



NEWS RELEASE

For Immediate Release

NCO GROUP ANNOUNCES FOURTH QUARTER 2006 RESULTS

HORSHAM, PA, April 17, 2007 - NCO Group, Inc. (“NCO” or the “Company”), a leading provider of business process outsourcing services, announced today that during the fourth quarter of 2006, it reported a net loss of \$17.5 million. These results, which were in line with the Company’s expectations, included approximately \$26.9 million of charges, net of taxes, related to the going-private transaction and, to a lesser extent, the Company’s restructuring and integration plans. The charges included transaction related charges of \$11.0 million, purchase accounting related adjustments of \$4.1 million, restructuring charges of \$1.8 million and integration charges of \$783,000. The charges also included \$6.3 million of incremental interest expense and \$2.9 million of incremental amortization relating to the intangible assets.

On November 15, 2006, NCO was acquired by and became a wholly owned subsidiary of Collect Holdings, Inc., an entity controlled by One Equity Partners and its affiliates (“OEP”), a private equity investment fund, with participation by Michael J. Barrist, Chairman, President and Chief Executive Officer of NCO, certain other members of executive management and other co-investors (“the Transaction”). Under the terms of the merger agreement, NCO shareholders received \$27.50 in cash, without interest, for each share of NCO common stock that they held.

The accompanying unaudited selected financial data are presented for two periods, Predecessor and Successor, which relate to the period of operations preceding the Transaction and the period of operations succeeding the Transaction, respectively. Collect Holdings, Inc. was formed on July 13, 2006 and had no operations from date of inception until the Transaction on November 15, 2006. The following discussion of the Company’s results of operations has been prepared by comparing the mathematical combination, without making any pro forma adjustments, of the Successor and Predecessor periods in the quarter ended December 31, 2006 to the quarter ended December 31, 2005. This presentation does not comply with generally accepted accounting principles in the U.S.; however, the Company believes it provides the most meaningful comparison of its results. The combined operating results have not been presented on a pro forma basis, and do not reflect the actual results that would have been achieved if the Transaction had not occurred and may not be predictive of future results of operations.

NCO is organized into three operating divisions: Accounts Receivable Management (“ARM”), Customer Relationship Management (“CRM”) and Portfolio Management.

Overall revenue in the fourth quarter of 2006 was \$280.6 million, a decrease of 3.4%, or \$9.7 million, from revenue of \$290.3 million in the fourth quarter of 2005. The decrease was primarily attributable to a \$7.1 million reduction from purchase accounting related adjustments.

For the fourth quarter of 2006, ARM’s revenue was \$200.6 million as compared to \$216.8 million in the fourth quarter of 2005. The decrease was attributable to a more difficult operating environment within consumer collections and a \$6.8 million decrease in inter-company revenue from Portfolio Management, due to a more challenging portfolio purchase environment during 2006. Revenue within this operating division related to portfolio collections is eliminated in consolidation.

During the fourth quarter of 2006, the ARM division recorded approximately \$13.9 million, net of taxes, of Transaction related charges, purchase accounting adjustments, and restructuring and integration costs. This compares to charges of \$4.0 million in the fourth quarter of 2005, related to restructuring and integration costs.

For the fourth quarter of 2006, CRM's revenue was \$68.9 million as compared to \$54.1 million in the fourth quarter of 2005. The increase was primarily attributable to new clients ramping up business during 2006. While these new contracts have allowed this division to expand its revenue base in 2006, the deployment of large numbers of seats on an expedited schedule adversely impacts near-term profitability because the operating expenses are incurred in advance of the revenue growth. During the quarter, this division recorded approximately \$212,000, net of taxes, of charges related to the Transaction and integration costs.

For the fourth quarter of 2006, Portfolio Management's revenue was \$33.9 million compared to \$48.8 million in the fourth quarter of 2005. This decrease was primarily attributable to a \$6.2 million reduction in revenue related to the impact of the required revaluation of this division's assets and liabilities as a result of purchase accounting, as well as lower revenue derived from purchased portfolios since the fourth quarter of 2005 results included the impact of two business combinations that were completed during the third quarter of 2005, each of which included the acquisition of material portfolios of purchased accounts receivable. Additionally, the Company had approximately \$703,000 of asset sales in the fourth quarter of 2006 as compared to \$4.1 million in the fourth quarter of 2005. During the quarter, this division recorded approximately \$3.6 million, net of taxes, of charges related to the Transaction, including the purchase accounting adjustment to revenue noted above.

