SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-K

(MARK ONE)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM ______________ TO _____________

COMMISSION FILE NUMBER 000-19424

EZCORP, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	74-2540145
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1901 CAPITAL PARKWAY, AUSTIN, TEXAS	78746
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (512) 314-3400

Securities Registered Pursuant to Section 12(b) of the Act: None
Securities Registered Pursuant to Section 12(g) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Non-voting Common Stock, $.01 par value per share	The NASDAQ Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No[ ]

Indicate by check mark if disclosures of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

The only class of voting securities of the registrant issued and outstanding is the Class B Voting Common Stock, par value $.01 per share, all of which is owned by one record holder who is an affiliate of the registrant. There is no trading market for the Class B Voting Common Stock. The aggregate market value of the Class A Non-Voting Common Stock held by non-affiliates of the registrant was $150 million, based on the closing price on the NASDAQ Stock Market on March 31, 2005.

As of October 31, 2005, 11,875,975 shares of the registrant's Class A Non-Voting Common Stock, par value $.01 per share and 990,057 shares of the registrant's Class B Voting Common Stock, par value $.01 per share were outstanding.

EZCORP, INC.
YEAR ENDED SEPTEMBER 30, 2005
INDEX TO FORM 10-K

PART I

ITEM 1. BUSINESS

EZCORP, Inc. (the "Company") is a Delaware corporation with its principal executive offices located at 1901 Capital Parkway, Austin, Texas 78746. Its telephone number is (512) 314-3400. Interested parties may access the Company's filings with the Securities and Exchange Commission through a link in the Investor Relations section of the Company's website at www.ezcorp.com. Also available on the Company's website is its Code of Conduct and Ethics. References to the Company include its subsidiaries listed in Exhibit 21.1. The Company is primarily engaged in operating pawnshops and signature loan stores that function as convenient sources of short-term cash. Signature loan stores offer payday loans or credit services. The Company's pawnshops are also value-oriented specialty retailers of primarily previously owned merchandise.

The discussion in this section of the report contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this report.

GENERAL

The Company is primarily a lender or provider of credit services to individuals who do not have cash resources or access to credit to meet their short-term cash needs. The Company offers non-recourse loans collateralized by tangible personal property, commonly known as pawn loans. The Company also sells merchandise, primarily collateral forfeited from its pawn lending operations, to consumers looking for good value. The Company also offers short-term non-collateralized loans, often referred to as payday loans, and fee based credit services to customers seeking loans.

As of September 30, 2005, the Company made pawn loans in its 280 pawnshops. The income earned on this activity is pawn service charge revenue. While allowable service charges vary by state and loan size, a majority of the Company's loans are in amounts that permit pawn service charges of 20% per month, or 240% annually. The Company's average pawn loan amount has historically averaged between $70 and $75. The loan duration ranges from 60 to 120 days (the regulated term plus any grace period offered by the Company), after which the collateral is forfeited. In the years ended September 30, 2003, 2004, and 2005 ("Fiscal 2003", "Fiscal 2004," and "Fiscal 2005"), approximately 76%, 76% and 77%, respectively, of the pawn loans made by the Company were redeemed in full or were renewed or extended through the payment of accrued pawn service charges.

Also in its pawnshops, the Company acquires inventory for its retail sales primarily through pawn loan forfeitures and, to a lesser extent, through purchases of customers' merchandise. The realization of gross profit on sales of inventory depends primarily on the Company's assessment of the resale value at the time the property is either accepted as loan collateral or purchased. Improper assessment of the resale value in the lending or purchasing process can result in the realization of a lower margin or reduced marketability of the property. During Fiscal 2003, 2004 and 2005, the Company realized gross margins on sales of 36%, 39%, and 39%, respectively.

As of September 30, 2005, the Company offered signature loans in 234 EZMONEY loan stores ("Mono-line" stores), 98 of its pawnshops, and in an Austin, Texas based payday loan call center. Introduced to most of its pawnshops in March 2001, the signature loan product continues to mature as the customer base grows. During Fiscal 2005, the Company opened 110 Mono-line stores and closed one. Of the 234 total Mono-line stores, 158 adjoin existing EZPAWN locations but have a different entrance, signage, decor, and staffing. Even though they adjoin an EZPAWN, the EZMONEY Mono-line store is a separate business from the customers' point of view. The Company refers to these as "adjoined stores."

Payday loans are made based on a limited review of customer information and supporting documents. The duration is generally less than 30 days and averages about 17 days. The service charge for these loans ranges between $15 and $20 per $100 loaned. The average payday loan amount is approximately

$380. The profitability of payday loans is highly dependent on the level of initial loan defaults and the subsequent collection of defaulted loans. When measured as a percentage of payday loan revenues, the Company experienced bad debt on payday loans of 28%, 34%, and 23% during Fiscal 2003, 2004, and 2005, respectively.

In the fourth quarter of Fiscal 2005, the EZMONEY stores located in Texas ceased marketing payday loans and began providing fee-based advice and assistance ("credit services") to consumers in obtaining loans from an unaffiliated lender. At September 30, 2005, 200 of the Company's 234 signature loan stores offered credit services. The Company does not make, fund, or participate in the loans made by the lender, but earns a fee of 20% of the loan amount for assisting the customer in obtaining credit and by enhancing the borrower's creditworthiness through the issuance of a letter of credit. If the borrower defaults on his loan, the Company pays the lender the principal and accrued interest due under the loan plus an insufficient funds fee. The Company then attempts to collect the unpaid principal, interest, and insufficient funds fee from the borrower. The Company considers as its bad debt the amount it pays the lender under letters of credit, less any amounts it collects from customers. Similar to payday loans, the profitability of the Company's credit services is highly dependent on the level of bad debt. When measured as a percentage of credit service fee revenue, the Company experienced bad debt on credit services of 48% during Fiscal 2005.

The following components comprised the Company's net revenues (total revenues less cost of goods sold):

	Fiscal Year Ended September 30,		
	2003	2004	2005
Pawn service charges	48%	42%	38%
Gross profit from merchandise sales	38%	35%	31%
Gross profit from jewelry scrapping	3%	5%	4%
Payday loan and credit service fees	10%	17%	26%
Other fee revenue	1%	1%	1%
Net revenues	100%	100%	100%

The pawnshop industry in the United States is large and highly fragmented. The industry consists of approximately 12,000 pawnshops owned primarily by independent operators who own one to three locations. The Company, with 280 pawn locations, is the second largest operator of pawnshops in the United States. The three largest pawnshop operators, including the Company, account for less than ten percent of the total estimated pawnshops in the United States.

