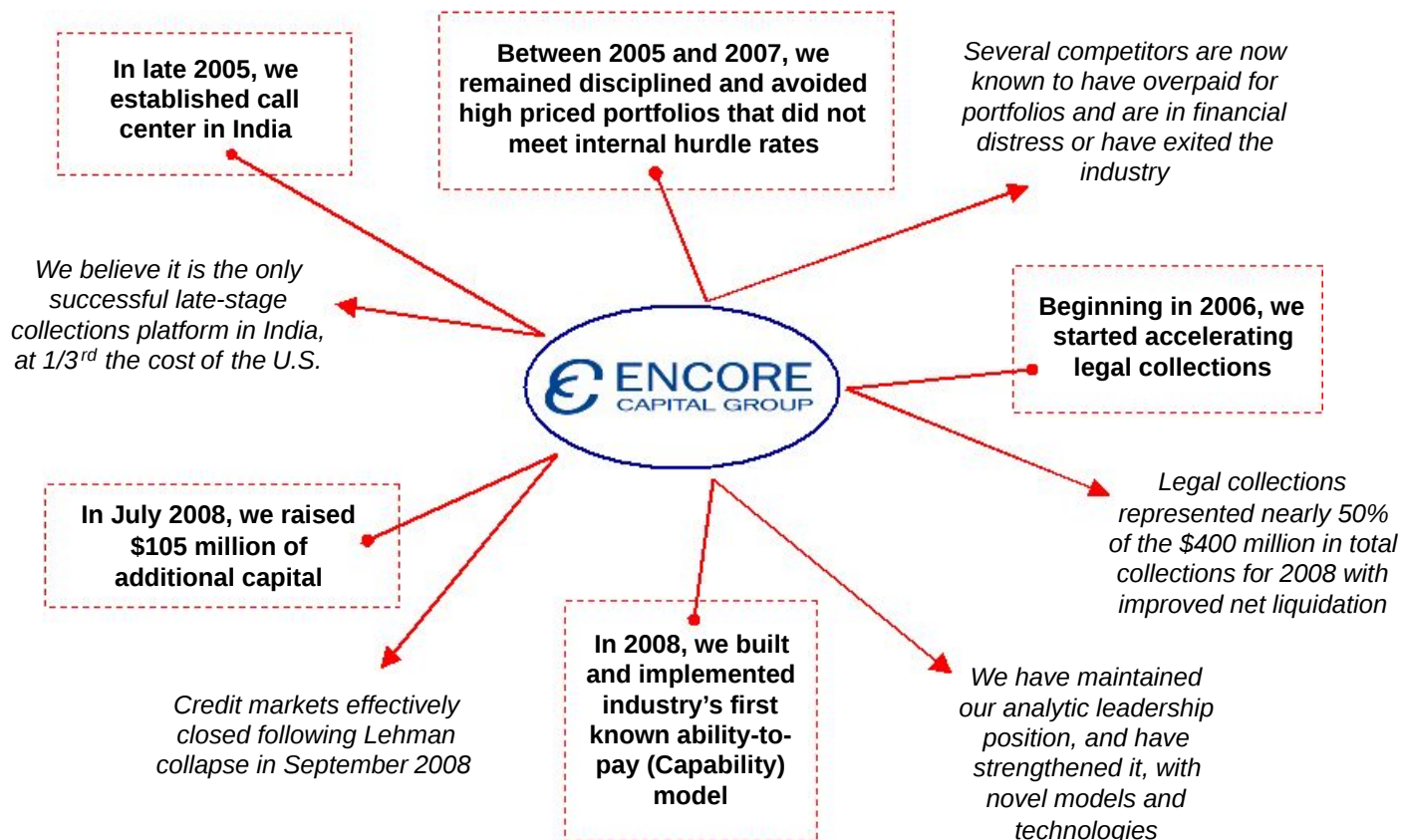
- Year 1: ~ 7.0% (350 consumers)
- Year 2: ~ 5.5% (270 consumers)
- Year 3: ~ 4.5% (220 consumers)
- Year 4: ~ 2.0% (100 consumers)
- Years 5+: ~1.0% (60 consumers)

# THE INDUSTRY HAS GONE THROUGH SEVERAL DISTINCT STAGES OVER THE LAST 10 YEARS

● Supply  
 ■ Demand



# WE ARE WELL POSITIONED TODAY BECAUSE OF KEY STRATEGIC DECISIONS MADE DURING THE PERIOD OF OVERCONFIDENCE AND IRRATIONAL PRICING



## OUR THIRD QUARTER RESULTS REFLECT THE CONTINUED IMPACT OF THESE DECISIONS

### Q3 YOY Growth

(\$000s, except EPS and ratios)

	2008 Q3 Actual Adjusted	2009 Q3 Actual	Variance	
Collections	\$97,777	\$125,710	\$27,933	<b>29%</b>
Revenue	\$66,373	\$80,386	\$14,013	<b>21%</b>
Adjusted EBITDA*	\$47,250	\$70,023	\$22,773	<b>48%</b>
Net Income	\$3,028	\$9,004	\$5,976	<b>197%</b>
Purchases	\$66,107	\$77,734	\$11,627	<b>18%</b>
EPS, FD	\$0.13	\$0.37	\$0.24	<b>185%</b>

\* See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of the presentation

## AGENDA

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# WE ARE OPERATING IN A PERIOD OF UNPRECEDENTED SUPPLY

- Charge-offs are at 10.7% as of September 2009, near August 2009's highest levels, with an expected peak of 12% in early 2010
- The 19 largest domestic banks are expected to charge-off \$82.4 billion of credit card debt by the end of 2010
- Some analysts believe that unemployment above 10% could lead to higher charge-off rates and up to \$200 billion in losses across the whole industry by 2010
- At fresh purchase rates between \$0.06 and \$0.07 of face value, potential overall spend is \$12 - \$14 billion, while current demand is closer to \$2 - \$4 billion

## Moody's Credit Card Charge-off Index

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## AND AN EQUALLY DRAMATIC REDUCTION IN DEMAND

Large **purchasing mistakes** force key players to the sidelines (*Asta*)

Bigger players **exiting the market** (*Arrow, IDT*), a trend we expect will continue through 2010

**Access to capital remains tight** across the industry; constraining purchasing (*CarVal - West, AACCC, NCO*)

**Shutdown of the secondary market** puts pressure on resellers' models, leading to further buying restraint



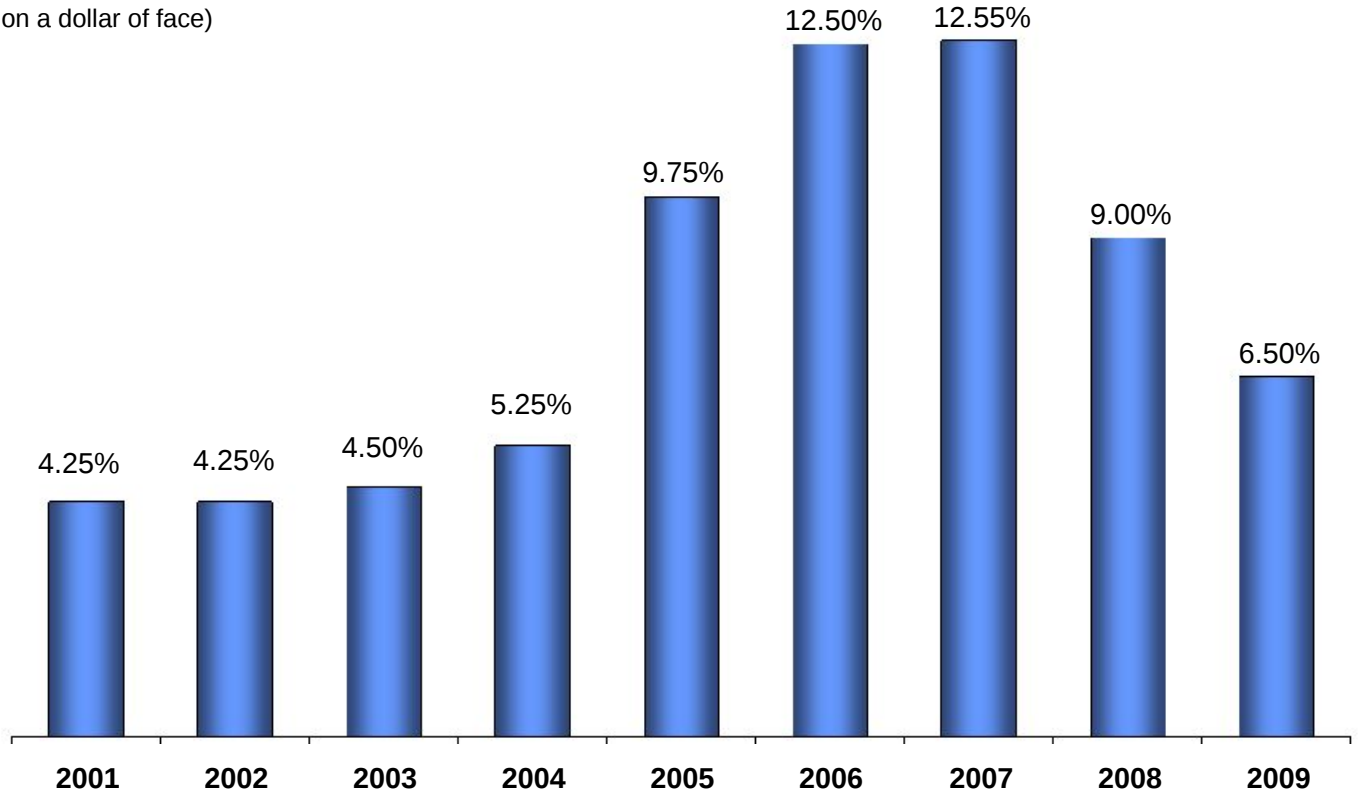
**Reduction in demand for delinquent credit card assets**

