



Portfolio Recovery Associates

Q2 - 2011



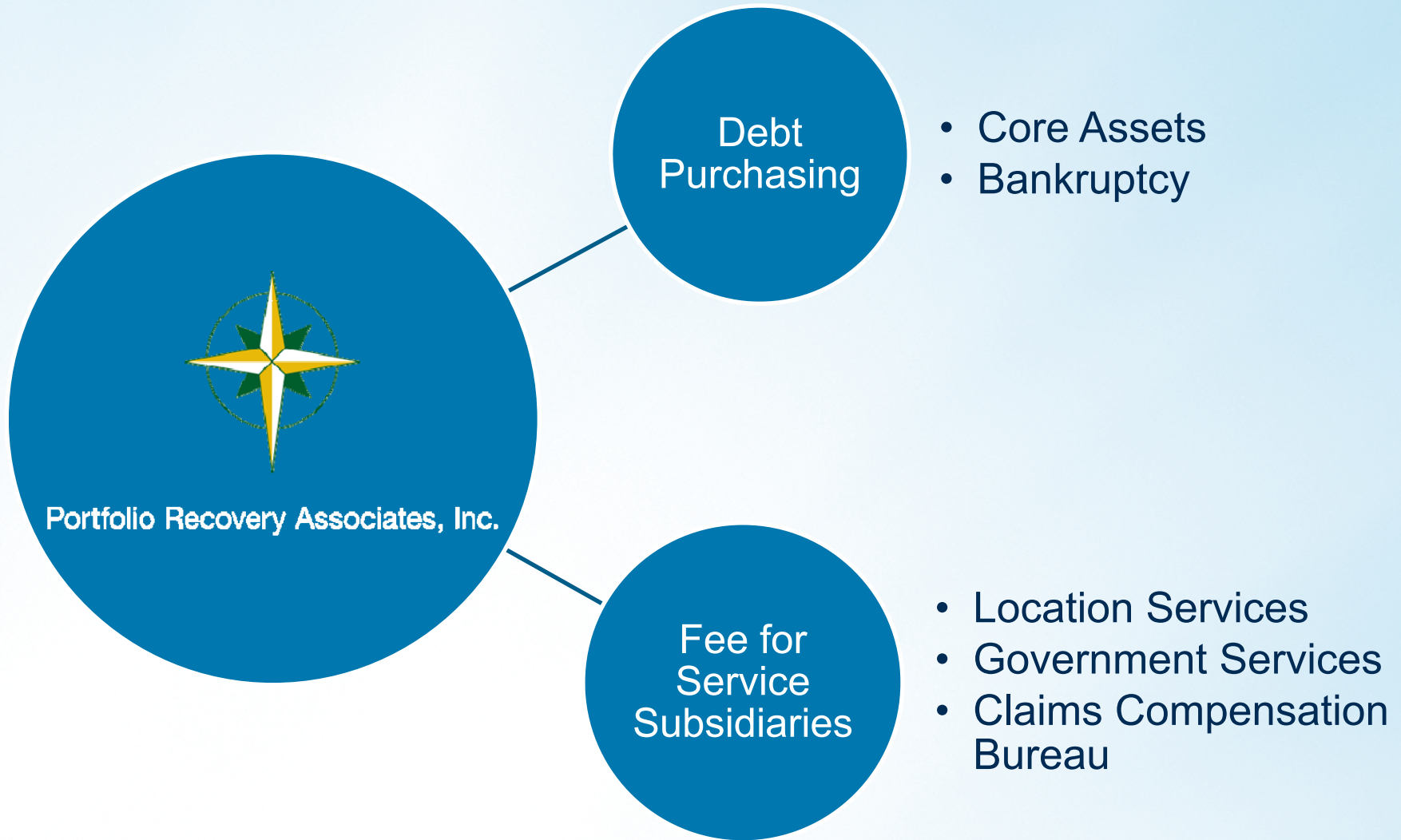
Portfolio Recovery Associates, Inc.

Safe Harbor Statement

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 presentation 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 Information in this presentation may be superseded by more recent information or statements, which may be disclosed in later press releases, subsequent filings with the Securities and Exchange Commission or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.



The Company



Debt Purchasing

- Core Assets

- Includes PRA's portfolio of non-bankrupt, charged-off consumer accounts
- Over the past 15 years, PRA has purchased more than \$41 billion in face value for an investment of over \$1.2 billion
- Strong track record and proven ability to accurately predict results of acquired debt pools

- Bankruptcy

- Purchase secured and unsecured consumer bankruptcy debts included in Chapter 13 cases across all markets: credit cards, installment loans, auto deficiencies, healthcare, utility, retail and telecommunications
- Since 2004, PRA has purchased more than \$16.5 billion in face value for an investment of approximately \$722 million



Fee For Services

- Provide fee-based services, including collateral location services for credit originators via PRA subsidiaries:
 - PLS – Performs national skip tracing, asset location and collateral recovery services, principally for auto finance companies
 - RDS & MuniServices – Both comprise Government Services Business, servicing taxing authorities via:
 - Tax payment and tax forms
 - Collecting delinquent taxes,
 - Identifying taxes that are not being paid
 - Auditing tax payments
 - CCB – A leading provider of class action claims settlement recovery services and related payment processing to corporate clients
 - PRA is a majority owner (62%) of CCB



A Compelling Time in Our History

- Our competency is sourcing, underwriting, and managing portfolios of high yielding assets
- Capital constraints and regulatory hurdles are moderating competition
- We have a large existing portfolio (\$880 million in NFR, \$1.8 billion in ERC) that produces predictable multi-year cash flows
- We have significant access to capital (\$407 mm line, \$157 mm available)
- We have a proven track record of accurate underwriting and operational excellence throughout pricing/economic cycles



Investment Rationale

- Solidified market position as the leading consumer debt purchaser
- Consistent y/y revenue growth accompanied by margin expansion
- Diversified revenue streams,
 - Offsets seasonality and cyclicalities
 - Provides for more consistent revenue streams
- Longstanding relationships with major credit originators
- Strong capital structure supports future growth
- Proven due-diligence process ensures conservative approach to debt acquisition
- Part of the regulatory conversation

PRA is a fully transparent, profitable and rapidly growing industry leader that provides tangible value to shareholders