Commenting on the quarter Michael J. Barrist, Chairman and Chief Executive Officer, stated, "We are very pleased that during the fourth quarter we were able to complete our going-private transaction and begin the next chapter in our corporate development. In conjunction with the Transaction, we made several operational, management and organizational changes that were designed to streamline our cost structure and provide a new framework for the Company moving forward. While the purchase accounting and restructuring initiatives have a short-term adverse impact, which primarily affected the fourth quarter of 2006, I am pleased to report that these changes have already begun to yield results. Based on our preliminary results, each of the Company's divisions exceeded their financial and operational objectives for the first quarter of 2007."

The Company also announced that it will host an investor conference call on Wednesday, April 18, 2007, at 10:00 a.m., ET, to address the items discussed above in more detail and to allow the investment community an opportunity to ask questions. Interested parties can access the conference call by dialing (888) 209-7450 (domestic callers) or (706) 634-6082 (international callers) and providing the pass code 5952391. A taped replay of the conference call will be made available for seven days and can be accessed by interested parties by dialing (800) 642-1687 (domestic callers) or (706) 645-9291 (international callers) and providing the pass code 5952391.

About NCO Group, Inc.

NCO Group, Inc. is a global provider of business process outsourcing services, primarily focused on accounts receivable management and customer relationship management. NCO provides services through over 100 offices in the United States, Canada, the United Kingdom, Australia, India, the Philippines, the Caribbean and Panama.

For further information contact:

NCO Investor Relations

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Certain statements in this press release, including, without limitation, statements as to fluctuations in quarterly operating results, statements as to trends, statements as to NCO's or management's beliefs, expectations or opinions, and all other statements in this press release, other than historical facts, are forward-looking statements, as such term is defined in the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created thereby. Forward-looking statements are subject to risks and uncertainties, are subject to change at any time and may be affected by various factors that may cause actual results to differ materially from the expected or planned results. In addition to the factors discussed above, certain other factors, including without limitation, the risk that NCO will not be able to implement its business strategy as and when planned, the risk that NCO will not be able to realize operating efficiencies in the

integration of its acquisitions, risks related to union organizing efforts at the Company's facilities, risks related to the ERP implementation, risks related to past and possible future terrorists attacks, risks related to the economy, the risk that NCO will not be able to improve margins, risks relating to growth and acquisitions, risks related to fluctuations in quarterly operating results, risks related to the timing of contracts and risks related to international operations can cause actual results and developments to be materially different from those expressed or implied by such forward-looking statements. The Company disclaims any intent or obligation to publicly update or revise any forward-looking statements, regardless of whether new information becomes available, future developments occur or otherwise.

NCO GROUP, INC.
Unaudited Selected Financial Data
(in thousands)

Condensed Statements of Operations:

	For the Twelve Months Ended December 31, 2006			
	Combined⁽¹⁾	Period from July 13, 2006 (date of inception) through December 31, 2006	Period from January 1 through November 15, 2006	For the Twelve Months Ended December 31, 2005
	Successor	Predecessor	Predecessor	
Revenues	\$ 1,190,097	\$ 140,296	\$ 1,049,801	\$ 1,052,283
Operating costs and expenses:				
Payroll and related expenses	630,494	76,611	553,883	528,932
Selling, general and admin. expenses	422,927	47,777	375,150	376,606
Restructuring charges	12,765	-	12,765	9,621
Depreciation and amortization expense	58,243	11,548	46,695	45,787
	<u>1,124,429</u>	<u>135,936</u>	<u>988,493</u>	<u>960,946</u>
Income from operations	65,668	4,360	61,308	91,337
Other income (expense):				
Interest and investment income	2,135	300	1,835	3,162
Interest expense	(41,601)	(14,958)	(26,643)	(22,615)
Other income	3,278	113	3,165	30
	<u>(36,188)</u>	<u>(14,545)</u>	<u>(21,643)</u>	<u>(19,423)</u>
Income (loss) before income taxes	29,480	(10,185)	39,665	71,914
Income tax expense (benefit)	10,965	(3,777)	14,742	26,182
Income (loss) before minority interest	18,515	(6,408)	24,923	45,732
Minority interest	(4,047)	(157)	(3,890)	(1,213)
Net income (loss)	<u>\$ 14,468</u>	<u>\$ (6,565)</u>	<u>\$ 21,033</u>	<u>\$ 44,519</u>

