

Portfolio Recovery Associates Reports Fourth Quarter and Full Year 2011 Results

NORFOLK, VA, Feb 16, 2012 (MARKETWIRE via COMTEX) --Portfolio Recovery Associates, Inc. (NASDAQ: PRAA), a specialized financial and business services company and market leader in the consumer debt purchase and collection industry, today reported its fourth quarter and full year 2011 results.

- Record net income of \$26.6 million, an increase of 29% over the fourth quarter of 2010
- Record diluted EPS of \$1.54, compared with \$1.20 in the fourth quarter of 2010
- Record revenue of \$118.1 million, up 17% from the year-earlier quarter
- Cash collections of \$180.3 million, up 25% from the fourth quarter of 2010
- Annualized return on average equity of 18.2% for the quarter

"In 2011, PRA again experienced significant growth in revenues and net income, as well as improved operating efficiencies and a strengthened capital structure," said Steven D. Fredrickson, chairman, president and chief executive officer. "Our steadfast adherence to our core principles, our ability to evaluate and purchase high-value portfolios and our unwavering commitment to best practices for our industry helped to drive net income crossing the \$100 million threshold for the first time in our history. We believe PRA has never been better positioned for long-term growth, and we intend to continue investing in our future through organic growth and select merger and acquisition opportunities. This is best illustrated through our acquisition of Mackenzie Hall in January 2012."

-- Total revenues were \$118.1 million for the quarter, up 17% when compared with the same period a year ago. This was driven by cash receipts of \$195.7 million in the fourth quarter, up 22% from \$160.3 million a year earlier. The Company defines cash receipts as the total of cash collections and fee income.

-- Cash collections from finance receivables rose 25% to \$180.3 million in the fourth quarter of 2011 from \$144.4 million in the year-ago period. Cash collections reflected the seasonal weakness typically experienced in the fourth quarter. The table below displays cash collections by source, by quarter for the past five quarters:

-- Internal legal collections, in which the Company uses its own staff attorneys, continue to represent an important, developing collections channel. Internal legal collections increased to \$17.6 million in the fourth quarter of 2011 from \$12.8 million in the year-ago quarter.

-- During the quarter, the Company applied 43.0% of cash collections to reduce the carrying value of its owned debt portfolios, up from 41.3% in the fourth quarter of 2010. The fourth quarter 2011 principal amortization rate included \$3.1 million in net allowance charges against certain pools of finance receivables accounts.

-- Cash collections produced income on finance receivables of \$102.7 million in the fourth quarter of 2011, net of allowance charges of \$3.1 million. Income on finance receivables, net of allowance charges, increased 21% from the fourth quarter of 2010.

-- For the fourth quarter of 2011, Core portfolio income was \$63.9 million, net of allowance charges of \$2.1 million. Net Core portfolio income increased 21% over the fourth quarter of 2010. Net Bankruptcy portfolio revenue for the fourth quarter of 2011 was \$38.9 million, net of allowance charges of \$1.0 million. Net Bankruptcy portfolio income increased 22% over the fourth quarter of 2010.

-- The Company purchased \$1.21 billion of face-value finance receivables during the fourth quarter of 2011 for \$88.9 million. These receivables were acquired in 83 portfolios from 12 different sellers.

-- The Company's fee-for-service businesses generated revenue of \$15.3 million in the fourth quarter of 2011, a decline of 4% from the same period a year ago due largely to a decrease in revenues generated by PRA Location Services. Together, the fee-for-service businesses

accounted for 13% of the Company's overall revenues in the fourth quarter of 2011, down from 16% in the fourth quarter of 2010. Compared with the third quarter of 2011, fee income increased by \$3.9 million or 35%, due primarily to seasonal increases in the Government Services business along with an increase in fee income generated by CCB.

Efficiency and Productivity

- Operating income was \$46.0 million in the fourth quarter of 2011, compared with \$36.3 million in the fourth quarter of 2010, representing an increase of 27%. The operating margin increased from 36.0% in the year-earlier quarter, to 38.9% in the recently completed quarter.
- The Company measures finance receivable collections productivity in a variety of ways, due to the varying nature of the Company's collections channels. All measurements of collections productivity improved over the fourth quarter of 2010, and are presented in the accompanying Financial Highlights.