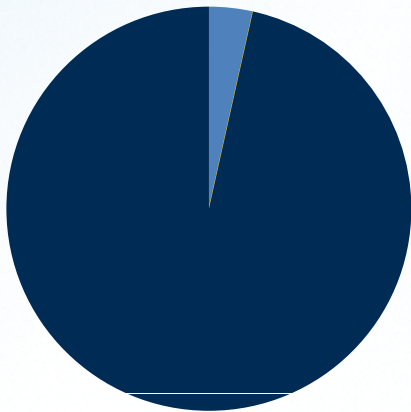


PRA is Differentiated from Our Competitors

- Diversification Strategy

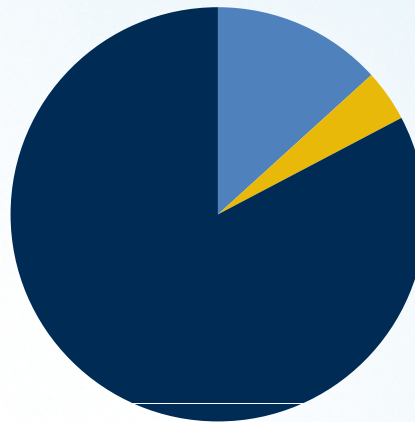
TOTAL REVENUE

2002



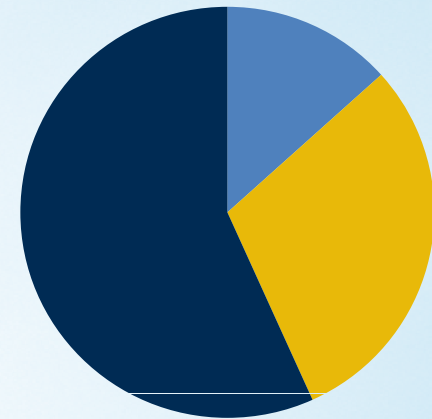
■ Fee for Service ■ Bankruptcy ■ Core

2006



■ Fee for Service ■ Bankruptcy ■ Core

2011

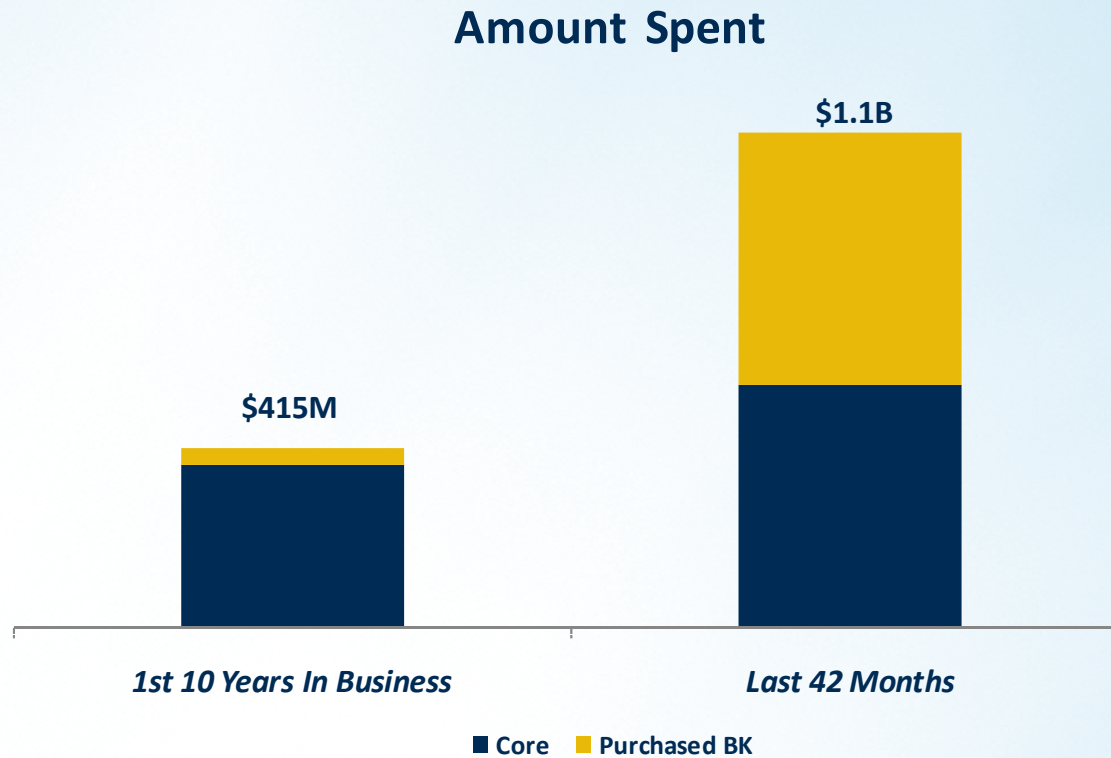


■ Fee for Service ■ Bankruptcy ■ Core



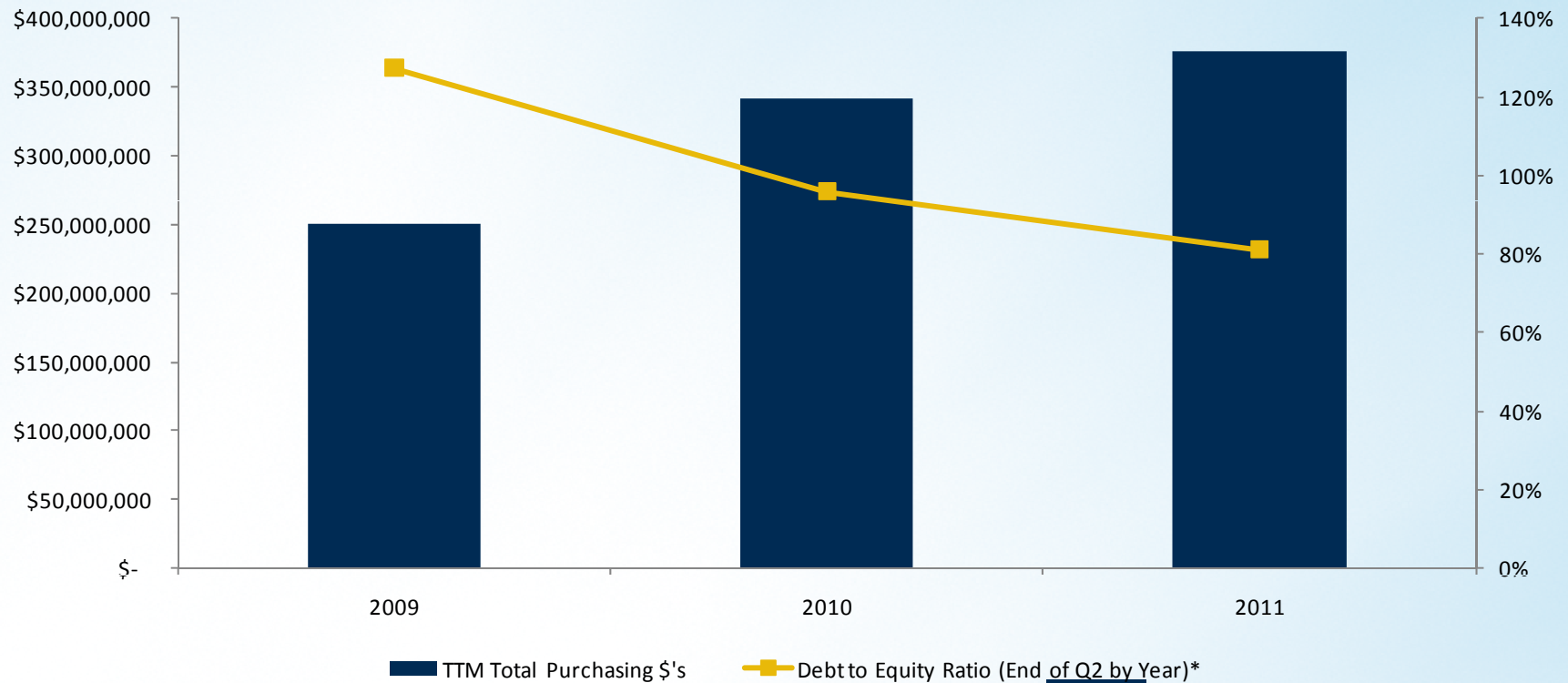
PRA is Differentiated from Our Competitors

- Significant growth of purchased debt investment



PRA is Differentiated from Our Competitors

- Purchased debt investments grew while leverage decreased



* For the purpose of this ratio, "debt" includes the amount outstanding on our line of credit plus long-term debt and deferred tax liability.



PRA is Differentiated from Our Competitors

- We do not resell purchased accounts.
- We do not rely on outsourcing.
- We are patient with our customers, and we are proud of our culture and record of compliance.