# THESE SUPPLY AND DEMAND DYNAMICS HAVE DRIVEN PRICING TO 5-YEAR LOWS

**EXAMPLE**

## Fresh credit card portfolio prices – a top 10 issuer

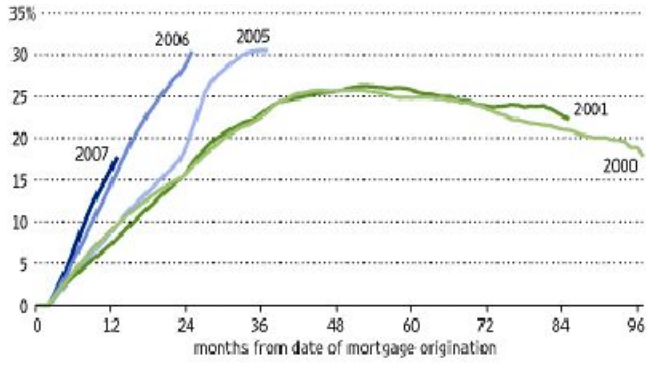
(% on a dollar of face)



*Encore Capital Group*

# THE GENERAL PERCEPTION IS THAT COLLECTIONS ARE PROBABLY DECLINING ALONG WITH PRICES, DUE TO ECONOMIC CONDITIONS

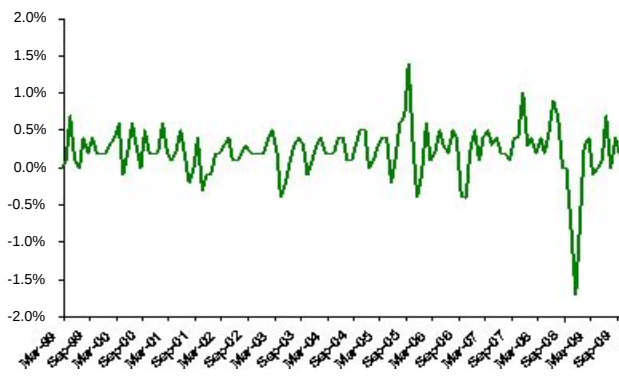
## High mortgage defaults



## Near all-time high unemployment rate



## Volatile consumer price index



## Low consumer sentiment



Source: Wall Street Journal, Loan Performance, University of Michigan, U.S. Bureau of Labor Statistics

**Encore Capital Group**

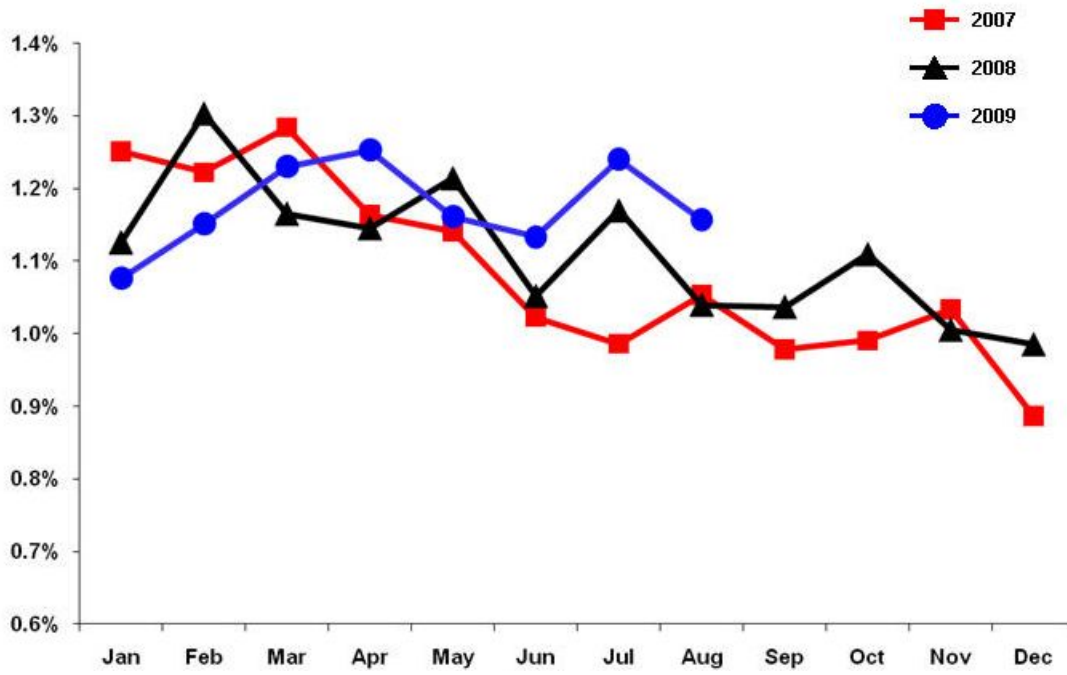
## IN CONTRAST, OUR PERFORMANCE HAS GENERALLY REMAINED CONSISTENT

<i>Metric</i>	<i>Recent trend</i>
<ul style="list-style-type: none"><li>• Payer rates</li></ul>	<ul style="list-style-type: none"><li>• Slightly upward</li></ul>
<ul style="list-style-type: none"><li>• Average payment size</li></ul>	<ul style="list-style-type: none"><li>• Stable</li></ul>
<ul style="list-style-type: none"><li>• Single vs. multi-payers</li></ul>	<ul style="list-style-type: none"><li>• More payment plans</li></ul>
<ul style="list-style-type: none"><li>• Broken payer rates</li></ul>	<ul style="list-style-type: none"><li>• Mild improvement</li></ul>
<ul style="list-style-type: none"><li>• Settlement rates</li></ul>	<ul style="list-style-type: none"><li>• Steady</li></ul>

# MOST NOTABLY, OUR PAYER RATES ARE NOT DECLINING RELATIVE TO SEASONAL PATTERNS

## Overall payer rate for all active inventory

(Percent)