The signature loan industry in the United States is larger and more concentrated than the pawn industry. The industry consists of approximately 22,000 locations that are generally mono-line stores, or stores offering only signature loans, and other businesses offering signature loans in addition to other products and services, such as check cashing stores and pawnshops. The ten largest signature loan companies, which include the Company, comprise approximately 37% of the total number of locations.

PAWN LENDING ACTIVITIES

The Company's pawnshops primarily make pawn loans, which typically are small, non-recourse loans secured by tangible personal property. As of September 30, 2005, the Company had approximately 700,000 loans outstanding, representing an aggregate principal balance of $52.9 million. A majority of the Company's pawn loans are in amounts that permit pawn service charges of 20% per month, or 240% annually. For Fiscal 2005, pawn service charges accounted for approximately 24% of the Company's total revenues and 38% of its net revenues.

Collateral for the Company's pawn loans consists of tangible personal property, generally jewelry, consumer electronics, tools, sporting goods, and musical instruments. The Company does not investigate the creditworthiness of a pawn customer, but relies on the estimated resale value of the collateral and the perceived probability of the loan's redemption. The Company generally lends from 25% to 65% of the pledged property's estimated resale value depending on an evaluation of these factors.

The sources for the Company's determination of the resale value of collateral include the Company's computerized valuation software, internet auction sites, catalogues, newspaper advertisements, and previous sales of similar merchandise.

The collateral is held through the duration of the loan, which in most locations is 60 to 120 days, unless repaid, renewed, or extended. The Company seeks to maintain a redemption rate (the percent of loans made that are redeemed, renewed, or extended) of between 70% and 80%; in each of the Company's last three fiscal years, the redemption rate was within this range. The redemption rate is maintained through compliance with the Company's lending guidelines. If a borrower does not repay, extend, or renew a loan, the collateral is forfeited to the Company and becomes inventory available for sale. The Company does not record loan losses or charge-offs of pawn loans because the principal amount of an unpaid loan becomes the inventory carrying cost of the forfeited collateral. The Company provides an inventory valuation allowance based on the type and age of merchandise as well as recent sales trends and margins.

The table below shows the dollar amount of pawn loan activity by the Company for Fiscal 2003, 2004, and 2005:

	Fiscal Year Ended September 30,		
	2003	2004	2005
	(Dollars in millions)		
Loans made	$ 163.1	$ 170.0	$ 173.0
Loans repaid	(90.7)	(92.5)	(93.3)
Loans forfeited	(73.7)	(76.4)	(75.9)
Net increase (decrease) in pawn loans outstanding at the end of the year	$ (1.3)	$ 1.1	$ 3.8
Loans renewed	$ 22.7	$ 23.9	$ 23.2
Loans extended	$ 136.4	$ 141.2	$ 144.2

The redemption rate of pawn loans and the gross profit realized on the sale of forfeited collateral are dependent on the appraisal of customer merchandise. Jewelry, which makes up approximately 62% of the value of collateral, can be appraised based on weight, gold content, style, and value of gemstones, if any. The other items pawned typically consist of consumer electronics, tools, sporting goods, and musical instruments. These are evaluated based on recent sales experience and the selling price of similar new merchandise, adjusted for age, wear, and obsolescence. During Fiscal 2003, 2004, and 2005, the Company realized gross margins on sales of 36%, 39%, and 39%, respectively.

At the time a pawn transaction is made, a pawn loan agreement is given to the borrower. It sets forth, among other things, the name and address of the pawnshop and the borrower, the borrower's identification information, the date of the loan, and a detailed description of the pledged goods (including applicable serial numbers), the amount financed, the pawn service charge, the maturity date of the loan, the total amount that must be paid to redeem the loan, and the annual percentage rate.

Since a majority of the Company's pawn stores are located in Texas, Texas pawnshop laws and regulations govern most of the Company's pawn operations. In Texas, pawnshops are regulated by the Office of the Consumer Credit Commissioner ("OCCC") in accordance with Chapter 371 of the Texas Finance Code, commonly known as the Texas Pawnshop Act (the "Pawnshop Act") and Rules of Operation for Pawnshops (the "Rules"). See "Regulation."

The maximum allowable pawn service charges in the State of Texas are set in accordance with Texas law under the Pawnshop Act and are based on the dollar amount of the loan. Historically, the maximum allowable pawn service charges under Texas law have not changed; however, the loan amounts have been adjusted periodically.

APPLICABLE PAWN LOAN SERVICE CHARGES FOR TEXAS

Amount Financed per Pawn Loan		
July 1, 2004 to June 30, 2005	July 1, 2005 to June 30, 2006	Maximum Allowable Annual Pawn Service Charge
$ 1 to $ 156	$ 1 to $ 162	240%
$ 157 to $ 1,040	$ 163 to $ 1,080	180%
$1,041 to $ 1,560	$1,081 to $ 1,620	30%
$1,561 to $13,000	$1,621 to $13,500	12%

Under Texas law, there is a ceiling on the maximum allowable pawn loan. For the year ended June 30, 2005, the loan ceiling was $13,000. From July 1, 2005 to June 30, 2006, the loan ceiling is $13,500. The Company's average loan amount at the end of Fiscal 2005 was approximately $76.

CREDIT SERVICES

The Company began offering credit services in its 200 EZMONEY stores in Texas during the Fiscal 2005 fourth quarter. These services consist of advice and assistance to consumers in obtaining loans from an unaffiliated lender. The Company does not make, fund, or participate in the loans made by the lender, but earns a fee of 20% of the loan amount for assisting the customer in obtaining credit and by enhancing the borrowers' creditworthiness through the issuance of a letter of credit. If a borrower defaults on his loan, the Company pays the lender the principal and accrued interest due under the loan plus an insufficient funds fee. The Company then attempts to collect the unpaid principal, interest, and insufficient funds fee from the borrower. The Company considers as its bad debt the amount it pays the lender under letters of credit, less any amounts it collects from customers.