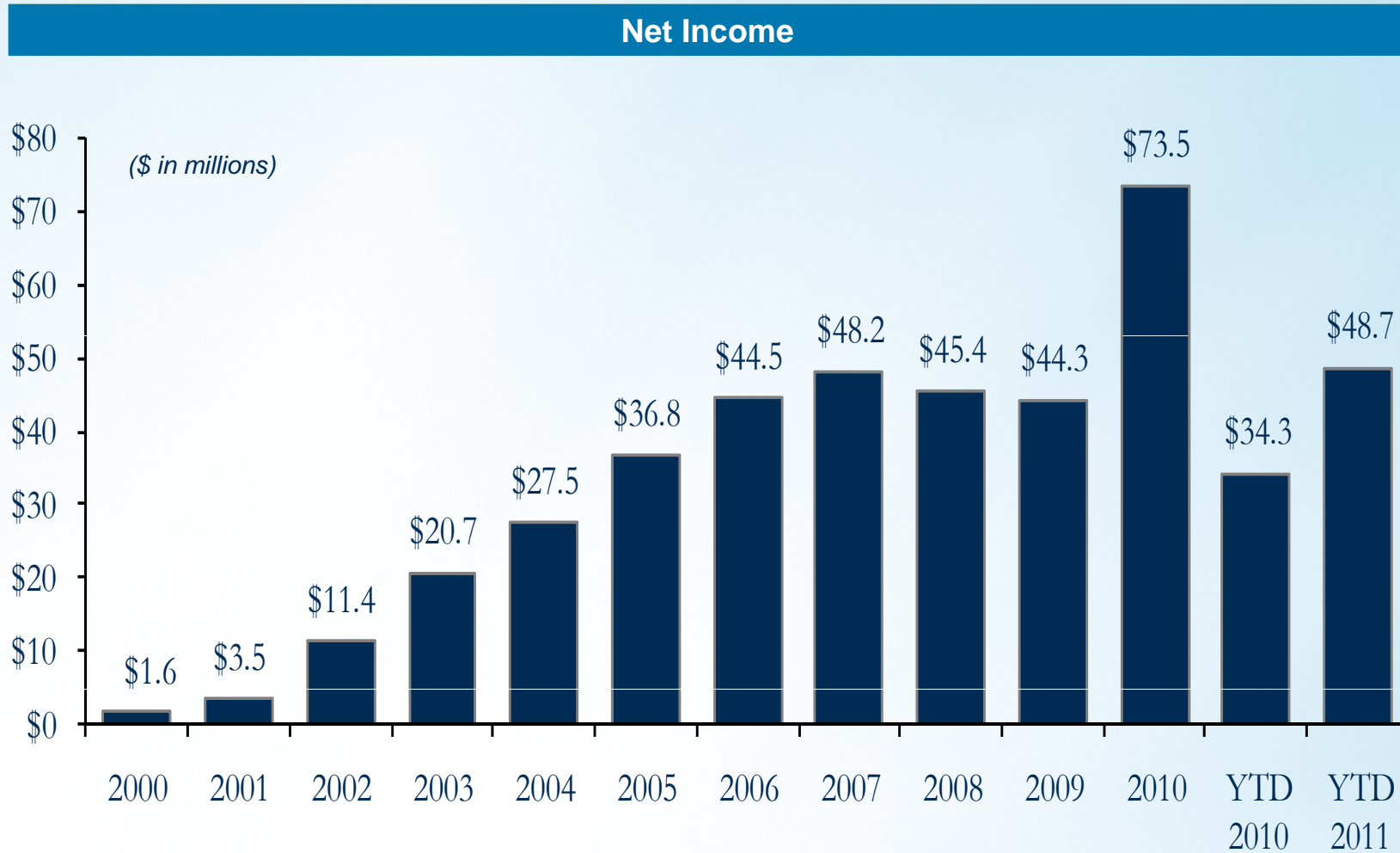


Consistently Strong Results – as of June 30, 2011

Quarterly Cash Collections / Revenues

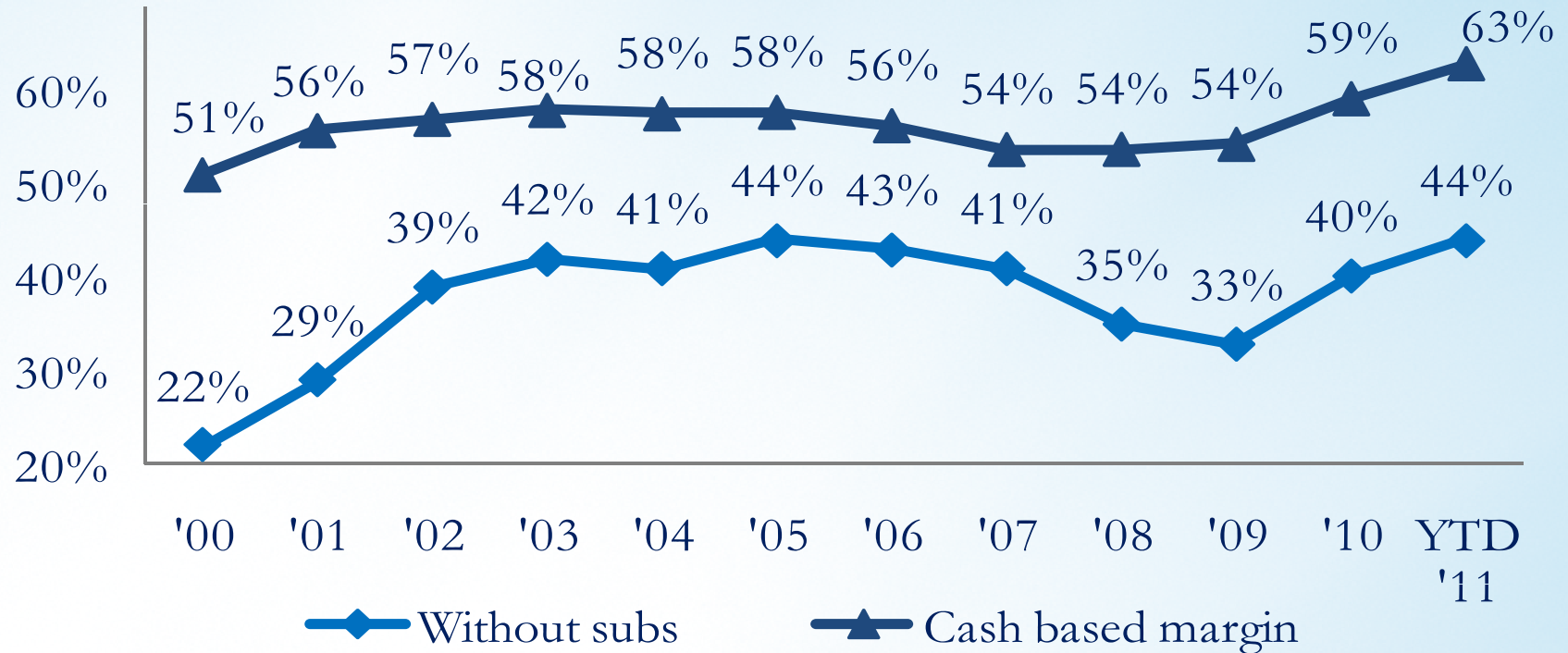


Consistently Strong Results – as of June 30, 2011



Consistently Strong Results – as of June 30, 2011

Operating Margin

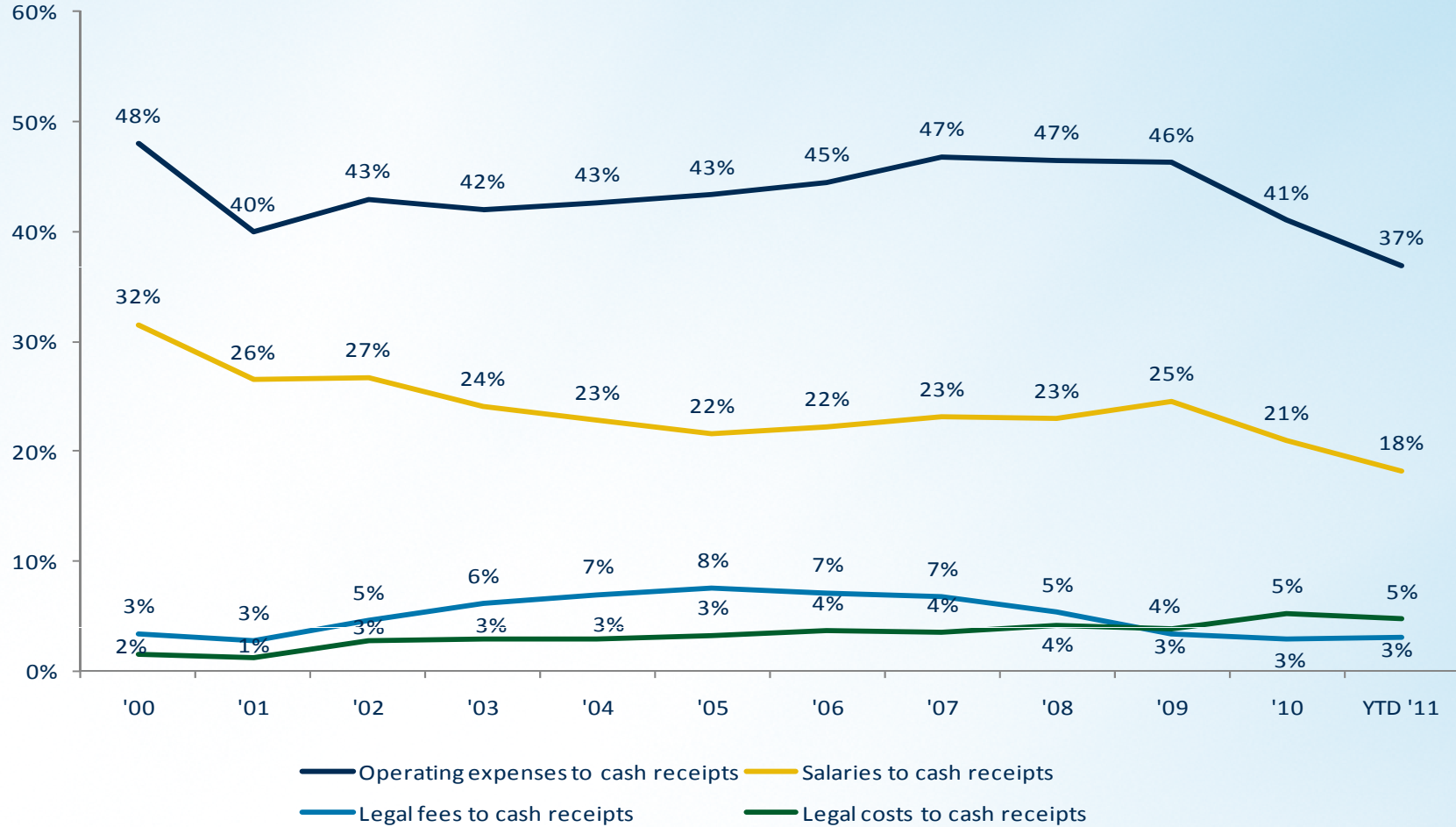


* Cash based margin is defined as operating expenses excluding amortization expenses on intangible assets divided by cash receipts.



Consistently Strong Results – as of June 30, 2011

Expense to Cash Receipts Ratios



“Cash Receipts” is defined as cash collections plus fee income.



Portfolios Generate Cash over 5 to 7+ Years

Collection Statistics – All Portfolios (\$ in thousands)