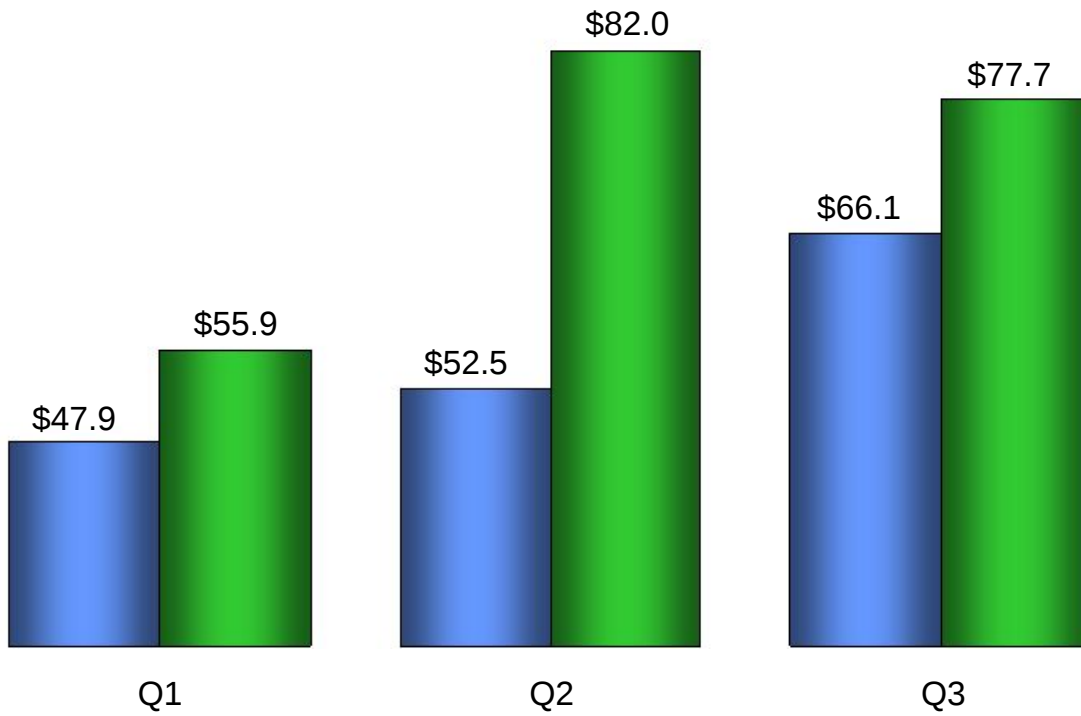


# GIVEN OUR STRONG RETURNS, WE ARE ABLE TO PURCHASE PORTFOLIOS AT AN INCREASING RATE



## Quarterly Purchases for 2008 and 2009

(\$ millions)