The profitability of the Company's credit services is highly dependent on the level of defaulted loans and the Company's ability to collect the principal, interest, and insufficient fund fees due under the letters of credit. Although amounts paid under letters of credit may be subsequently collected, the Company charges the amounts paid to bad debt expense upon default. Later collections are recorded as a reduction of bad debt in the period received. The Company also records as bad debt expense an accrual of expected losses for principal, interest, and insufficient fund fees it expects to pay the lender on default of the lender's current loans. This estimate is based on recent default and collection experience and the amount of loans the lender has outstanding. At September 30, 2005, the accrual of expected losses was 46% of credit service fees receivable; the actual bad debt for Fiscal 2005 was 48% of credit service fee revenue. The loss accrual is included in "Accounts payable and other accrued expenses" on the Company's balance sheet.

PAYDAY LENDING ACTIVITIES

As of September 30, 2005, the Company offers unsecured payday loans in 98 of its pawnshops, in 34 Mono-line stores, and in a payday loan call center. Prior to introducing credit services on July 15, 2005, the Company offered payday loans in the Mono-line stores currently offering credit services. In most payday loan locations and in the call center, the Company markets and services payday loans made by County Bank of Rehoboth Beach, Delaware ("County Bank"), a federally insured Delaware bank; and in a limited number of locations, the Company makes the loans. Effective December 31, 2005, County Bank will no longer maintain a payday loan program. The Company has converted its stores that previously marketed County Bank loans to its credit services program or discontinued making signature loans at those locations. The average payday loan amount is approximately $380 and the terms are generally less than 30 days, averaging about 17 days. The service charge per $100 loaned ranges between $15 and $20 for a seven to 23-day period, but varies in certain locations. For Fiscal 2005, payday loan service charges accounted for approximately 11% of the Company's total revenues and 18% of its net revenues.

Payday loans are unsecured, and their profitability is highly dependent upon the Company's ability to manage the default rate and collect defaulted loans. The Company considers a loan defaulted if the loan has not been repaid or renewed by the maturity date. Although defaulted loans may be subsequently collected, the Company charges defaulted loan principal to bad debt expense upon default, leaving only active loans in the reported balance. Collections of defaulted loan principal are recorded as a reduction of bad debt in the period received. Accrued service charges related to defaulted loans are deducted from service charge revenue upon loan default and increase service charge revenue upon collection. The Company provides for a valuation allowance on both the principal and service charges receivable based on recent default and collection experience. At September 30, 2005, the valuation allowance was 51% of payday loan service charges receivable; the actual bad debt for the full Fiscal 2005 year was 23% of payday loan service charge revenue. The Company's payday loan balance represents the principal amount of all active (non-defaulted) loans, net of this valuation allowance.

On October 1, 2005, the Company ceased marketing new payday loans in its call center. It will continue to service loans in its call center, including renewals of existing loans, through December 31, 2005, at which time the Company plans to close its payday loan call center.

RETAIL ACTIVITIES

The Company's retail activities liquidate inventory acquired through pawn loan forfeitures and the purchase of customer merchandise. The realization of gross profit on sales of inventory primarily depends on the Company's initial assessment of the property's resale value. Improper assessment of the resale value in the lending or purchasing function can result in reduced marketability of the property and the realization of a lower margin. Jewelry sales represent approximately half of the Company's total sales with the remaining sales consisting primarily of consumer electronics, tools, sporting goods, and musical instruments. The Company believes its ability to offer quality used merchandise at prices significantly lower than original retail prices attracts value-conscious customers. During the three most recent fiscal years, sources of inventory additions were:

	Fiscal Year Ended September 30,		
	2003	2004	2005
Forfeited pawn loan collateral	87%	86%	86%
Purchases from customers	13%	14%	14%

For Fiscal 2003, 2004, and 2005, retail activities and jewelry scrapping accounted for approximately 65%, 63%, and 58% of the Company's total revenues, or 41%, 40%, and 35% of the Company's net revenues, after deducting the cost of goods sold. As a significant portion of the Company's inventory and sales involve gold jewelry, its results can be heavily influenced by the market price of gold. This is particularly true for gold scrapping, which comprised 15% of total sales in Fiscal 2003, 19% in Fiscal 2004, and 20% in Fiscal 2005.

Analysis of the sales and inventory data provided by the Company's management information systems facilitates the design and development of marketing and merchandising programs and merchandise pricing decisions. A director of merchandise planning and the Company's regional and area managers oversee these marketing and merchandising programs, review merchandise pricing decisions, and balance inventory levels within markets.

The Company allows customers to return or exchange merchandise sold through its retail operations within seven days of purchase, but has experienced a very low rate of returns and exchanges as a percentage of sales. Customers may purchase an item on layaway, whereby a customer will typically pay a minimum layaway deposit of 20% of an item's sale price. The Company will hold the item for a 60 to 90-day period, during which the customer is required to pay for the item. The initial deposit and subsequent payments are recorded as customer layaway deposits. Layaways are recorded as sales when paid in full. As of September 30, 2005, the Company had $1.7 million in customer layaway deposits.

The Company's overall inventory is stated at the lower of cost or market. The Company provides an inventory valuation allowance for shrinkage and cost in excess of market value. The Company estimates this valuation allowance through study and analysis of sales trends, inventory turnover, inventory aging, margins achieved on recent sales, and shrinkage. The valuation allowance amounted to $1.8 million, $1.5 million, and $1.9 million as of September 30, 2003, 2004, and 2005. At September 30, 2005, total inventory on hand was $30.3 million, after deducting the inventory valuation allowance.

SEASONALITY

Historically, service charge revenues are highest in the Company's first fiscal quarter (October through December) due to improving loan redemption rates coupled with a higher average loan balance following the summer lending season. Sales generally are highest in the Company's first and second fiscal quarters (October through March) due to the holiday season and the impact of tax refunds. Sales volume can be heavily influenced by the timing of decisions to scrap excess jewelry inventory, which generally occurs during low jewelry sales periods (May through October). The net effect of these factors is that net revenues and net income typically are highest in the first and second fiscal quarters. The Company's cash flow is greatest in its second fiscal quarter primarily due to a high level of loan redemptions and sales in the income tax refund season.

OPERATIONS

A typical Company pawn store employs five to six full-time equivalent employees ("FTEs") consisting of a manager, an assistant manager, and three to four sales and lending representatives. Each store manager is responsible for ensuring that his or her store is run in accordance with the Company's policies, procedures, and operating guidelines, and reports to an area manager. Area managers are responsible for the performance of all stores within their area and report to one of the Company's regional directors. Area managers, store managers, and assistant managers receive incentive compensation based on their area or store's performance in comparison to an operating budget. This incentive compensation typically ranges between 5% and 30% of their total compensation. Regional directors' compensation is also variable depending upon the performance of their respective region.