	For the Three Months Ended December 31, 2006			
	Combined⁽²⁾	Period from July 13, 2006 (date of inception) through December 31, 2006	Period from October 1 through November 15, 2006	For the Three Months Ended December 31, 2005
	Successor	Predecessor	Predecessor	
Revenues	\$ 280,576	\$ 140,296	\$ 140,280	\$ 290,337
Operating costs and expenses:				
Payroll and related expenses	165,369	76,611	88,758	151,777
Selling, general and admin. expenses	103,554	47,777	55,777	99,838
Restructuring charges	2,642	-	2,642	7,179
Depreciation and amortization expense	18,475	11,548	6,927	12,791
	<u>290,040</u>	<u>135,936</u>	<u>154,104</u>	<u>271,585</u>
Income (loss) from operations	(9,464)	4,360	(13,824)	18,752
Other income (expense):				
Interest and investment income	307	300	7	818
Interest expense	(19,381)	(14,958)	(4,423)	(7,038)
Other income	2,425	113	2,312	-
	<u>(16,649)</u>	<u>(14,545)</u>	<u>(2,104)</u>	<u>(6,220)</u>
Income (loss) before income taxes	(26,113)	(10,185)	(15,928)	12,532
Income tax expense (benefit)	(8,711)	(3,777)	(4,934)	4,189
Income (loss) before minority interest	(17,402)	(6,408)	(10,994)	8,343
Minority interest	(99)	(157)	58	(843)
Net income (loss)	<u>\$ (17,501)</u>	<u>\$ (6,565)</u>	<u>\$ (10,936)</u>	<u>\$ 7,500</u>

Selected Balance Sheet Information:

	Successor	Predecessor
	December 31, 2006	December 31, 2005
Cash and cash equivalents	\$ 13,899	\$ 23,716
Current assets	360,021	323,286
Total assets	1,641,808	1,327,962
Current liabilities	158,644	151,699
Long-term debt, net of current portion	881,621	321,834
Shareholders' equity	388,321	743,114

(1) Includes \$33.9 million, net of taxes, of charges related to the going-private transaction and the Company's restructuring and integration plans.

(2) Includes \$26.9 million, net of taxes, of charges related to the going-private transaction and the Company's restructuring and integration plans.

NCO GROUP, INC.
Unaudited Selected Segment Financial Data
(in thousands)

For the Three Months Ended December 31, 2006

	<u>ARM</u>	<u>CRM</u>	<u>Portfolio Management</u>	<u>Intercompany Eliminations (1)</u>	<u>Consolidated</u>
Revenues	\$ 200,594	\$ 68,941	\$ 33,947	\$ (22,906)	\$ 280,576
Operating costs and expenses:					
Payroll and related expenses	108,385	55,588	1,759	(363)	165,369
Selling, general and admin. expenses	89,733	11,226	25,138	(22,543)	103,554
Restructuring charges	2,642	-	-	-	2,642
Depreciation and amortization expense	11,927	5,516	1,032	-	18,475
	<u>212,687</u>	<u>72,330</u>	<u>27,929</u>	<u>(22,906)</u>	<u>290,040</u>
Income (loss) from operations	<u>\$ (12,093)</u>	<u>\$ (3,389)</u>	<u>\$ 6,018</u>	<u>\$ -</u>	<u>\$ (9,464)</u>

For the Three Months Ended December 31, 2005

	<u>ARM</u>	<u>CRM</u>	<u>Portfolio Management</u>	<u>Intercompany Eliminations (1)</u>	<u>Consolidated</u>
Revenues	\$ 216,826	\$ 54,071	\$ 48,777	\$ (29,337)	\$ 290,337
Operating costs and expenses:					
Payroll and related expenses	106,012	43,912	1,853	-	151,777
Selling, general and admin. expenses	88,592	10,167	30,416	(29,337)	99,838
Restructuring charges	6,333	846	-	-	7,179
Depreciation and amortization expense	8,053	4,325	413	-	12,791
	<u>208,990</u>	<u>59,250</u>	<u>32,682</u>	<u>(29,337)</u>	<u>271,585</u>
Income (loss) from operations	<u>\$ 7,836</u>	<u>\$ (5,179)</u>	<u>\$ 16,095</u>	<u>\$ -</u>	<u>\$ 18,752</u>

(1) Represents the elimination of intercompany revenue for accounts receivable management services provided by ARM to Portfolio Management.