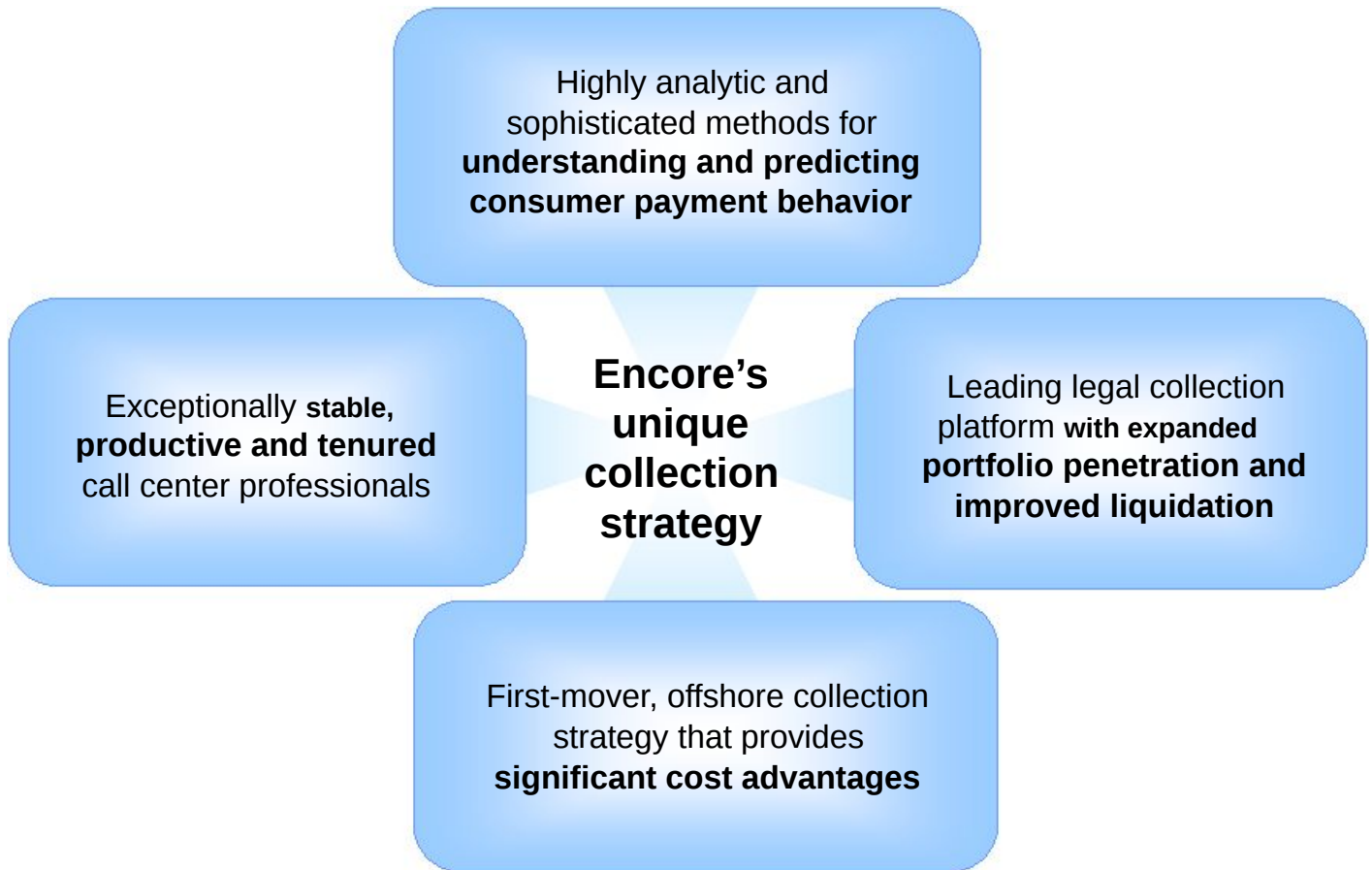
*Encore Capital Group*

## AGENDA

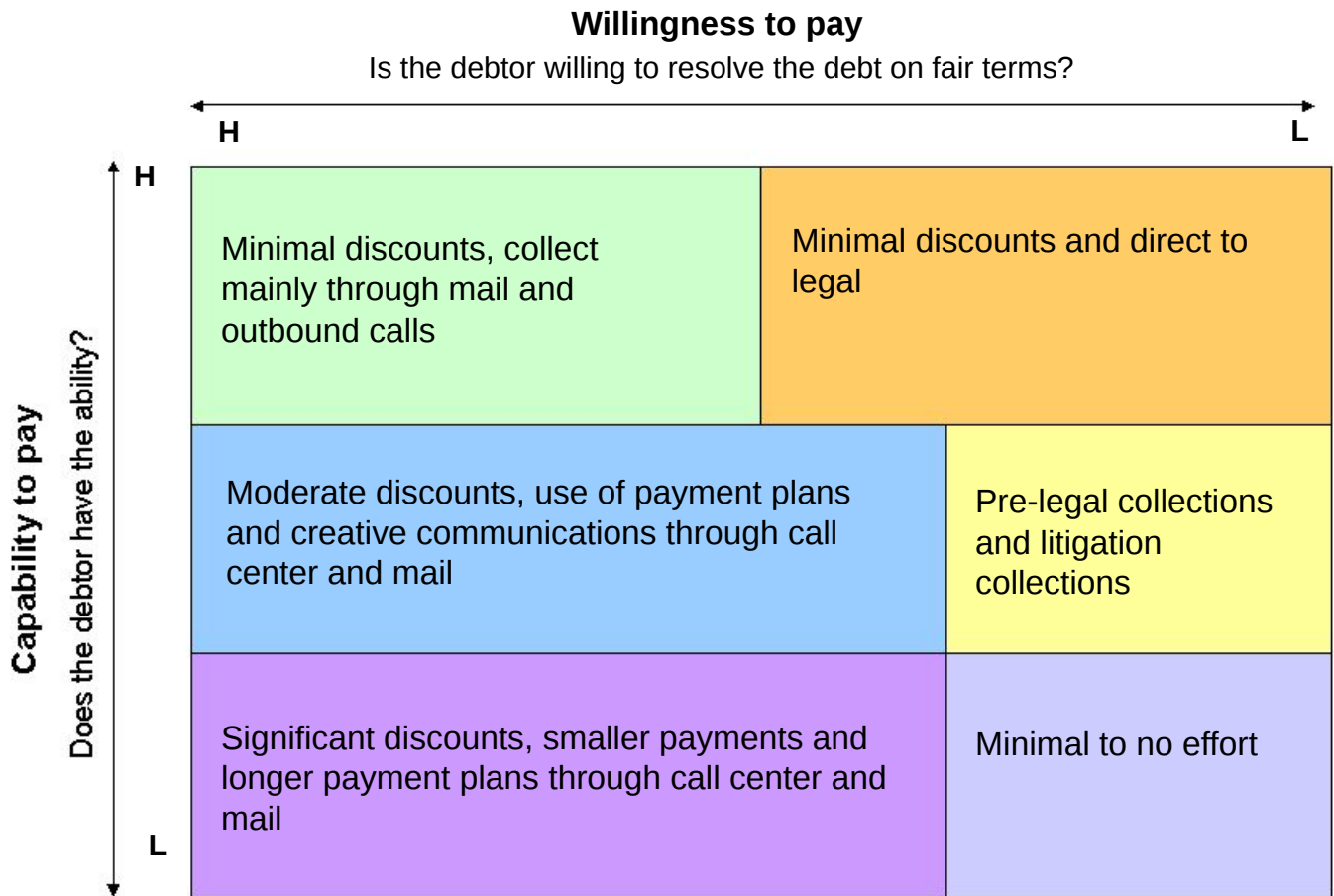
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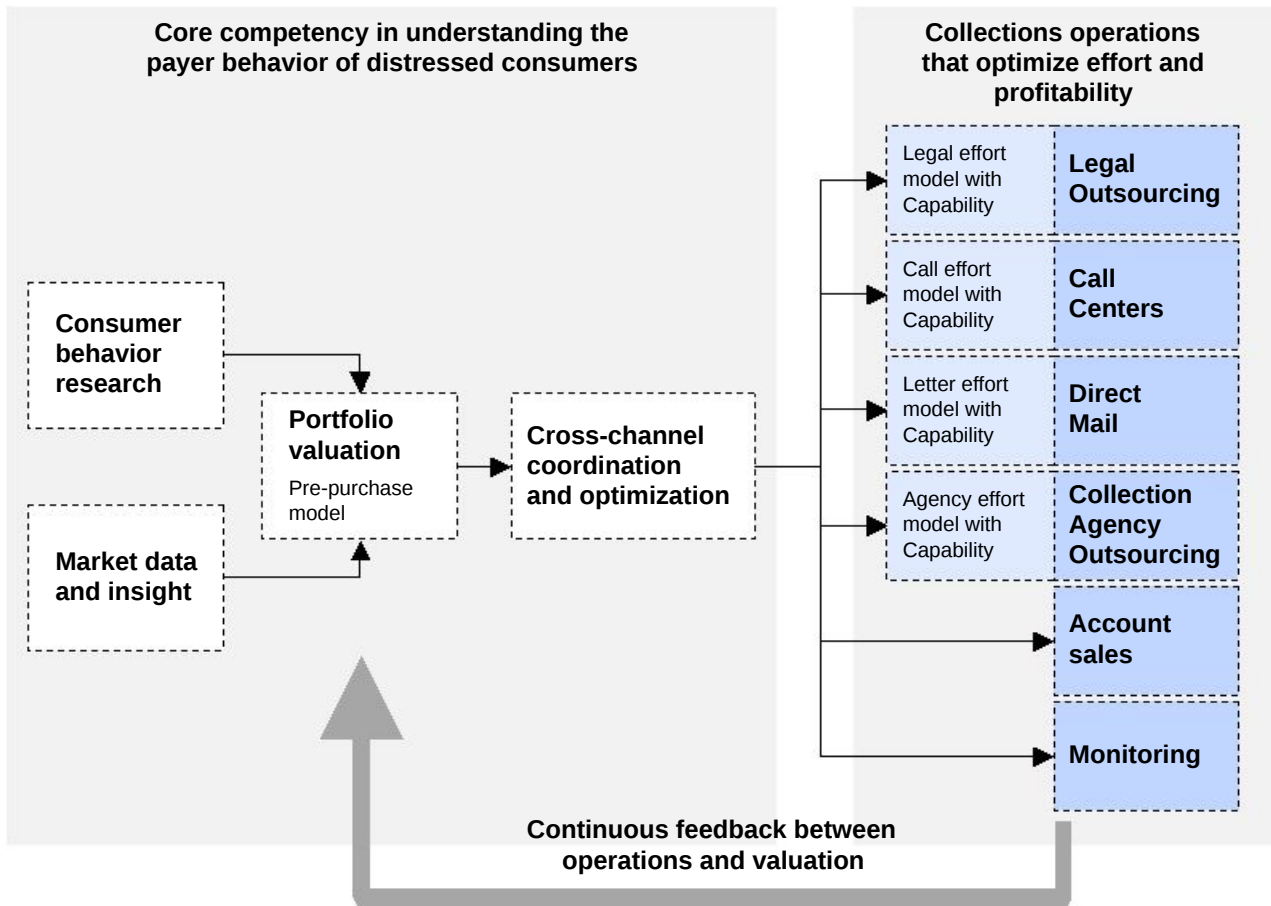
## OUR STRONG PERFORMANCE IS THE RESULT OF OUR DIFFERENTIATED OPERATING PLATFORM



# OUR ANALYTIC INSIGHT ALLOWS US TO MATCH OUR COLLECTION TACTICS TO THE INDIVIDUAL CONSUMER'S PAYER BEHAVIOR



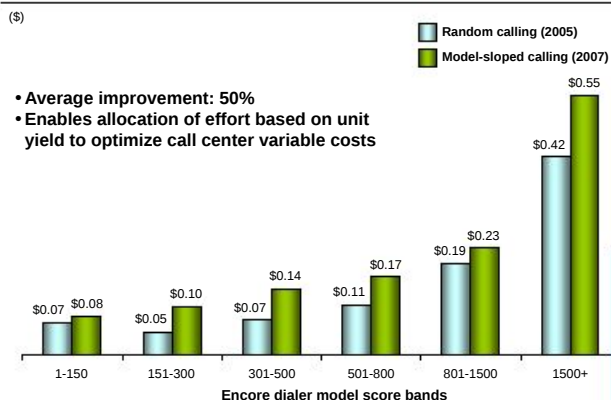
# OUR TEAM OF STATISTICIANS HAS BUILT MODELS THAT OPTIMIZE OUR PURCHASING AND COLLECTION STRATEGIES