Signature loan stores typically employ two to three FTEs per location, consisting of a manager and one to two customer service representatives. Each store manager is responsible for ensuring that his or her store is run in accordance with the Company's policies, procedures, and operating guidelines, and reports to an area manager, who is responsible for the stores within a specific operating area. Area managers report to one of the EZMONEY regional directors. As the number of Mono-line stores grows, the Company anticipates building an operating organization similar to its pawn operation, although with a broader span of control and a smaller area and regional management structure.

The Company has an internally developed store level point of sale ("POS") system that automates the recording of store-level pawn transactions. For its signature loan operations, the Company uses a separate, externally developed POS specifically designed to handle signature loans. Financial summary data from all stores is processed at the corporate office each day and the preceding day's data are available for management review via the Company's internal network. The Company's communications network provides information access between the stores and the corporate office.

The Company has an internal audit staff of approximately 19 employees who monitor the Company's perpetual inventory system, lending practices, and regulatory compliance. In addition, they ensure consistent compliance with the Company's policies and procedures.

As of September 30, 2005, the Company employed approximately 2,700 people. The Company believes that its success is dependent upon its employees' ability to provide prompt and courteous customer service and to execute the Company's operating procedures and standards. The Company seeks to hire people who will become long-term, career employees. To achieve the Company's long-range personnel goals, it strives to develop its employees through a combination of learner-controlled instruction, web-based classes, classroom training, and supervised on-the-job training for new employees. All store associates complete competency checks and all new employees complete a learner-controlled instruction program. Managers attend on-going management skills and operations performance training. The

Company anticipates that store manager candidates will be promoted from the ranks of existing store employees and hired from outside the Company. The Company's career development plan develops and advances employees within the Company and provides training for the efficient integration of experienced managers and associates from outside the Company.

At October 31, 2005, the Company operated its pawnshops under the name "EZPAWN", its payday loan stores under the name "EZMONEY Payday Loans" and its credit service stores under the name "EZMONEY Loan Services". The Company has registered with the United States Patent and Trademark Office the names EZPAWN, EZMONEY, EZMONEY Center, and EZCORP, among others. Additionally, the Company operates under the trade names EZMONEY Payroll Advance, Payroll Advance Express, and EZCORP Collection Center.

FUTURE EXPANSION

The Company plans to expand the number of locations it operates through the development of new locations and through acquisitions. The Company believes that in the near term the largest growth opportunity is with the Mono-line stores. The Company has announced that in Fiscal 2006, it plans to open 115 to 125 new Mono-line stores.

The 110 new Mono-line payday loan stores opened in Fiscal 2005 required an average property and equipment investment of approximately $36,200 each. The Company has not opened a new pawnshop location since Fiscal 2000.

The Company's ability to add new stores is dependent on several variables, such as the availability of acceptable sites or acquisition candidates, the regulatory environment, and the availability of qualified personnel. The Company's ability to add newly established pawnshops in Texas counties having a population of 250,000 or more is restricted by Texas law, which provides that applications for new licenses in such counties will be approved only at proposed locations which are not less than two miles from another licensed pawnshop and applications to relocate a licensed pawnshop will be approved only for proposed locations which are not less than one mile from another licensed pawnshop. Any existing Texas pawnshop may relocate within one mile of its present location, regardless of the existence of other pawnshops. The Company's ability to add newly established pawnshops may be adversely affected by such regulation. See "Regulation."

COMPETITION

The Company encounters significant competition in connection with its lending operations. These competitive conditions may adversely affect the Company's revenues, profitability, and its ability to expand. In its lending business, the Company competes with other pawnshops, payday lenders, and financial institutions, such as consumer finance companies. Other lenders may lend money on an unsecured basis, at interest rates that may be lower than the service charges of the Company, and on other terms that may be more favorable than those offered by the Company. The Company believes that the primary elements of competition are the quality of customer service and relationship management, store location, and the ability to loan competitive amounts at competitive rates. In addition, the Company believes that the ability to compete effectively will be based increasingly on strong general management, regional market focus, automated management information systems, and access to capital.

The Company's competitors for merchandise sales include numerous retail and wholesale stores, including jewelry stores, discount retail stores, consumer electronics stores, other pawnshops, other retailers of previously owned merchandise, electronic commerce retailers, and auction sites. Competitive factors in the Company's retail operations include the ability to provide the customer with a variety of merchandise at an exceptional value.

STRATEGIC INVESTMENT

In 1998, the Company acquired 29.5% of the outstanding shares of Albemarle & Bond Holdings plc ("A&B"). Due to the dilutive effect of new share issuances by A&B, the Company's interest was 28.7% at June 30, 2005, the most recent date for which A&B has published results. As its largest shareholder, the Company and its affiliates hold three seats on A&B's board of directors. A&B is a publicly traded company based in Bristol, England and trades on the Alternative Investment Market of the London Stock Exchange. At June 30, 2005, A&B operated 61 locations in the United Kingdom that offer pawn loans, payday loans, installment loans, check cashing, and retail jewelry. For A&B's 2005 fiscal year, which ended June 30, 2005, A&B's operating profit increased 14% over the prior year to approximately (Pound) 6.3 million ($11.8 million).

The Company accounts for its investment in A&B under the equity method. In Fiscal 2005, the Company's interest in A&B's income was $2,173,000 and the Company received dividends on its investment totaling $861,000. Based on the closing price and exchange rates on October 31, 2005, the market value of the Company's investment in A&B was approximately $35.6 million, compared to its book value of $17.3 million.

REGULATION

PAWNSHOP OPERATIONS

The Company's pawnshop operations are subject to extensive regulation, supervision, and licensing under various federal, state, and local statutes, ordinances, and regulations. The laws of Texas, Colorado, Oklahoma, Indiana, Florida, Alabama, and Nevada govern the majority of the Company's pawnshop operations. A summary of these states' applicable pawnshop statutes and regulations are discussed below.

TEXAS REGULATIONS

The Texas Pawnshop Act and the related Rules of Operation for Pawnshops govern Texas pawnshops. Pawnshop and pawnshop employees are licensed and supervised by the OCCC.