Balance Sheet

- Cash balances were \$26.7 million as of December 31, 2011.
- During the fourth quarter of 2011, the Company had net repayments of \$40 million on its line of credit, which had a balance outstanding of \$220 million at year-end. Remaining borrowing availability, subject to normal borrowing and collateral provisions, under the line was \$187.5 million as of December 31, 2011.

Subsequent Events

- On January 16, 2012, the Company announced the acquisition of Mackenzie Hall Holdings Limited, a leading UK debt collection and purchase group.
- Under the terms of the transaction, PRA purchased 100% of the equity interest in Mackenzie Hall, for approximately GBP 33.1 million (approximately \$51 million) in cash. PRA anticipates the acquisition will be immediately accretive to earnings.
- Based in Kilmarnock, Scotland, Mackenzie Hall offers outsourced and contingent consumer debt recovery on behalf of banks, credit providers and debt purchasers, as well as distressed and dormant niche portfolio purchasing. Mackenzie Hall employs approximately 170 people at its headquarters and contact center in Kilmarnock.
- The Board of Directors has authorized a share repurchase program of up to \$100 million of the Company's outstanding shares of common stock. The program will be administered by a special committee of the Board. Repurchases would depend on prevailing market conditions and other factors. The repurchase program may be suspended or discontinued at any time.

Conference Call Information The Company will hold a conference call with investors this evening at 5:30 p.m. EST, Thursday, February 16, 2012, to discuss its fourth-quarter and full year results. Investors can access the call by dialing 888-713-4211 for domestic callers or 617-213-4864 for international callers using the pass code 25454734. A replay will be available approximately one hour after the call ends and will remain available for seven days. Investors can access the replay of the call by dialing 888-286-8010 for domestic callers or 617-801-6888 for international callers using the pass code 35636577.

Investors also may listen to the conference call via webcast, both live and archived, at the company's website, www.portfoliorecovery.com at the Investor Relations main page.

About Portfolio Recovery Associates, Inc.

Portfolio Recovery Associates, Inc. (PRA) is a specialized financial and business services company. A market leader in the consumer debt purchase and collection industry, PRA also provides a broad range of fee-based services, including revenue enhancement for local governments; vehicle location, skip-tracing and collateral recovery for auto lenders, governments, and law enforcement; contingent consumer debt recovery on behalf of banks, credit providers, and debt purchasers; and filing of class action claims on behalf of institutional investors, manufacturers, and retailers. PRA has a longstanding culture of compliance, engaging collaboratively with its customers to create realistic, affordable repayment plans. The Company has more than 2,800 employees in 10 U.S. states and the United Kingdom.

PRA has been named to the Forbes 100 Best Small Companies in America annual rankings list for five consecutive years (2007 - 2011). It was ranked as one of BusinessWeek's 100 Hot Growth Companies in 2003, 2005 and 2007, and was recognized by Fortune as one of America's Top Small Businesses in 2006 and 2007. The Company's shares are publicly traded on the NASDAQ Global Select Market under the symbol "PRAA." Additional information about Portfolio Recovery Associates is available at www.portfoliorecovery.com.

Statements herein which are not historical, including Portfolio Recovery Associates' or management's intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future, including future revenue and earnings growth, statements with respect to future contributions of its subsidiaries to earnings and future portfolio-purchase opportunities, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include references to Portfolio Recovery Associates' presentations and web casts. The forward-looking statements in this press release are based upon management's beliefs, assumptions and expectations of the Company's future operations and economic performance, taking into account currently available information. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties, some of which are not currently known to us. Actual events or results may differ from those expressed or implied in any such forward-looking statements as a result of various factors, including the risk factors and other risks that are described from time to time in the Company's filings with the Securities and Exchange Commission including but not limited to its annual reports on Form 10-K, its quarterly reports on Form 10-Q and its current reports on Form 8-K, filed with the Securities and Exchange Commission and available through the Company's website, which contain a more detailed discussion of the Company's business, including risks and uncertainties that may affect future results. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Information in this press release may be superseded by more recent information or statements, which may be disclosed in later press releases, subsequent filings with the Securities and Exchange Commission or otherwise. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or to reflect any change in events, conditions or circumstances on which any such forward-looking statements are based, in whole or in part.