# WE HAVE SEVERAL OPERATIONAL MODELS THAT PREDICT CONSUMERS' WILLINGNESS TO PAY

IN ADDITION, OUR CALL PRIORITIZATION MODEL SIGNIFICANTLY ENHANCES OUR COLLECTION RESULTS

Average amount collected per call



Encore Capital Group -Confidential

ANOTHER EXAMPLE OF OUR INVESTMENT IN ANALYTICS IS OUR PROPRIETARY MAIL RESPONSE MODEL



Encore Capital Group -Confidential

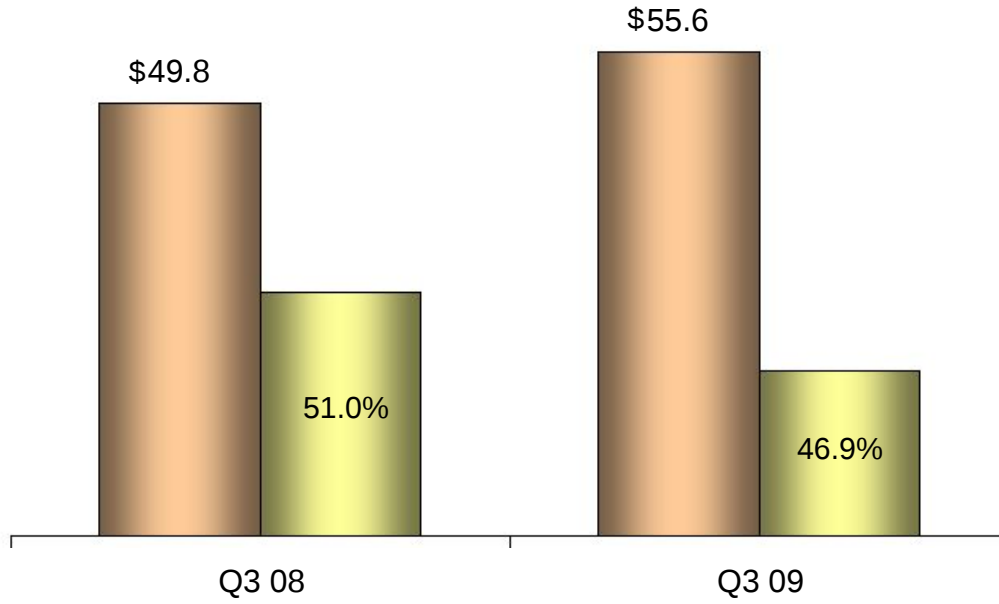
25

# OUR NEW LEGAL MODEL HAS RESULTED IN FEWER LAWSUITS BUT HAS NOT REDUCED LEGAL COLLECTIONS

## Legal collections and costs as a percentage of collections

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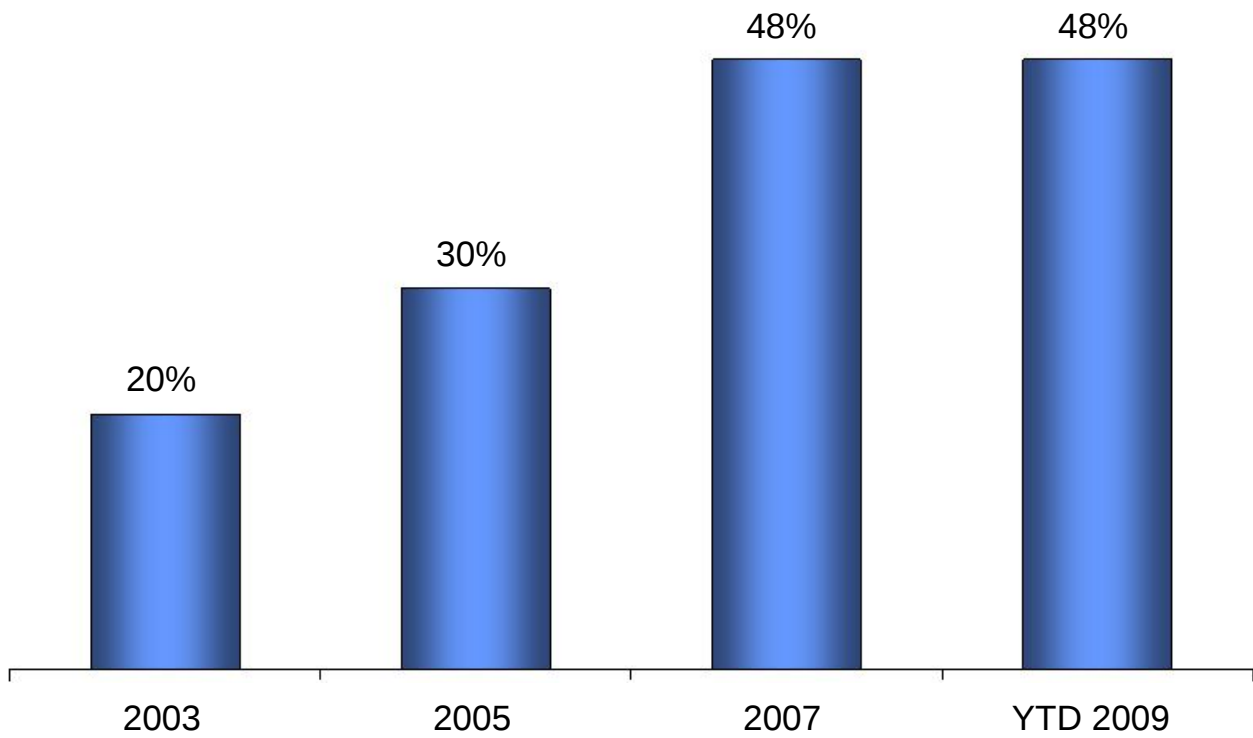
(\$ millions)



# INNOVATION IN THE LEGAL CHANNEL IS IMPORTANT BECAUSE IT CONTINUES TO BE OUR LARGEST SOURCE OF COLLECTIONS

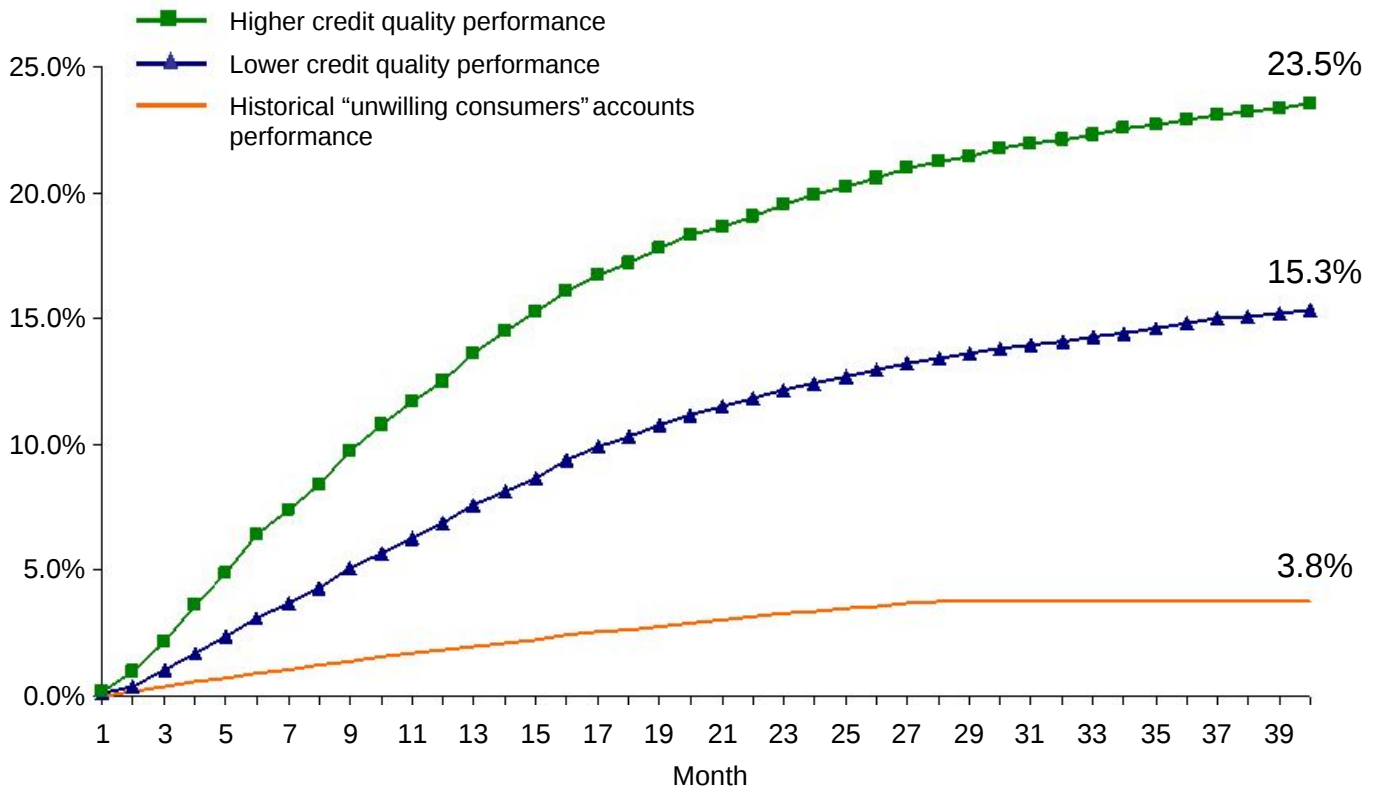
Legal collections as a percentage of gross collections