To be eligible for a license to operate a pawnshop in Texas, an applicant must: (i) be of good moral character, which in the case of a business entity applies to each officer, director, and holder of five percent or more of the entity's outstanding shares; (ii) have net unencumbered assets (as defined in the Texas Pawnshop Act) of at least $150,000 readily available for use in conducting the business of each licensed pawnshop; (iii) demonstrate that the applicant has the financial responsibility, experience, character, and general fitness to command the confidence of the public in its operation; and (iv) demonstrate that the pawnshop will be operated lawfully and fairly. Additionally, each pawnshop employee must qualify for and maintain a separate pawnshop employee license.

For a new license application in any Texas county, the OCCC provides notice of the application and the opportunity for a public hearing to the other licensed pawnshops in the county in which the applicant proposes to operate. In counties with 250,000 or more people, applications for new licenses are approved only at locations that are not less than two miles from another licensed pawnshop and applications to relocate a license are approved only for locations that are not less than one mile from another licensed pawnshop. Any existing store may relocate within one mile of its present location, regardless of the existence of other pawnshops. The Company's ability to open new stores or relocate existing stores may be adversely affected by these licensing provisions.

The Texas Pawnshop Act also contains provisions related to the operation of pawnshops and authorizes the Rules. The Rules regulate the day-to-day operation of the Company's pawnshops including the maximum pawn service charge and principal loan amount.

Pawn service charges vary based on loan amounts. Historically, the maximum allowable pawn service charge rates have not changed; however, the loan amounts have periodically been adjusted. A table of the maximum allowable pawn service charges under the Texas Pawnshop Act for the various loan amounts is presented in "Lending Activities". Under Texas law, there is a ceiling on the maximum allowable pawn loan. For the period July 1, 2003 through June 30, 2004, the loan ceiling was $12,750. For the period July 1, 2004 through June 30, 2005, the loan ceiling was $13,000. For the period July 1, 2005 through June 30, 2006, the loan ceiling is $13,500. Texas requires pawn transactions to be reported to local authorities.

Under the Texas Pawnshop Act and the Rules, a pawnbroker may not do any of the following: (i) accept a pledge from a person under the age of 18 years; (ii) make any agreement requiring the personal liability of the borrower; (iii) accept any waiver of any right or protection accorded to a pawn customer; (iv) fail to exercise reasonable care to protect pledged goods from loss or damage; (v) fail to return pledged goods to a pawn customer upon payment of the full amount due; (vi) make any charge for insurance in connection with a pawn transaction; (vii) enter into any pawn transaction that has a maturity date of more than one month; (viii) display for sale in storefront windows or sidewalk display cases pistols, swords, canes, blackjacks or similar weapons; (ix) purchase used or second hand personal property unless a record is established containing the name, address, and identification of the seller, a complete description of the property, including serial number and a signed statement that the seller has the right to sell the property; or, (x) accept into pawn or purchase stolen goods.

The OCCC may, after notice and hearing, suspend or revoke any license for a Texas pawnshop or employee upon finding that: (i) any fees or charges have not been paid; (ii) the licensee has violated (knowingly or unknowingly without due care) any provisions of the Texas Pawnshop Act or any regulation or order; or (iii) any fact or condition exists which, if it had existed at the time the original license application was filed would have justified the OCCC in refusing the license. The OCCC may also take other administrative action against a licensee including the assessment of fines and penalties.

COLORADO REGULATIONS

Colorado pawnbrokers must be licensed and bonded by local municipalities, which subject them to extensive and varied regulation and supervision. Pawn transactions must be reported to local authorities and pawnbrokers must maintain certain bookkeeping records. As of August 5, 2004, Colorado law allows a maximum pawn service charge of 240% annually for all pawn loans regardless of the amount financed. Prior to August 5, 2004, Colorado law allowed a pawn service charge of 240% annually for loans up to $50 and 120% annually for loans greater than $50.

OKLAHOMA REGULATIONS

The Oklahoma Pawnshop Act follows a statutory scheme similar to the Texas Pawnshop Act, requires pawnbrokers to be licensed and bonded, and regulates the day-to-day operation of Oklahoma pawnshops. The Oklahoma Administrator of Consumer Affairs administers the Oklahoma Pawnshop Act and has broad rule-making authority. Additionally, the Oklahoma Administrator of Consumer Credit is responsible for investigating the general fitness of pawnshop applicants. Each applicant is required to (i) be of good moral character; (ii) have net assets of at least $25,000; (iii) show that the pawnshop will be operated lawfully and fairly; and (iv) not have been convicted of any felony that directly relates to the duties and responsibilities of pawnbroking. Unlike Texas, Oklahoma pawnshop employees are not individually licensed.

In general, the Oklahoma Pawnshop Act prescribes loan amounts and maximum rates of service charges that pawnbrokers in Oklahoma may charge. The regulations provide for a graduated rate structure, similar to the structure used for federal income tax purposes. Under this rate structure, a $500 loan, for example, earns interest as follows: (i) the first $150 at 240% annually, (ii) the next $100 at 180% annually, and (iii) the remaining $250 at 120% annually. The maximum allowable pawn service charges for the various loan amounts under in Oklahoma are as follows:

Maximum Allowable Amount Financed Per Pawn Loan	Annual Percentage Rate
$ 1 to $ 150	240%
$ 151 to $ 250	180%
$ 251 to $ 500	120%
$ 501 to $ 1,000	60%
$1,001 to $25,000	35%

The principal amount of an Oklahoma pawn loan may not exceed $25,000 per transaction.

FLORIDA REGULATIONS

Florida pawnshops are governed by the Florida Pawnbroking Act and accompanying regulations. The Division of Consumer Services of the Department of Agriculture and Consumer Services licenses and regulates pawnshops.

The Florida Pawnbroking Act and regulations require that the pawnshop complete a Pawnbroker Transaction Form showing the customer name, type of item pawned, the amount of the pawn loan, and the applicable finance charges. A copy of each form must be delivered to local law enforcement officials at the end of each business day.

Pawn loans in Florida have a 30-day minimum term. The pawnbroker is entitled to charge two percent (2%) of the amount financed for each 30-day period as interest, and an additional amount as pawn service charges, provided the total amount of such charge, inclusive of interest, does not exceed 25% of the amount financed for each 30-day period. The pawnbroker may charge a minimum pawn service charge of $5.00 for each 30-day period. Pawn loans may be extended by agreement, with the charge being one-thirtieth of the original total pawn service charge for each day by which the loan is extended. For loans redeemed greater than 60 days after the date made, pawn service charges continue to accrue at the daily rate of one-thirtieth of the original total pawn service charge.