Unaudited Consolidated Income Statements
(in thousands, except per share amounts)

	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2010
Revenues:				
Income recognized on finance receivables, net	\$ 102,743	\$ 84,783	\$ 401,895	\$ 309,680
Fee income	15,344	15,972	57,040	63,026
Total revenues	118,087	100,755	458,935	372,706
Operating expenses:				
Compensation and employee services	35,759	32,350	138,202	124,077
Legal collection fees	5,940	4,819	23,621	17,599
Legal collection costs	9,711	9,932	38,659	31,330
Agent fees	1,647	2,616	7,653	12,012
Outside fees and services	5,608	3,100	19,310	12,554
Communications	5,488	4,066	23,372	17,226
Rent and occupancy	1,538	1,402	5,891	5,313
Depreciation and amortization	3,188	3,387	12,943	12,437
Other operating expenses	3,255	2,808	12,416	10,296
Total operating expenses	72,134	64,480	282,067	242,844
Gain on sale of property	-	-	1,157	-
Income from operations	45,953	36,275	178,025	129,862
Other income and (expense):				
Interest income	-	29	7	65
Interest expense	(2,512)	(2,517)	(10,569)	(9,052)
Income before income taxes	43,441	33,787	167,463	120,875
Provision for income taxes	16,775	13,156	66,319	47,004
Net income	\$ 26,666	\$ 20,631	\$ 101,144	\$ 73,871
Less net income/(loss) attributable to redeemable noncontrolling interest	76	(14)	353	417
Net income attributable to Portfolio Recovery Associates, Inc.	\$ 26,590	\$ 20,645	\$ 100,791	\$ 73,454

Net income per common share:				
Basic	\$ 1.55	\$ 1.21	\$ 5.89	\$ 4.37
Diluted	\$ 1.54	\$ 1.20	\$ 5.85	\$ 4.35

Weighted average number of shares outstanding:				
Basic	17,121	17,063	17,110	16,820
Diluted	17,269	17,165	17,230	16,885

Portfolio Recovery Associates, Inc.
Unaudited Condensed Consolidated Balance Sheets
(in thousands, except per share amounts)

ASSETS	December 31, 2011	December 31, 2010
Cash and cash equivalents	\$ 26,697	\$ 41,094

Finance receivables, net	926,734	831,330
Accounts receivable, net	7,862	8,932
Property and equipment, net	25,727	24,270
Goodwill	61,678	61,678
Intangible assets, net	14,596	18,466
Other assets	7,829	10,138
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Total assets	\$ 1,071,123	\$ 995,908
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LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

Accounts payable and accrued liabilities	\$ 42,660	\$ 23,576
Net deferred tax liability	193,898	164,971
Line of credit	220,000	300,000
Long-term debt	1,246	2,396
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Total liabilities	457,804	490,943
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Redeemable noncontrolling Interest	17,831	14,449
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Stockholders' equity:

Preferred stock, par value \$0.01, authorized shares, 2,000, issued and outstanding shares - 0	-	-
Common stock, par value \$0.01, authorized shares, 60,000, 17,134 issued and outstanding shares at December 31, 2011, and 17,064 issued and outstanding shares at December 31, 2010	171	171
Additional paid-in capital	167,719	163,538
Retained earnings	427,598	326,807
Total stockholders' equity	595,488	490,516
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Total liabilities and stockholders' equity	\$ 1,071,123	\$ 995,908
	=====	=====

Portfolio Recovery Associates, Inc. Unaudited Condensed Consolidated Statements of Cash Flows (in thousands)

	Year Ended December 31, 2011	Year Ended December 31, 2010
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Cash flows from operating activities:		
Net income	\$ 101,144	\$ 73,871
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of share-based compensation	7,759	4,203
Depreciation and amortization	12,943	12,437
Deferred tax expense	28,927	47,493
Gain on sale of property	(1,157)	-
Changes in operating assets and liabilities:		
Other assets	(54)	1,204
Accounts receivable	1,070	237
Accounts payable and accrued liabilities	6,921	2,039
Income taxes	15,472	2,097
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Net cash provided by operating activities	173,025	143,581
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Cash flows from investing activities:		
Purchases of property and equipment	(9,634)	(9,546)
Proceeds from sale of property	1,267	-
Acquisition of finance receivables, net of buybacks	(398,999)	(357,530)
Collections applied to principal on finance receivables	303,595	219,662
Business acquisitions, net of cash acquired	(985)	(23,000)
Contingent payment made for business acquisition	-	(117)
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Net cash used in investing activities	(104,756)	(170,531)
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Cash flows from financing activities:		
Proceeds from exercise of options	150	57
Income tax benefit from share-based compensation	641	256
Payment of liability-classified contingent consideration	-	(2,000)
Proceeds from line of credit	32,000	177,500
Principal payments on line of credit	(112,000)	(196,800)
Payments of line of credit origination costs and fees	-	(3,819)
Proceeds from stock offering, net of offering costs	-	71,688
Proceeds from long-term debt	-	1,569
Distributions paid to noncontrolling		