<u>Purchase Period</u>	<u>Purchase Price</u>	<u>Total Estimated Collections</u>	<u>Net Finance Receivables Balance at June 30, 2011</u>	<u>Life to Date Reserve Charge</u>	<u>Actual Cash Collections Including Cash Sales</u>	<u>ERC</u>	<u>Total</u>	
							<u>Estimated Collections to Purchase Price</u>	<u>Non-BK Total Estimated Collections to Purchase Price</u>
1996	\$3,080	\$10,183	\$0	\$0	\$10,108	\$75	331%	331%
1997	7,685	25,487	0	0	25,229	258	332%	332%
1998	11,089	37,203	0	0	36,789	414	335%	335%
1999	18,898	68,950	0	0	67,698	1,252	365%	365%
2000	25,020	115,279	0	0	112,216	3,063	461%	461%
2001	33,481	173,088	0	0	168,858	4,230	517%	517%
2002	42,325	192,679	0	0	187,667	5,012	455%	455%
2003	61,448	256,431	0	0	248,330	8,101	417%	417%
2004	59,177	191,865	0	1,200	183,432	8,433	324%	343%
2005	143,169	310,203	15,976	17,055	280,311	29,892	217%	234%
2006	107,705	218,391	21,788	19,315	179,297	39,094	203%	208%