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# WHICH IS THE RESULT OF OUR ABILITY TO IDENTIFY CONSUMERS WHO DO NOT FIT THE TRADITIONAL LEGAL SELECTION MODEL

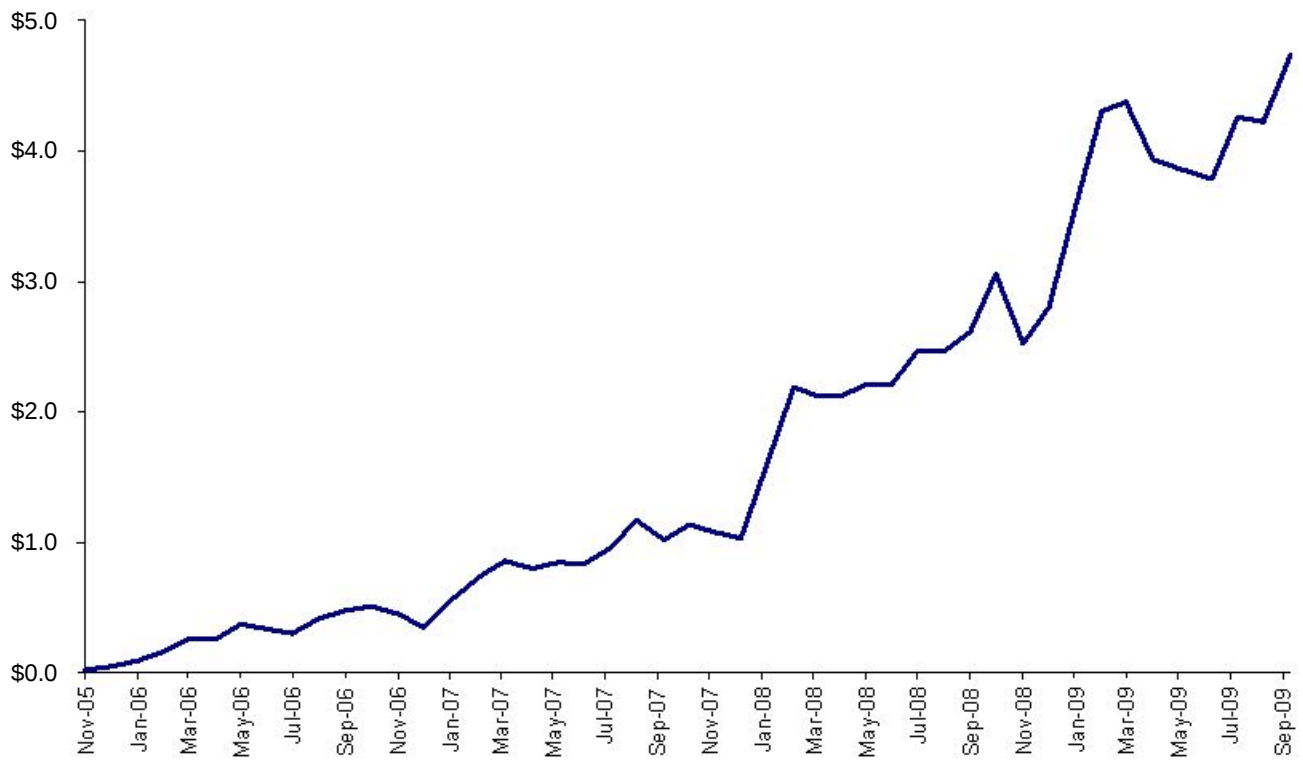
## Cumulative liquidation for a specific type of “unwilling consumer”



# ANOTHER AREA OF FOCUS HAS BEEN OUR DEVELOPMENT OF A SUCCESSFUL LATE STAGE COLLECTION CALL CENTER IN INDIA

## Gross collections (India)

(\$ millions)



Encore Capital Group



**AND WE JUST MOVED INTO A NEW INDIA FACILITY, WHICH GIVES US THE ABILITY TO INCREASE HEADCOUNT TO OVER 1,100 COLLECTORS**

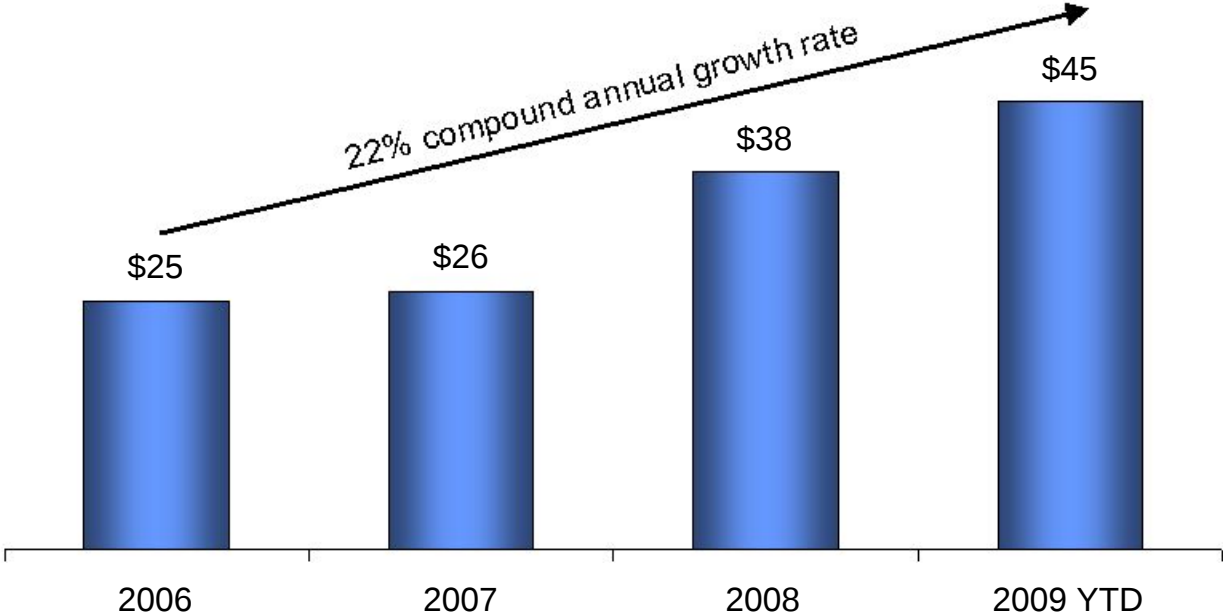


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# DOMESTICALLY, OUR COLLECTOR OUTPUT HAS DRAMATICALLY INCREASED

Average monthly collections per active domestic collector

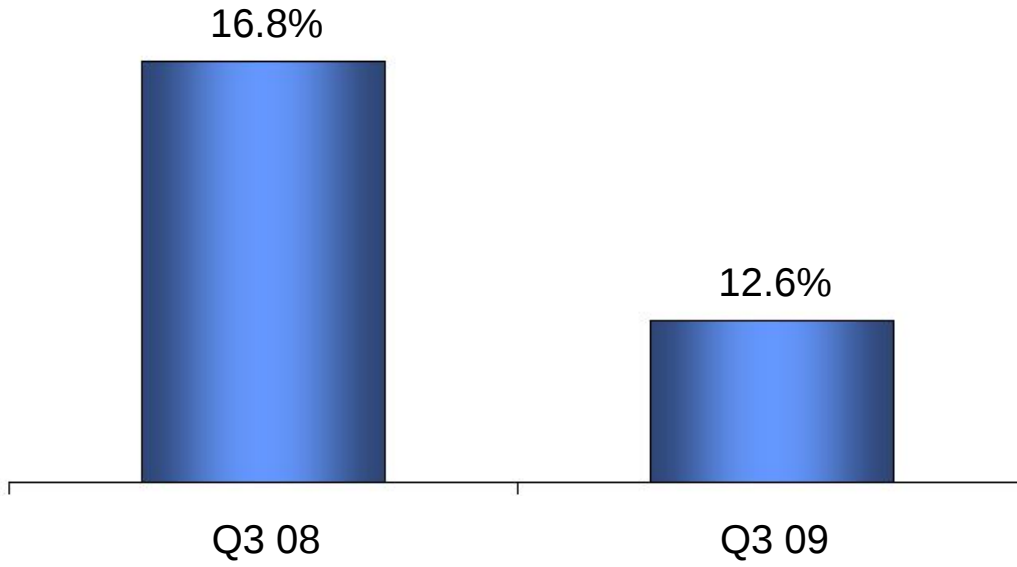
(\$ thousands)