interest	(2,307)	-	
Principal payments on long-term debt	(1,150)	(672)	
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Net cash (used in)/provided by financing activities	(82,666)	47,779	
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Net (decrease)/increase in cash and cash equivalents	(14,397)	20,829	
Cash and cash equivalents, beginning of year	41,094	20,265	
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Cash and cash equivalents, end of year	\$ 26,697	\$ 41,094	
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Supplemental disclosure of cash flow information:

Cash paid for interest	\$ 10,280	\$ 9,398
Cash paid for income taxes	23,641	107

Noncash investing and financing activities:

Adjustment of the noncontrolling interest measurement amount	\$ (4,112)	\$ -
Common stock issued for acquisition	-	4,950
Net unrealized change in fair value of derivative instrument	-	701
Distributions payable relating to noncontrolling interest	67	1,291
Employee stock relinquished for payment of taxes	(257)	-

FINANCIAL HIGHLIGHTS

	Three Months Ended			Year Ended		
	December 31,		%	December 31,		%
(dollars in thousands)	2011	2010	Change	2011	2010	Change
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EARNINGS						
Income recognized on finance receivables, net	\$ 102,743	\$ 84,783	21%	\$ 401,895	\$ 309,680	30%
Fee income	15,344	15,972	-4%	57,040	63,026	-9%
Total revenues	118,087	100,755	17%	458,935	372,706	23%
Operating expenses	72,134	64,480	12%	282,069	242,844	16%
Income from operations	45,953	36,275	27%	178,023	129,862	37%
Net interest expense	2,512	2,488	1%	10,562	8,987	18%
Net income	26,666	20,631	29%	101,143	73,871	37%
Net income attributable to Portfolio Recovery Associates, Inc.	26,590	20,645	29%	100,791	73,454	37%
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PERIOD-END BALANCES

Cash and cash equivalents	\$ 26,697	\$ 41,094	-35%	\$ 26,697	\$ 41,094	-35%
Finance receivables, net	926,734	831,330	11%	926,734	831,330	11%
Goodwill and intangible assets, net	76,274	80,144	-5%	76,274	80,144	-5%
Total assets	1,071,123	995,908	8%	1,071,123	995,908	8%
Line of credit	220,000	300,000	-27%	220,000	300,000	-27%
Total liabilities	457,804	490,943	-7%	457,804	490,943	-7%
Total equity	595,488	490,516	21%	595,488	490,516	21%
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FINANCE RECEIVABLE COLLECTIONS

Cash collections	\$ 180,324	\$ 144,363	25%	\$ 705,490	\$ 529,342	33%
Principal amortization without allowance charges	74,481	54,139	38%	293,431	194,510	51%
Principal amortization with allowance charges	77,581	59,580	30%	303,595	219,662	38%
Principal amortization w/ allowance						

charges as %						
of cash						
collections:						
Including						
fully						
amortized						
pools	43.0%	41.3%	4%	43.0%	41.5%	4%
Excluding						
fully						
amortized						
pools	44.9%	44.3%	1%	45.4%	44.8%	1%
Estimated						
remaining						
collections -						
core	\$1,159,086	\$ 974,108	19%	\$1,159,086	\$ 974,108	19%
Estimated						
remaining						
collections -						
bankruptcy	794,262	749,410	6%	794,262	749,410	6%
Estimated						
remaining						
collections -						
total	1,953,348	1,723,518	13%	1,953,348	1,723,518	13%

ALLOWANCE FOR						
FINANCE						
RECEIVABLES						
Balance at						
period-end	\$ 86,571	\$ 76,407	13%	\$ 86,571	\$ 76,407	13%
Allowance						
charge	\$ 3,100	\$ 5,442	-43%	\$ 10,164	\$ 25,152	-60%
Allowance						
charge to						
period-end						
net finance						
receivables	0.33%	0.65%	-49%	1.10%	3.03%	-64%
Allowance						
charge to net						
finance						
receivable						
income	3.02%	6.42%	-53%	2.53%	8.12%	-69%
Allowance						
charge to						
cash						
collections	1.72%	3.77%	-54%	1.44%	4.75%	-70%