2007	258,381	507,104	79,060	18,715	372,501	134,603	196%	220%
2008	275,141	531,342	125,937	26,445	317,577	213,765	193%	209%
2009	281,425	733,239	163,829	0	330,310	402,929	261%	297%
2010	359,235	785,719	280,349	0	194,466	591,253	219%	267%
2011	197,702	390,446	192,576	0	16,815	373,631	197%	228%
Total	\$1,884,961	\$4,547,609	\$879,515	\$82,730	\$2,731,604	\$1,816,005	241%	275%

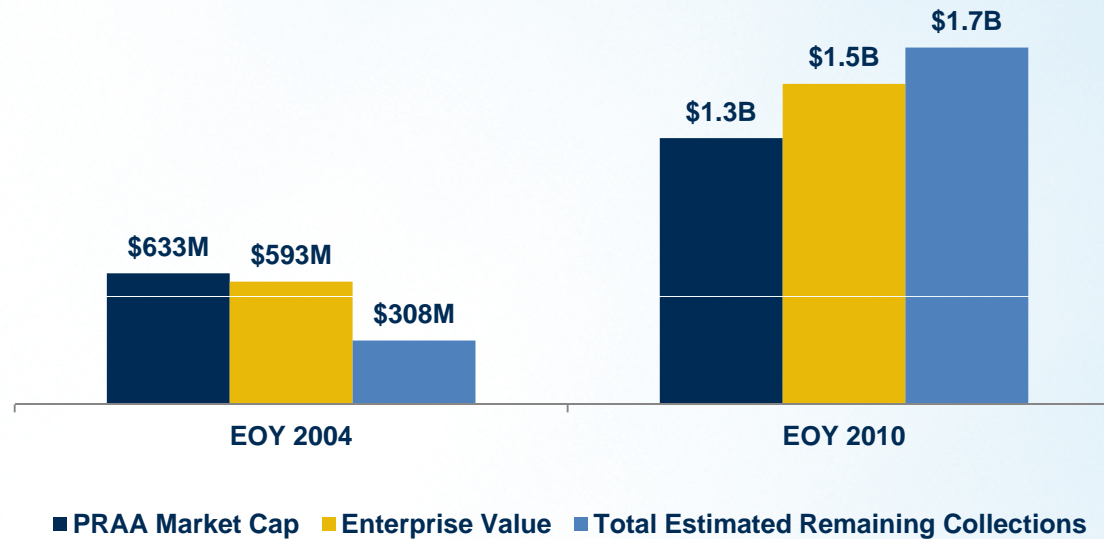
* Estimated Remaining Collections



Portfolios Generate Cash over 5 to 7+ Years

Collection Statistics (\$ in thousands)

		Purchase Price	Cash Collected thru Q2 2011	Cash Collected in Q2 2011	Estimated Remaining Cash
Sample Years	1996	\$3,080	\$10,108	\$51	\$75
	2000	\$25,020	\$112,216	\$698	\$3,063
	2004	\$59,177	\$183,432	\$2,319	\$8,433
	2010	\$359,235	\$194,466	\$55,698	\$591,253
	All Years	\$1,884,961	\$2,724,349	\$342,998	\$1,816,005