# THIS IMPROVED OUTPUT COMES AT A SIGNIFICANTLY LOWER COST

## Collection sites direct cost per dollar collected

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Note: This dramatic decrease cannot be seen in our overall results due to the costs associated with the growth of our Legal Outsourcing channel

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# OUR INDUSTRY IS UNDER AN INCREASING AMOUNT OF SCRUTINY WHICH, WHILE TIME CONSUMING, MAY INCREASE BARRIERS TO ENTRY

## **Increased attention from the FTC and State Attorneys General**

- Extensive focus on compliance
  - Partnered with the Better Business Bureau (BBB) to review our practices
  - Maintain automated call monitoring software and quality assurance teams
  - Dedicated in-house team of lawyers and compliance specialists

## **Proposed legislation, mostly at the state level, aims to increase disclosure, limit statutes and expand licensing requirements**

- Engaged in active lobbying efforts and working with trade organizations both to support a balanced agenda and to better inform legislators
- Attending hearings held by the FTC that focus on the use of the legal channel

## **Individual states are increasing requirements for pursuing litigation and obtaining default judgments**

- In response, we are shifting purchasing to fresher paper
  - Longer periods of time before the statute expires
  - Linked directly with the issuer

## AGENDA

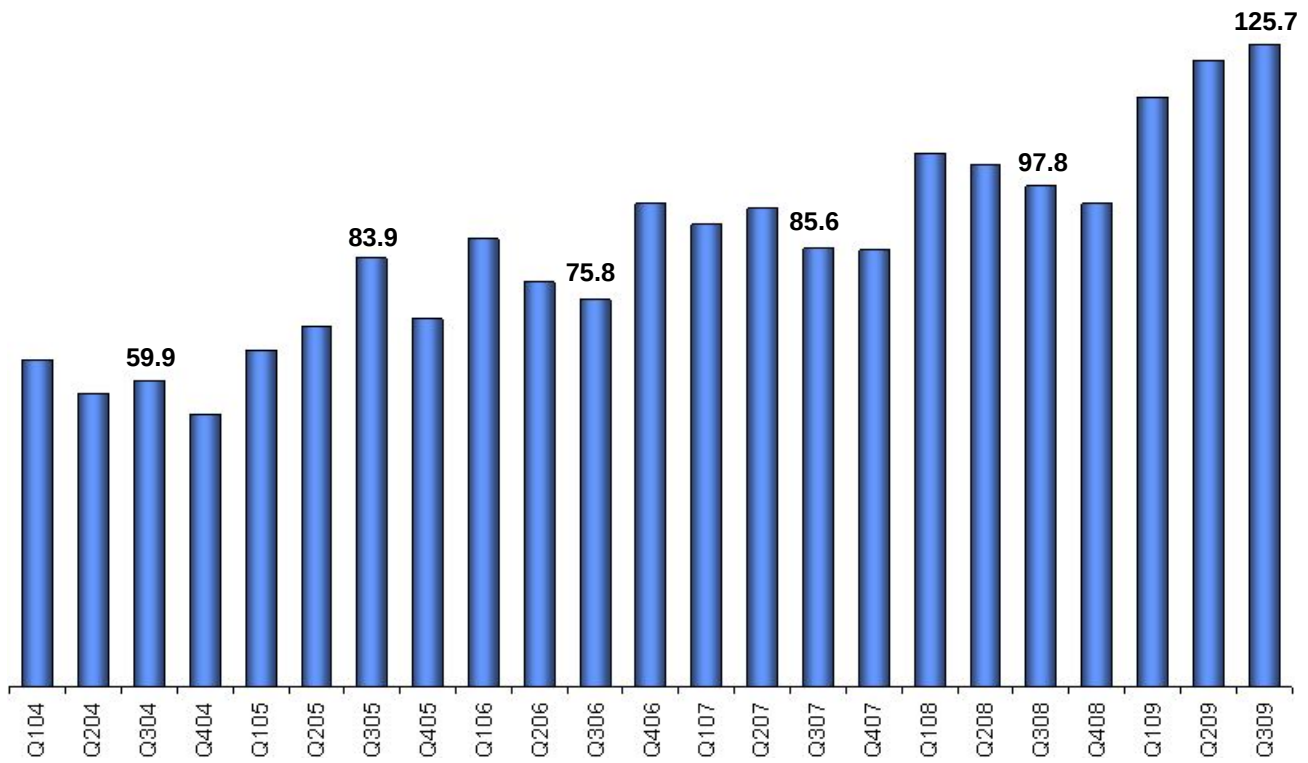
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# WE HAVE DEMONSTRATED A TRACK RECORD OF COLLECTION GROWTH

## Quarterly gross collections

(\$ millions)



# AND A SIGNIFICANT POSITIVE TREND IN OPERATING CASH FLOW

## Adjusted EBITDA\* by quarter

(\$ millions)



\* See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of the presentation

*Encore Capital Group*

# THE BUSINESS MODEL LAYERS IN CONSISTENT MULTI-PERIOD GROWTH

## Cumulative Collections through September 30, 2009

Year of Purchase	Purchase Price	<2003	2003	2004	2005	2006	2007	2008	2009	Total	CCM
<2003	195,661	\$331,683	\$126,730	\$105,982	\$74,843	\$54,248	\$24,055	\$12,880	\$6,507	\$736,928	3.8
2003	88,505		59,038	86,958	69,932	55,131	26,653	13,897	6,375	317,984	3.6
2004	101,330			39,400	79,845	54,832	34,625	19,116	8,964	236,782	2.3
2005	192,591				66,491	129,809	109,078	67,346	34,259	406,983	2.1
2006	141,973					42,354	92,265	70,743	36,406	241,768	1.7
2007	204,318						68,048	145,272	89,091	302,411	1.5
2008	227,991							69,049	128,905	197,954	0.9
2009	215,015								52,523	52,523	0.2
<b>Total</b>	<b>\$1,367,384</b>	<b>\$331,683</b>	<b>\$185,768</b>	<b>\$232,340</b>	<b>\$291,111</b>	<b>\$336,374</b>	<b>\$354,724</b>	<b>\$398,303</b>	<b>\$363,030</b>	<b>\$2,493,333</b>	<b>1.8</b>



# THIS LEADS TO AN INCREASE IN OUR RESERVOIR OF FUTURE VALUE

## Estimated remaining gross collections

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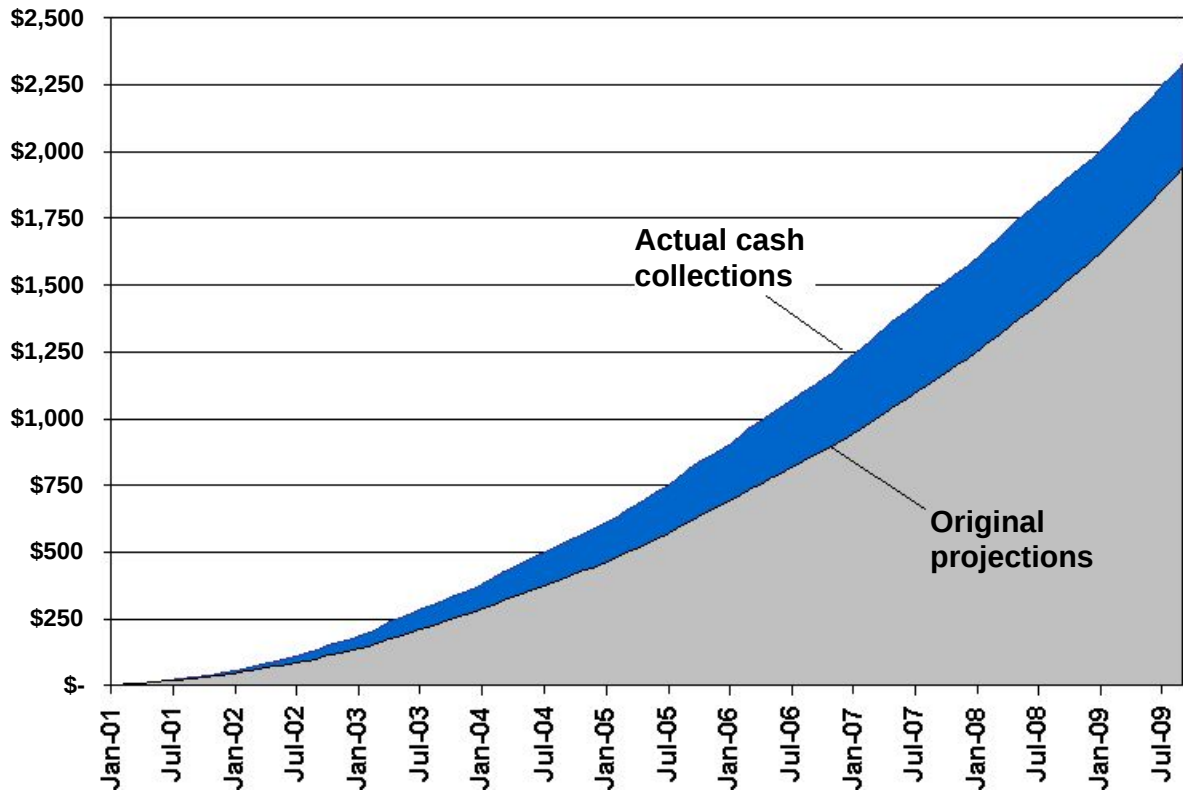
(\$ millions)