PURCHASES OF						
FINANCE						
RECEIVABLES						
Purchase price						
- core	\$ 42,532	\$ 44,852	-5%	\$ 213,389	\$ 149,998	42%
Face value -						
core	829,232	1,357,301	-39%	7,900,761	3,424,313	131%
Purchase price						
- bankruptcy	46,360	40,671	14%	195,019	217,445	-10%
Face value -						
bankruptcy	376,094	511,588	-26%	1,891,595	3,380,639	-44%
Purchase price						
- total	88,892	85,523	4%	408,407	367,443	11%
Face value -						
total	1,205,326	1,868,889	-36%	9,792,356	6,804,952	44%
Number of						
portfolios -						
total	83	75	11%	333	305	9%

PER SHARE DATA						
Net income per						
common share						
- diluted	\$ 1.54	\$ 1.20	28%	\$ 5.85	\$ 4.35	34%
Weighted						
average						
number of						
shares						
outstanding -						
diluted	17,269	17,165	1%	17,230	16,885	2%
Closing market						
price	\$ 67.52	\$ 75.20	-10%	\$ 67.52	\$ 75.20	-10%

RATIOS AND						
OTHER DATA						
Return on						
average						
equity (1)	18.18%	17.09%	6%	18.62%	16.56%	12%
Return on						
revenue (2)	22.58%	20.48%	10%	22.04%	19.82%	11%
Operating						
margin (3)	38.91%	36.00%	8%	38.79%	34.84%	11%
Operating						
expense to						
cash receipts						
(4)	36.87%	40.22%	-8%	36.99%	41.00%	-10%
Debt to equity						
(5)	37.15%	61.65%	-40%	37.15%	61.65%	-40%
Cash						
collections						
per collector						
hour paid:						

Core cash collections \$	137	\$	129	6%	\$	151	\$	129	17%
Total cash collections \$	228	\$	204	12%	\$	240	\$	194	24%
Excluding external legal collections \$	194	\$	174	30%	\$	204	\$	165	29%
Excluding bankruptcy and external legal collections \$	103	\$	98	39%	\$	114	\$	100	23%
Number of collectors	1,658		1,472	13%		1,658		1,472	13%
Number of employees	2,641		2,473	7%		2,641		2,473	7%
Cash receipts (4)	\$ 195,668		\$ 160,335	22%		\$ 762,530		\$ 592,368	29%
Line of credit - unused portion at period end	187,500		107,500	74%		187,500		107,500	74%

Notes:

- (1) Calculated as annualized net income divided by average equity for the period
- (2) Calculated as net income divided by total revenues
- (3) Calculated as income from operations divided by total revenues
- (4) "Cash receipts" is defined as cash collections plus fee income
- (5) For purposes of this ratio, "debt" equals the line of credit balance plus long-term debt

FINANCIAL HIGHLIGHTS

For the Quarter Ended

	December 31 2011	September 30 2011	June 30 2011	March 31 2011	December 31 2010
(dollars in thousands)					

EARNINGS

Income recognized on finance receivables, net	\$ 102,743	\$ 102,875	\$ 100,303	\$ 95,974	\$ 84,783
Fee income	15,344	11,401	14,492	15,803	15,972
Total revenues	118,087	114,276	114,795	111,777	100,755
Operating expenses	72,134	70,447	70,415	69,073	64,480
Income from operations	45,953	43,830	45,536	42,704	36,275
Net interest expense	2,512	2,548	2,635	2,867	2,488
Net income	26,666	25,193	25,575	23,709	20,631
Net income attributable to Portfolio Recovery Associates, Inc.	26,590	25,506	25,574	23,121	20,645

PERIOD-END

BALANCES

Cash and cash equivalents	\$ 26,697	\$ 30,035	\$ 25,481	\$ 35,443	\$ 41,094
Finance receivables, net	926,734	919,478	879,515	866,992	831,330
Goodwill and intangible assets, net	76,274	76,426	77,643	78,893	80,144
Total assets	1,071,123	1,064,104	1,021,617	1,020,099	995,908
Line of credit	220,000	260,000	250,000	290,000	300,000
Total liabilities	457,804	478,915	463,153	489,136	490,943
Total equity	595,488	568,305	542,396	515,710	490,516