Pricing and Collectibility – Non BK

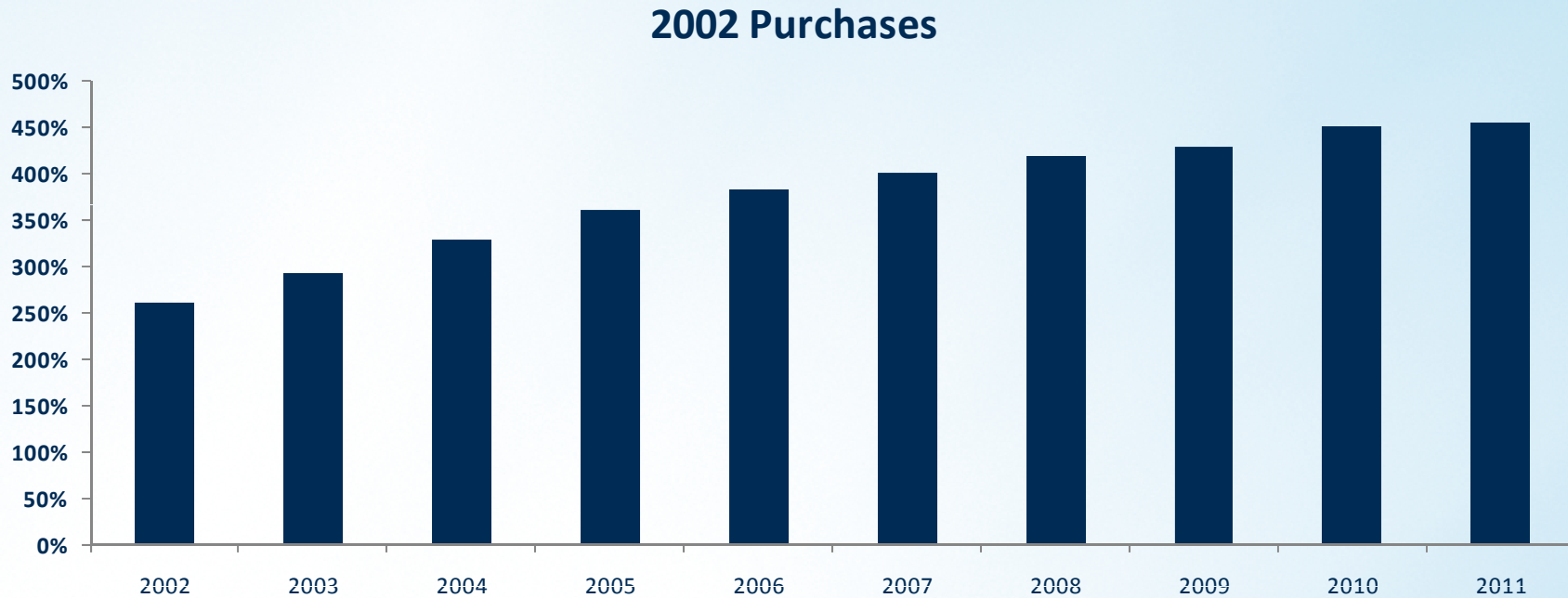
Estimated Multiple of Purchase Price

Year	12/31/02	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	6/30/11
1996	2.95	2.99	3.04	3.10	3.17	3.20	3.22	3.26	3.29	3.31
1997	2.81	2.85	2.95	3.07	3.14	3.18	3.23	3.27	3.30	3.32
1998	2.68	2.75	2.88	3.04	3.13	3.21	3.26	3.31	3.34	3.35
1999	2.81	2.88	3.02	3.18	3.28	3.39	3.47	3.57	3.62	3.65
2000	2.92	3.19	3.49	3.76	3.99	4.25	4.30	4.46	4.56	4.61
2001	3.02	3.34	3.86	4.41	4.55	4.77	4.84	4.91	5.11	5.17
2002	2.61	2.92	3.28	3.60	3.83	4.01	4.19	4.29	4.50	4.55
2003	-----	2.49	2.71	3.11	3.44	3.75	3.83	3.92	4.12	4.17
2004	-----	-----	2.28	2.54	2.83	3.17	3.24	3.23	3.37	3.43
2005	-----	-----	-----	2.21	2.32	2.42	2.43	2.41	2.35	2.34
2006	-----	-----	-----	-----	2.25	2.25	2.18	2.16	2.07	2.08
2007	-----	-----	-----	-----	-----	2.27	2.19	2.22	2.19	2.20
2008	-----	-----	-----	-----	-----	-----	2.20	2.15	2.13	2.09
2009	-----	-----	-----	-----	-----	-----	-----	2.52	2.82	2.97
2010	-----	-----	-----	-----	-----	-----	-----	-----	2.47	2.67
2011	-----	-----	-----	-----	-----	-----	-----	-----	-----	2.28
Total	2.81	2.88	2.96	2.96	2.98	2.90	2.76	2.74	2.75	2.75