The Pawnbroking Act prohibits pawnbrokers from: (i) falsifying or failing to make entries in pawn transaction forms; (ii) refusing to allow appropriate law enforcement officials to inspect their records; (iii) failing to retain records of pawn transactions for at least two years; (iv) making any agreement requiring the personal liability of a pawn customer; (v) failing to return pledged goods upon payment in full of the amount due (unless the pledged goods have been taken into custody by a court or law enforcement officer or otherwise lost or damaged); or (vi) engaging in title loan transactions. Pawnbrokers are also prohibited from entering into pawn transactions with a person who is under the influence of alcohol or controlled substances, a person who is under the age of eighteen, or a person using a name other than his own name or the registered name of his business.

INDIANA REGULATIONS

In Indiana, the Pawnbroking Law governs pawnshops. The Department of Financial Institutions (the "Department") regulates the Company's Indiana operations. The Department requires the licensing of all pawnshops and investigates the general fitness of pawn license applicants to determine whether the convenience and needs of the public will be served by granting a pawn license. The Department has broad investigatory and enforcement authority. It may grant, revoke, and suspend licenses. Pawnshops are required to keep books, accounts, and records to enable the Department to determine if the pawnshop is complying with the statute. Each pawnshop is required to give authorized agents of the Department free access to its books and accounts for these purposes.

The Indiana Pawnbroking Law prescribes loan amounts and maximum interest rates that pawnbrokers in Indiana may charge for lending money. The regulations provide for a graduated rate structure similar to the structure used for federal income tax purposes. Under this rate structure, for July 1, 2004 through June 30, 2006, a $3,400 loan, for example, earns interest as follows: (i) the first $990 at 36% annually, (ii) the next $2,310 at 21% annually, and (iii) the remaining $100 at 15% annually. In addition to interest, the Company may also charge a service charge of 240% annually. The maximum combined allowable interest and service charges for the various loan amounts under the Indiana statute are as follows:

Maximum Allowable Amount Financed Per Pawn Loan	Annual Percentage Rate
$ 1 to $990	276%
$991 to $3,300	261%
$ 3,301 and up	255%

The Indiana Pawnbroking Law provides for a grace period of 60 days after the initial 30-day term of the loan. During the grace period, interest and service fees continue to accrue and are prorated to the date of loan redemption.

ALABAMA REGULATIONS

The Alabama Pawnshop Act regulates the licensing and operation of Alabama pawnshops. The Supervisor of the Bureau of Loans of the State Department of Banking is responsible for licensing and investigating the general fitness of pawnshop applicants. The Alabama Pawnshop Act requires that certain bookkeeping records be maintained and made available to the Supervisor and to local law enforcement authorities. The Alabama Pawnshop Act establishes a maximum allowable pawn service charge of 300% annually.

NEVADA REGULATIONS

In Nevada, all pawn loans must be held for redemption for at least 120 days after the date the loan is made. A pawnbroker may charge interest at the rate of 10% per month for money loaned on personal property actually received. In addition, the pawnbroker may collect an initial set up fee of $5.00. Property received in pledge may not be removed from the pawnshop until after the receipt of the property is reported to the sheriff or chief of police, unless redeemed by the owner.

LOCAL REGULATIONS

At the local level, most of the pawnshops voluntarily or pursuant to state law or municipal ordinance, provide reports of pawn transactions and purchases from customers to local law enforcement on a regular basis. These reports are designed to provide local law enforcement with a detailed description of the goods involved, including serial numbers, if any, and the names and addresses of the customers.

A record of each transaction is provided to local law enforcement agencies to aid in the investigation of property crimes. Goods held to secure pawn loans or goods purchased which are determined to belong to an individual other than the pawnshop customer are subject to recovery by the rightful owner. While a risk exists that pledged or purchased merchandise may be subject to claims of rightful owners, the Company's claims experience is historically less than 0.5% of pawn loans made.

There can be no assurance that additional local, state, or federal legislation will not be enacted or that existing laws and regulations will not be amended which would materially, adversely impact the Company's operations, financial condition, and the ability to expand its operations.

The above summaries generally describe the regulatory environments affecting the majority of the Company's pawnshops. Although state pawnshop laws vary considerably, the above summaries are representative of the statutes and regulations in the other states in which the Company operates.

FIREARMS REGULATIONS

With respect to firearm sales, each pawnshop must comply with the regulations issued by the Bureau of Alcohol, Tobacco, and Firearms (the "ATF"). ATF regulations require each pawnshop dealing in firearms to maintain a permanent written record of all transactions involving the receipt or disposition of firearms.

The Brady Handgun Violence Prevention Act (the "Brady Act") and the related ATF rules require all federal firearm licensees, in either selling firearms or releasing pawned firearms, to have the customer complete appropriate forms and pass a background check through the National Instant Criminal Background Check System before the Company may transfer a firearm to any customer.

The Company complies with the Brady Act and the ATF regulations. The Company does not believe that compliance with the Brady Act and the ATF regulations materially affects the Company's operations. There can be no assurance, however, that compliance with the Brady Act and the ATF regulations, or any future changes or amendments to such regulations will not adversely affect the Company's operations.

CREDIT SERVICE ORGANIZATION REGULATIONS

In July 2005, the Company registered as a Credit Service Organization ("CSO") in Texas and began doing business as EZMONEY Loan Services, providing customers fee based advice, assistance, and services in obtaining a loan from an unaffiliated lender. CSOs in Texas are required to register with the Texas Office of the Secretary of State pursuant to Chapter 393 of the Texas Finance Code. In order to provide credit services in Texas, the Company registered each location where it offers credit services and posted a surety bond in the amount of $10,000 per location. The Company must renew its CSO registration annually.

As a CSO, Texas law requires each location to provide customers a disclosure statement describing the services to be provided by the Company, the fees, explanation of the customer's rights, identification of the surety bond company, and other specified information. This disclosure must be delivered to the customer prior to the Company entering into any contract with the customer for credit services. The Company is also required to enter into a written contract with each customer fully describing the services, the payment terms, the Company's principal place of business, and agent authorized to receive service. Customers have three days to cancel a CSO contract. The CSO statute also prohibits the Company from making false or misleading representations or statements, receiving compensation solely for referring a customer to a lender who will or may make the loan on substantially the same terms, and engaging in fraudulent or deceptive conduct. Violations of the CSO statute could subject the Company to criminal and civil liability.