FINANCE

RECEIVABLE

COLLECTIONS

Cash collections	\$ 180,324	\$ 182,168	\$ 176,281	\$ 166,717	\$ 144,363
Principal amortization without allowance	74,481	78,552	73,695	66,703	54,139
Principal amortization with allowance	77,581	79,293	75,978	70,743	59,580
Principal amortization w/ allowance as % of cash collections: Including					

fully amortized pools	43.0%	43.5%	43.1%	42.4%	41.3%
Excluding fully amortized pools	44.9%	45.7%	45.7%	45.3%	44.3%
Estimated remaining collections - core	\$1,159,086	\$1,154,406	\$1,072,777	\$1,040,140	\$ 974,108
Estimated remaining collections - bankruptcy	794,262	770,886	743,228	753,130	749,410
Estimated remaining collections - total	1,953,348	1,925,292	1,816,005	1,793,270	1,723,518
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ALLOWANCE FOR FINANCE RECEIVABLES

Balance at period-end	\$ 86,571	\$ 83,471	\$ 82,730	\$ 80,447	\$ 76,407
Allowance charge	\$ 3,100	\$ 741	\$ 2,283	\$ 4,040	\$ 5,442
Allowance charge to period-end net finance receivables	0.33%	0.08%	0.26%	0.47%	0.65%
Allowance charge to net finance receivable income	3.02%	0.72%	2.28%	4.21%	6.42%
Allowance charge to cash collections	1.72%	0.41%	1.30%	2.42%	3.77%
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PURCHASES OF FINANCE RECEIVABLES

Purchase price - core	\$ 42,532	\$ 57,240	\$ 52,323	\$ 61,294	\$ 44,852
Face value - core	829,232	5,027,874	1,034,898	1,008,758	1,357,301
Purchase price - bankruptcy	46,360	64,848	37,204	46,607	40,671
Face value - bankruptcy	376,094	654,508	378,051	482,941	511,588
Purchase price - total	88,892	122,088	89,527	107,901	85,523
Face value - total	1,205,326	5,682,382	1,412,949	1,491,699	1,868,889
Number of portfolios - total	83	95	76	79	75
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PER SHARE DATA

Net income per common share - diluted	\$ 1.54	\$ 1.48	\$ 1.48	\$ 1.34	\$ 1.20
Weighted average number of shares outstanding - diluted	17,269	17,228	17,225	17,199	17,165
Closing market price	\$ 67.52	\$ 62.22	\$ 84.79	\$ 85.13	\$ 75.20
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RATIOS AND OTHER DATA

Return on average equity (1)	18.18%	18.27%	19.20%	18.25%	17.09%
Return on revenue (2)	22.58%	22.05%	22.28%	21.21%	20.48%
Operating margin (3)	38.91%	38.35%	39.67%	38.20%	36.00%
Operating expense to cash receipts (4)	36.87%	36.39%	36.91%	37.84%	40.22%
Debt to equity (5)	37.15%	46.02%	46.43%	56.64%	61.65%
Cash collections per collector hour paid:					
Core cash collections	\$ 137	\$ 152	\$ 154	\$ 162	\$ 129
Total cash collections	\$ 228	\$ 249	\$ 243	\$ 241	\$ 204
Excluding external legal collections	\$ 194	\$ 212	\$ 205	\$ 204	\$ 174
Excluding bankruptcy and external legal					

collections	\$	103	\$	115	\$	116	\$	125	\$	98
Number of collectors		1,658		1,520		1,517		1,486		1,472
Number of employees		2,641		2,504		2,504		2,482		2,473
Cash receipts (4)	\$	195,668	\$	193,569	\$	190,773	\$	182,520	\$	160,335
Line of credit - unused portion at period end		187,500		147,500		157,500		117,500		107,500

Notes:

- (1) Calculated as annualized net income divided by average equity for the period
- (2) Calculated as net income divided by total revenues
- (3) Calculated as income from operations divided by total revenues
- (4) "Cash receipts" is defined as cash collections plus fee income
- (5) For purposes of this ratio, "debt" equals the line of credit balance plus long-term debt

Purchase Price Multiples at December 31, 2011, Entire Portfolio
(\$ in thousands)