Pricing and Collectibility – Non BK

- Purchase Price Multiple by Year*

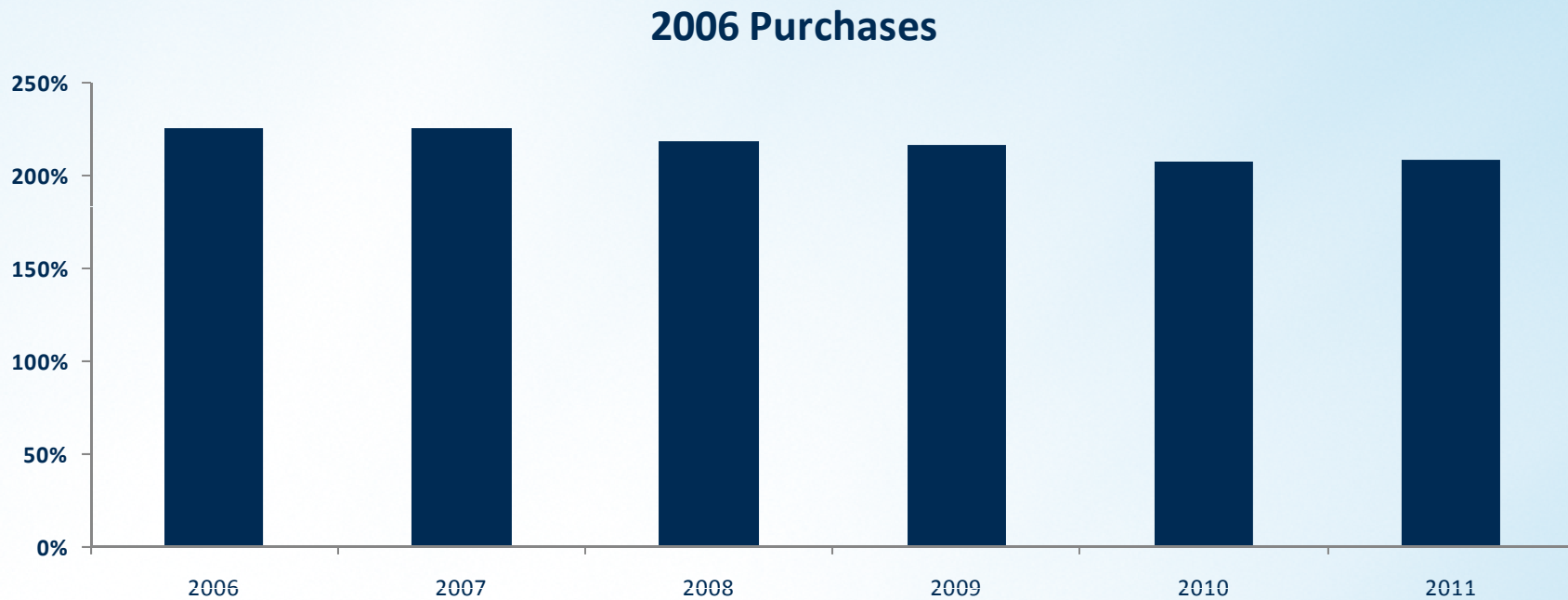


*Measured at year end of years shown and 6/30/2011



Pricing and Collectibility – Non BK

- Purchase Price Multiple by Year*

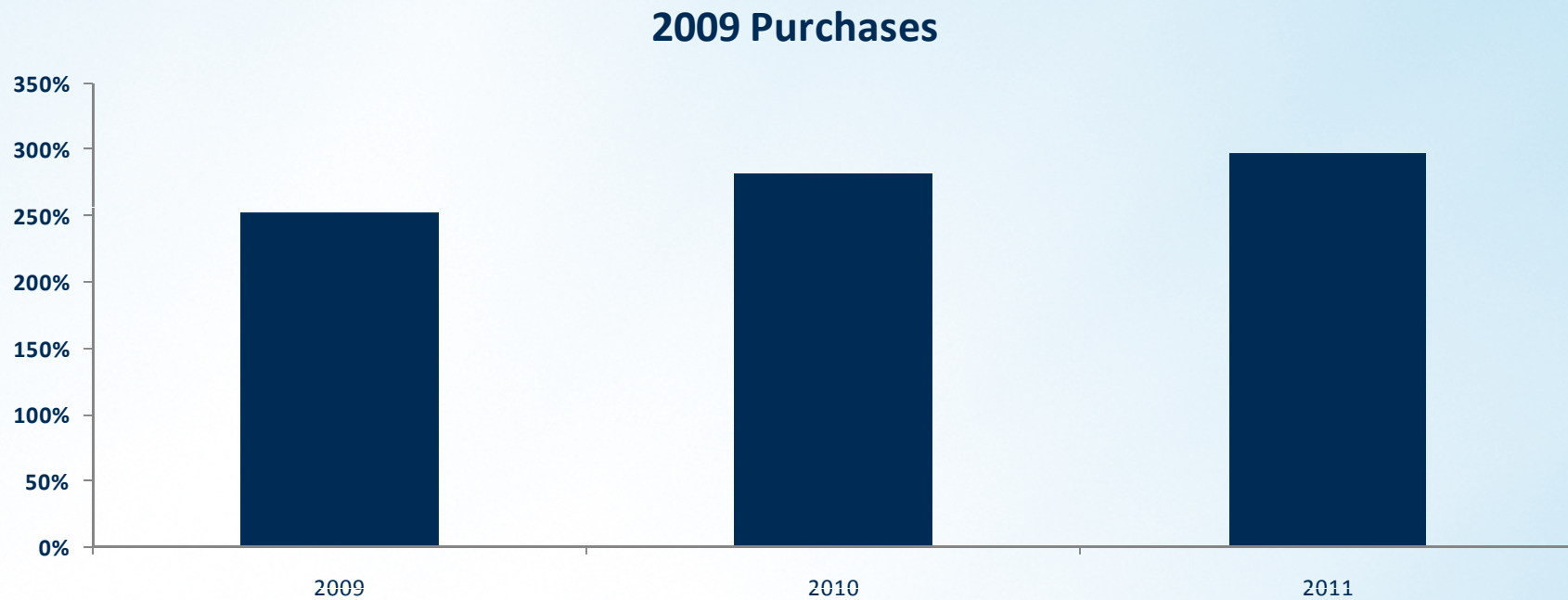


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Pricing and Collectibility – Non BK