In Texas, the Company does business with two unaffiliated lenders. The lenders are not required to be licensed and are not regulated by a state agency, provided the interest rate charged on their loans does not exceed 10% annually. The lenders are authorized to charge a late fee for loans past due more than 10 days and an insufficient funds fee; however, the lenders that the Company does business with do not assess late fees. The insufficient funds fee is $30. If a customer defaults on a loan, the letter of credit issued by the Company authorizes the unaffiliated lender to make demand on the Company for payment of the principal, interest, and insufficient funds fee, if any. The Company is obligated to pay the lender on any demand made on the letter of credit pursuant to the terms and conditions set forth in the letter of credit.

PAYDAY LOAN REGULATIONS

During Fiscal 2005, the Company marketed and serviced payday loans on behalf of County Bank, in Texas, Florida and through its Austin, Texas based call center. The Delaware Department of Banking and the Federal Deposit Insurance Corporation (the "FDIC") supervise County Bank. These regulators review all aspects of County Bank's payday loan program as well as the Company's operations. In turn, County Bank periodically audits the Company's marketing and servicing operations. County Bank has notified the Company that it will cease making payday loans as of December 31, 2005.

In October 2003, the Company began marketing and servicing payday loans for County Bank in Florida through the Company's pawnshops. By December 31, 2005, the Company will have ceased marketing and servicing payday loans in Florida for County Bank, and will begin offering credit services in its Florida EZMONEY stores.

In May 2002, the Company also began marketing payday loans for County Bank through a call center located in Texas. On October 1, 2005, the Company ceased marketing new payday loans for County Bank in its call center. It will continue to service County Bank loans in its call center, including renewals of existing loans, through December 31, 2005, at which time the Company plans to close its payday loan call center.

In Colorado, the Company makes payday loans to customers pursuant to state law and its own underwriting guidelines. Payday loans made by the Company in Colorado are regulated by the Department of Law, Office of the Attorney General, Uniform Consumer Credit Code Division (the "UCCC Division"). The Company's Colorado stores have and are required to maintain a supervised lender's license issued by the UCCC Division. The UCCC Division maintains regulatory and supervisory authority over the Company's payday loan activities. The Company is required to maintain certain records related to its payday loans and include specific information and disclosures in the loan agreement.

The Colorado maximum payday loan amount is $500, exclusive of the service fee. Colorado law provides for a graduated service fee of 20% of the first $300 and 7.5% of the amount over $300. The loan term may not exceed 40 days, may be renewed once, and customers have the right to rescind the loan within one business day after the date the loan was made. By law, the loan cannot be renewed more than once and if it is renewed prior to the maturity date, the Company must refund a prorated portion of the service fee.

Payday loans made by the Company in Oklahoma are regulated by the Oklahoma Department of Consumer Credit (the "ODCC"). The Company's Oklahoma stores making payday loans are required to maintain a deferred deposit lender license issued by the ODCC. The ODCC maintains regulatory and supervisory authority over the pawnshops' payday loan activities. The Company is required to maintain certain records related to its payday loans and include specific information and disclosures in the loan agreement.

The Oklahoma maximum loan amount is $500 exclusive of the service fee. Oklahoma law provides for a service fee of 15% of the first $300 and 10% of the amount over $300. The loan term may not exceed 45 days, and customers have the right to rescind the loan within one business day after the date the loan was made. The loan cannot be renewed. The Company must deliver specific disclosures to the customer related to the customer's rights and responsibilities in the payday loan, as well as submit the customer's application and loan status to a state operated database in order to make certain determinations about outstanding or prior payday loans.

MISCELLANEOUS STATE AND FEDERAL LENDING STATUTES

The Company's pawn, CSO and payday loan operations are subject to extensive state and federal statutes and regulations such as the federal Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Gramm-Leach-Bliley Act, the Fair Debt Collection Practices Act and similar state laws. The Company complies with the requirements of these federal and state statutes and their regulations with respect to its business operations.

ITEM 1A. RISK FACTORS

Important risk factors that could cause results or events to differ from current expectations are described below. These factors are not intended to be an all-encompassing list of risks and uncertainties that may affect the operations, performance, development and result of the Company's business. Readers are cautioned not to place undue reliance on this discussion, which speaks only as of the date hereof. The Company undertakes no obligation to release publicly the results of any revisions to these risk factors which may be made to reflect events or circumstances after the date hereon, including without limitation, changes in the Company's business strategy or planned capital expenditures, store growth plans, or to reflect the occurrence of unanticipated events.

- - CHANGES IN CUSTOMER DEMAND FOR THE COMPANY'S PRODUCTS AND SERVICES COULD RESULT IN A SIGNIFICANT DECREASE IN REVENUES. Although the Company's customer base commonly uses its products and services, the Company's failure to meet changing demands of its customers could result in a significant decrease in its revenues.

- - CHANGES IN GOVERNMENTAL RULES AND REGULATIONS APPLICABLE TO THE SPECIALTY FINANCIAL SERVICES INDUSTRY COULD HAVE A NEGATIVE IMPACT ON THE COMPANY'S LENDING ACTIVITIES. The Company's lending is subject to extensive regulation, supervision and licensing requirements under various federal, state and local laws, ordinances and regulations. New laws and regulations or changes in existing laws and regulations could have a negative impact on the Company's lending activities.

  THE COMPANY'S CSO REVENUES ARE DEPENDENT UPON UNAFFILIATED LENDERS' ABILITY AND WILLINGNESS TO MAKE LOANS TO THE COMPANY'S CUSTOMERS. The loss of the relationships with its unaffiliated lenders could significantly decrease the Company's revenues and earnings.

- - ACHIEVEMENT OF THE COMPANY'S FUTURE FINANCIAL RESULTS IS DEPENDENT UPON ITS ABILITY TO OPEN AND ACQUIRE NEW STORES. The Company's expansion program is subject to numerous factors that cannot be predicted or controlled, such as identifying acceptable locations or attractive acquisition targets and the Company's ability to attract, train and retain qualified store associates.

- - FLUCTUATIONS IN THE COMPANY'S SALES, PAWN LOAN BALANCES, SALES MARGINS, PAWN REDEMPTION RATES, AND SIGNATURE LOAN DEFAULT AND COLLECTION RATES COULD HAVE A MATERIAL ADVERSE IMPACT ON THE COMPANY'S OPERATING RESULTS. The Company regularly experiences fluctuations in these operating metrics. Changes in any of these factors, as might be caused by changes in the economic environment or a significant decrease in gold prices, could materially and adversely affect the Company's profitability and ability to achieve its planned results.