Purchase Period	Purchase Price	Estimated Collections 31, 2011	Net Finance Receivables Balance at December 31, 2011	Actual Cash Collections Including December Sales	Total Estimated Collections to Cash Remaining	Purchase Price
1996	\$ 3,080	\$ 10,243	\$ -	\$ 10,144	\$ 99	333%
1997	7,685	25,491	-	25,310	181	332%
1998	11,089	37,370	-	36,938	432	337%
1999	18,898	69,145	-	68,162	983	366%
2000	25,020	116,040	-	113,388	2,652	464%
2001	33,481	173,637	-	170,464	3,173	519%
2002	42,325	194,756	-	190,276	4,480	460%
2003	61,448	259,458	-	252,397	7,061	422%
2004	59,177	194,439	-	187,150	7,289	329%
2005	143,169	309,213	11,267	287,884	21,329	216%
2006	107,696	217,424	17,505	187,156	30,268	202%
2007	258,382	508,433	62,197	402,226	106,207	197%
2008	275,154	530,607	103,508	358,932	171,675	193%
2009	281,436	779,837	131,700	421,864	357,973	277%
2010	358,185	805,126	229,011	304,614	500,512	225%
2011	402,803	816,224	371,546	77,190	739,034	203%
Total	\$2,089,028	\$5,047,443	\$ 926,734	\$3,094,095	\$1,953,348	242%

Purchase Price Multiples at December 31, 2011, Purchased Bankruptcy Portfolio
(\$ in thousands)

Purchase Period	Purchase Price	Estimated Collections 31, 2011	Net Finance Receivables Balance at December 31, 2011	Actual Cash Collections Including December Sales	Total Estimated Collections to Cash Remaining	Purchase Price
1996-						
2003	\$ -	\$ -	\$ -	\$ -	0%	
2004	7,468	14,384	-	14,294	90	193%
2005	29,301	43,351	68	43,222	129	148%
2006	17,645	31,191	83	30,481	710	177%
2007	78,547	109,962	12,111	95,373	14,589	140%
2008	108,609	184,106	44,172	123,582	60,524	170%
2009	156,057	392,928	85,227	201,195	191,733	252%
2010	209,246	393,518	146,596	143,984	249,534	188%
2011	189,027	292,171	184,316	15,218	276,953	155%
Total	\$ 795,900	\$1,461,611	\$ 472,573	\$ 667,349	\$ 794,262	184%

Purchase Price Multiples at December 31, 2011, Core Portfolio (\$ in thousands) ----- Net Actual Total Finance Cash
Estimated Receivables Collections Collections Total Balance at Including Estimated to Purchase Purchase Estimated December Cash Remaining Purchase Period Price
Collections 31, 2011 Sales Collections Price ----- 1996 \$ 3,080 \$ 10,243 \$ - \$ 10,144 \$ 99 333% 1997 7,685
25,491 - 25,310 181 332% 1998 11,089 37,370 - 36,938 432 337% 1999 18,898 69,145 - 68,162 983 366% 2000 25,020 116,040 - 113,388 2,652 464% 2001 33,481
173,637 - 170,464 3,173 519% 2002 42,325 194,756 - 190,276 4,480 460% 2003 61,448 259,458 - 252,397 7,061 422% 2004 51,709 180,055 - 172,856 7,199 348%
2005 113,868 265,862 11,199 244,662 21,200 233% 2006 90,051 186,233 17,422 156,675 29,558 207% 2007 179,835 398,471 50,086 306,853 91,618 222% 2008
166,545 346,501 59,336 235,350 111,151 208% 2009 125,379 386,909 46,473 220,669 166,240 309% 2010 148,939 411,608 82,415 160,630 250,978 276% 2011
213,776 524,053 187,230 61,972 462,081 245% ----- Total \$1,293,128 \$3,585,832 \$ 454,161 \$2,426,746
\$1,159,086 277% -----

Net Allowance Charges, Entire Portfolio

(\$ in thousands)

Purchase Period

Allowance Period	1996-2003	2004	2005	2006
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2005	\$ 200	\$ -	\$ -	\$ -
2006	275	-	825	-
2007	235	470	1,885	340
2008	(110)	1,290	3,040	7,170
2009	(600)	(375)	4,190	4,860
Q1 10	-	-	2,795	1,175
Q2 10	-	(80)	1,600	2,100
Q3 10	-	(80)	1,650	2,050
Q4 10	-	(10)	832	1,720
Q1 11	-	(15)	455	(100)
Q2 11	-	-	(217)	-
Q3 11	-	-	641	100
Q4 11	-	-	250	1,000