- Purchase Price Multiple by Year*

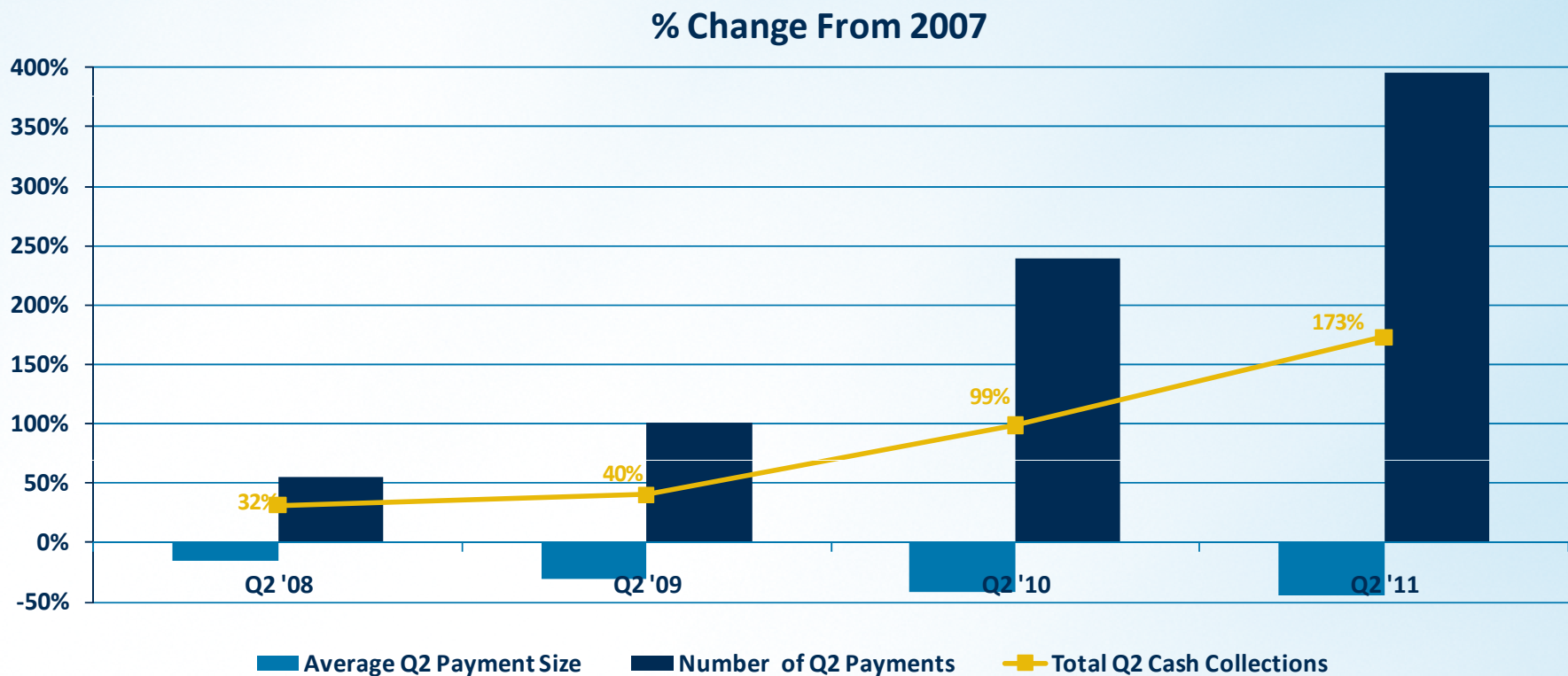


*Measured at year end of years shown and 6/30/2011



Operational Strategies for a Difficult Economy

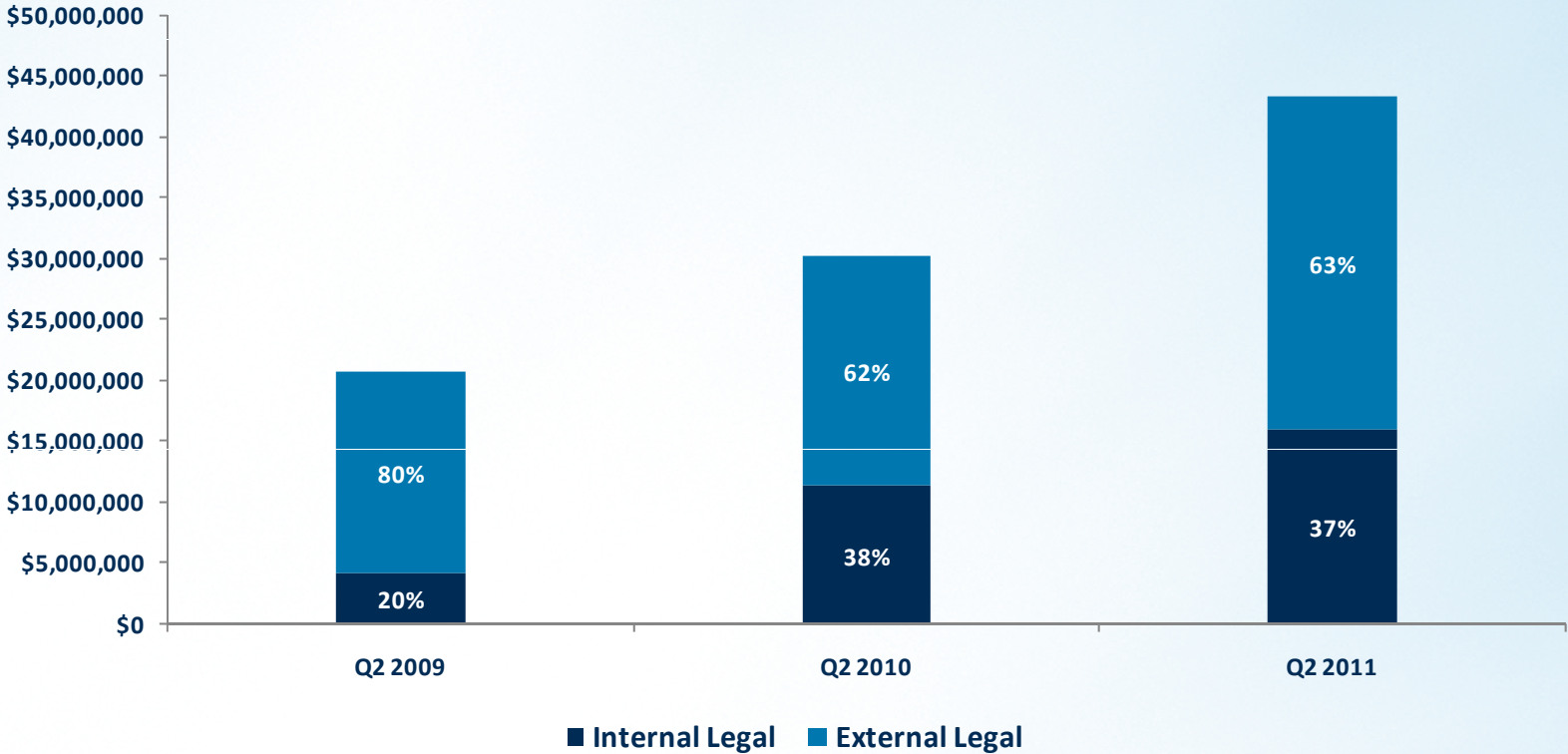
- Increased dialing capacity + best-in-class scoring and segmentation
 - Payments ↑ Average payment size ↓
 - Profitably working smaller balances & lower scores



Key Operational Differentiators

- Test & control for ROI is in our DNA
- Deep (& unique) knowledge of our customer

Legal Cash Collections





THANK YOU



Portfolio Recovery Associates, Inc.



Appendix



Portfolio Recovery Associates, Inc.

Real Results Proven Over Time