# MOREOVER, WE BELIEVE OUR INITIAL FORECASTS ARE CONSERVATIVE

## Cumulative collections (initial expectation vs. actual)

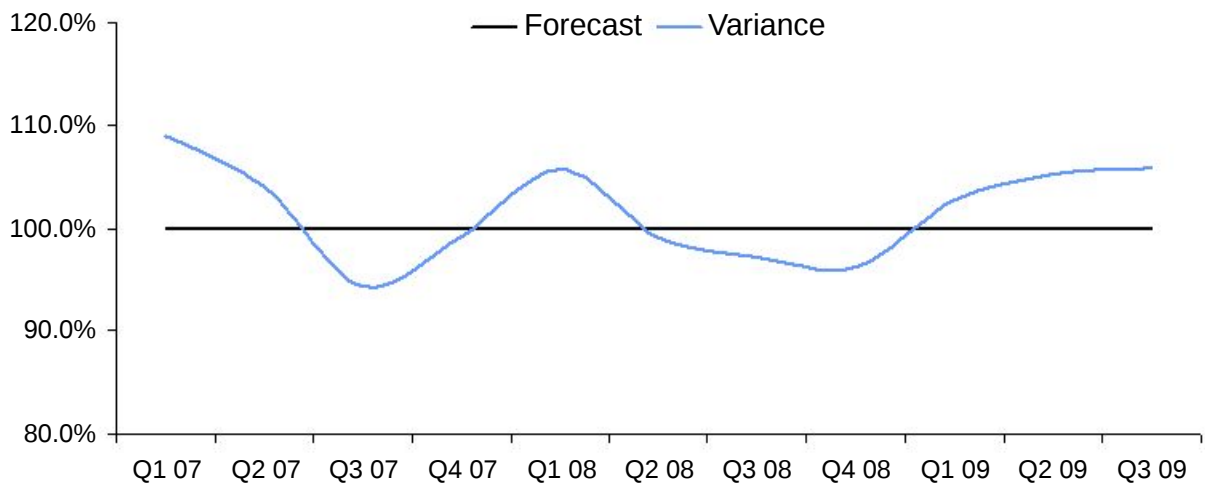
(\$ millions, Jan 01 – Sept 09)



Encore Capital Group

# WHILE THERE IS VARIABILITY AT THE POOL GROUP LEVEL, IN AGGREGATE OUR FORECASTS ARE HIGHLY ACCURATE

## Collections vs. forecast



(\$ millions)	2007	2008	2009 YTD
Forecast	\$348.1	\$401.1	\$346.4
Actual	\$355.2	\$398.6	\$363.3
Variance	2%	(1%)	5%

## WE ARE WELL WITHIN OUR FINANCIAL COVENANTS AND HAVE AMPLE ROOM TO GROW THE BUSINESS

(\$ millions)	2007	2008	Q3 09
<b>Cash flow leverage ratio</b>			
Debt *	272.4	311.3	324.4
Trailing 4-quarter adjusted EBITDA	172.8	211.1	250.3
<b>Debt/Adj. EBITDA [Maximum 1.75x]</b>	<b>1.58</b>	<b>1.47</b>	<b>1.30</b>
<b>Minimum net worth</b>			
Total stockholders' equity *	171.5	195.9	231.9
Minimum net worth	136.7	146.2	158.5
<b>Excess room</b>	<b>34.8</b>	<b>49.7</b>	<b>73.3</b>
<b>Interest coverage ratio</b>			
Trailing 4-quarter EBIT	51.8	47.2	57.3
Trailing 4-quarter consolidated interest expense*	18.0	15.6	16.4
<b>EBIT/Interest expense [Minimum 2.0x]</b>	<b>2.9</b>	<b>3.0</b>	<b>3.5</b>

\*Not adjusted for APB 14-1, prior to 2009

## AND WE ARE ACTIVELY WORKING ON THE REFINANCING OF OUR CREDIT FACILITY, WHICH MATURES IN MAY 2010

- With the recent improvement in the credit markets, we have been proactive in our renewal discussions
- Our goal is to expand the size of our facility above the current \$335 million, in order to take advantage of significant opportunities in the purchasing market
- We are also investigating additional sources of financing to provide the most flexibility for the company
- We are confident that we will be able to refinance the facility prior to its maturity in May 2010, if not sooner

## INVESTMENT HIGHLIGHTS

- Increasing supply combined with decreasing demand is creating opportunity for well capitalized companies
- Sophisticated analytics, differentiated servicing strategies and our high performing, low cost site in India enable us to generate superior returns in today's challenging economic times
- Disciplined purchasing strategy allowed us to succeed over the past few years without entering the then dramatically overpriced "fresh" portfolio market
- Demonstrated history of generating strong cash flows
- Strategically positioned to take advantage of significant near-term growth prospects

**Reconciliation of Adjusted EBITDA to GAAP Net Income**

**(Unaudited, In Thousands)**

**Three Months Ended**

	3/31/06	6/30/06	9/30/06	12/31/06	3/31/07	6/30/07	9/30/07	12/31/07	3/31/08	6/30/08	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09
GAAP net income, as reported	4,078	6,870	4,574	5,952	4,991	(1,515)	4,568	4,187	6,751	6,162	3,028	(2,095)	8,997	6,641	9,004
Interest expense	4,274	4,155	3,994	4,367	4,042	4,506	4,840	5,260	5,200	4,831	5,140	5,401	4,273	3,958	3,970
Contingent interest expense	4,687	4,235	3,824	5,774	3,235	888	-	-	-	-	-	-	-	-	-
Pay-off of future contingent interest	-	-	-	-	-	11,733	-	-	-	-	-	-	-	-	-
Provision for income taxes	2,801	5,288	3,249	4,098	3,437	(1,031)	1,315	2,777	4,509	4,225	2,408	(1,442)	5,973	4,166	5,948
Depreciation and amortization	960	968	964	1,002	869	840	833	810	722	766	674	652	623	620	652
Amount applied to principal on receivable portfolios	29,867	19,398	18,340	29,421	28,259	29,452	26,114	29,498	40,212	35,785	35,140	46,364	42,851	48,303	49,188
Stock-based compensation expense	1,381	1,464	1,490	1,334	801	1,204	1,281	1,001	1,094	1,228	860	382	1,080	994	1,261
Adjusted EBITDA	48,048	42,378	36,435	51,948	45,634	46,077	38,951	43,533	58,488	52,997	47,250	49,262	63,797	64,682	70,023

Note: The periods 3/31/06 through 12/31/08 have been adjusted to reflect the retrospective application of APB 14-1; with the filing of our Form10-Q on 7/30/09, adjustments were made to this table for net income, interest expense and provision for income taxes.