Total	\$ -	\$ 1,200	\$ 17,946	\$ 20,415
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Portfolio Purchases, net	\$ 203,026	\$ 59,177	\$ 143,169	\$ 107,696
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(\$ in thousands)

Allowance Period	Purchase Period			Total
	2007	2008	2009-2011	

2005	\$ -	\$ -	\$ -	\$ 200
2006	-	-	-	1,100
2007	-	-	-	2,930
2008	7,380	620	-	19,390
2009	3,435	16,125	-	27,635
Q1 10	2,900	-	-	6,870
Q2 10	700	2,000	-	6,320
Q3 10	2,750	150	-	6,520
Q4 10	1,150	1,750	-	5,442
Q1 11	400	3,300	-	4,040
Q2 11	-	2,500	-	2,283
Q3 11	(500)	500	-	741
Q4 11	1,250	600	-	3,100

Total	\$ 19,465	\$ 27,545	\$ -	\$ 86,571
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Portfolio Purchases, net	\$ 258,382	\$ 275,154	\$ 1,042,424	\$ 2,089,028
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Net Allowance Charges, Purchased Bankruptcy Portfolio

(\$ in thousands)

Allowance Period	Purchase Period			2005	2006
	1996-2003	2004			

2007	\$ -	\$ 470	\$ 160	\$ 150
2008	-	770	375	1,210
2009	-	45	265	120
Q1 10	-	-	95	50
Q2 10	-	(30)	25	-
Q3 10	-	(30)	-	(100)
Q4 10	-	(10)	(18)	(30)
Q1 11	-	(15)	(95)	(100)
Q2 11	-	-	(17)	-
Q3 11	-	-	(59)	(100)
Q4 11	-	-	(50)	-

Total	\$ -	\$ 1,200	\$ 681	\$ 1,200
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Portfolio Purchases, net	\$ -	\$ 7,468	\$ 29,301	\$ 17,645
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(\$ in thousands)

Allowance Period	Purchase Period			Total
	2007	2008	2009-2011	

2007	\$ -	\$ -	\$ -	\$ 780
2008	-	-	-	2,355
2009	110	-	-	540
Q1 10	1,200	-	-	1,345
Q2 10	-	-	-	(5)
Q3 10	600	-	-	470
Q4 10	950	-	-	892
Q1 11	1,150	1,300	-	2,240
Q2 11	-	500	-	483
Q3 11	-	-	-	(159)
Q4 11	1,100	-	-	1,050

Total	\$ 5,110	\$ 1,800	\$ -	\$ 9,991
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Portfolio Purchases, net \$ 78,547 \$ 108,609 \$ 554,330 \$ 795,900

Net Allowance Charges, Core Portfolio (\$ in thousands) ----- Purchase Period Allowance Period 1996-2003 2004
2005 2006 ----- 2005 \$ 200 \$ - \$ - 2006 275 - 825 - 2007 235 - 1,725 190 2008 (110) 520 2,665 5,960 2009 (600) (420) 3,925 4,740 Q1
10 - - 2,700 1,125 Q2 10 - (50) 1,575 2,100 Q3 10 - (50) 1,650 2,150 Q4 10 - - 850 1,750 Q1 11 - - 550 - Q2 11 - - (200) - Q3 11 - - 700 200 Q4 11 - - 300 1,000 -----
----- Total \$ - \$ 17,265 \$ 19,215 =====

Portfolio Purchases, net \$ 203,026 \$ 51,709 \$ 113,868 \$ 90,051 -----

(\$ in thousands) ----- Purchase Period Allowance Period 2007 2008 2009-2011 Total -----
2005 \$ - \$ - \$ 200 2006 - - - 1,100 2007 - - - 2,150 2008 7,380 620 - 17,035 2009 3,325 16,125 - 27,095 Q1 10 1,700 - - 5,525 Q2 10 700 2,000 - 6,325 Q3 10 2,150
150 - 6,050 Q4 10 200 1,750 - 4,550 Q1 11 (750) 2,000 - 1,800 Q2 11 - 2,000 - 1,800 Q3 11 (500) 500 - 900 Q4 11 150 600 - 2,050 ----- Total
\$ 14,355 \$ 25,745 \$ - \$ 76,580 =====

Portfolio Purchases, net \$ 179,835 \$ 166,545 \$ 488,094 \$1,293,128 -----

SOURCE: Portfolio Recovery Associates, Inc.