- - CHANGES IN THE COMPANY'S LIQUIDITY AND CAPITAL REQUIREMENTS COULD LIMIT ITS ABILITY TO ACHIEVE ITS PLANS. The Company requires continued access to capital; a significant reduction in cash flows from operations or the availability of credit could materially and adversely affect the Company's ability to achieve its planned growth and operating results. Similarly, if actual costs to build new stores significantly exceed planned costs, this could materially restrict the Company's ability to build new stores or to operate new stores profitably. The Company's credit agreement also limits the allowable amount of capital expenditures in any given fiscal year, which could limit the Company's ability to build all planned new stores.

- - CHANGES IN COMPETITION FROM VARIOUS SOURCES COULD HAVE A MATERIAL ADVERSE IMPACT ON THE COMPANY'S ABILITY TO ACHIEVE ITS PLANS. The Company encounters significant competition in connection with its lending and retail operations from other pawnshops, cash advance companies and other forms of financial institutions and other retailers, many of which have significantly greater financial resources than the Company. Significant increases in these competitive influences could adversely affect the Company's operations through a decrease in the number or quality of signature and pawn loans or the Company's ability to liquidate forfeited collateral at acceptable margins.

- - THE COMPANY'S EARNINGS COULD BE NEGATIVELY IMPACTED BY AN UNFAVORABLE OUTCOME OF LITIGATION OR REGULATORY ACTIONS. From time to time, the Company is involved in litigation and regulatory actions. The Company is currently a defendant in several actions. Although the Company believes the resolution of these actions will not have a material adverse effect on its financial condition, results of operation or liquidity, there can be no assurance as to the ultimate outcome of these actions.

- - A FAILURE IN THE COMPANY'S INFORMATION SYSTEMS COULD PREVENT IT FROM EFFECTIVELY MANAGING AND CONTROLLING ITS BUSINESS OR SERVING ITS CUSTOMERS. We rely on our information systems to manage and control our stores and business. Our back-up systems and security measures could fail to prevent a disruption in the availability of our information systems. Any disruption in the availability of our information systems could adversely affect our operation, the ability to serve our customers and our results of operations.

- - A FAILURE OF THE COMPANY'S INTERNAL CONTROLS AND DISCLOSURE CONTROLS AND PROCEDURES COULD HAVE A MATERIAL ADVERSE IMPACT ON THE COMPANY AND ITS INVESTORS' CONFIDENCE IN OUR REPORTED FINANCIAL INFORMATION. Effective internal controls and disclosure controls and processes are necessary for us to provide reliable financial reports and to detect and prevent fraud, and any failure in those controls could have a material negative impact on our financial results and the price of the Company's stock.

- - ONE PERSON HOLDS VOTING CONTROL OF THE COMPANY AND CONTROLS THE OUTCOME OF ALL MATTERS REQUIRING A VOTE OF STOCKHOLDERS, WHICH MAY INFLUENCE THE VALUE OF OUR PUBLICLY TRADED STOCK. Mr. Phillip E. Cohen controls all of the Company's Class B Voting Common Stock. He elects all the Company's directors and controls the outcome of all other issues requiring a vote of stockholders. Some investors or potential investors may not like this concentration of control, which may adversely affect the price of the Company's Class A Common Stock.

- - THE COMPANY FACES OTHER RISKS DISCUSSED UNDER QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK IN ITEM 7A OF THIS FORM 10-K.

- - THE COMPANY ALSO FACES OTHER RISKS INDICATED IN THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The typical Company pawnshop is a freestanding building or part of a retail strip center with contiguous parking. Store interiors are designed to resemble small retail operations and attractively display merchandise by category. Distinctive exterior design and attractive in-store signage provide an appealing atmosphere to customers. The typical pawn store has approximately 1,800 square feet of retail space and approximately 3,200 square feet dedicated to collateral storage. In 2003, the Company began developing Mono-line payday loan stores. A Mono-line store is designed to resemble a bank interior and offers only payday loans or credit services to help a customer obtain short-term signature loans. The typical stand-alone Mono-line store is approximately 1,000 square feet and is located in a retail strip center. In some of its pawnshop locations, the Company operates Mono-line adjoined stores of approximately 300 square feet, which have a different entrance, signage, decor, and staffing. From the customers' perspective, these are viewed as a separate business. The Company maintains property and general liability insurance for each of its stores. The Company's stores are open six or seven days a week.

As of October 31, 2005, the Company owned the real estate and building for one location containing an EZPAWN and an adjoining EZMONEY, leased 279 locations containing EZPAWNs and 157 adjoining EZMONEYs, and leased 76 EZMONEY Mono-line locations. The Company also owns the real estate and building for one non-operating location. In Fiscal 2003, the Company sold one parcel of land and entered into sale-leaseback transactions with unaffiliated parties for three of its store locations, each with an initial lease term of 15 years. The Company generally leases facilities for a term of five to ten years with one or more options to renew. The Company's existing leases expire on dates ranging between December 15, 2005 and April 30, 2023, with a small number of leases on month-to-month terms. All leases provide for specified periodic rental payments at market rates. Most leases require the Company to maintain the property and pay the cost of insurance and taxes. The Company believes that the termination of any one of its leases would not have a material adverse effect on the Company's operations. The Company's strategy generally is to lease rather than acquire space for its stores unless the Company finds what it believes is a superior location at an attractive price.

Below is a summary of changes in the number of store locations during Fiscal 2003, 2004, and 2005. Included in the new stores opened in 2003, 2004, and 2005 are two, 93, and 63 EZMONEY stores adjoining existing pawnshop locations. All other new stores are separate EZMONEY locations.

	Fiscal Year Ended September 30,		
	2003	2004	2005
Store count at beginning of fiscal year	280	284	405
New stores opened	4	121	110
Stores closed or consolidated	-	-	(1)
Stores sold as operating businesses	-	-	-
Store count at end of fiscal year	284	405	514

On an ongoing basis, the Company may close or consolidate under-performing store locations. In Fiscal 2005, the Company closed one Mono-line store.

The following table presents the number of locations serving each metropolitan area or region (as defined by the Company) as of October 31, 2005:

Region/Area	EZPAWN Stores in Each Area	EZMONEY Stores in Each Area
Texas:		
Houston	59	69
Dallas	17	44
San Antonio	21	23
West and Southwest	19	16
Valley	20	8
Austin Area	7	19
Central	10	7
Panhandle	9	6
Corpus Christi	8	6
Laredo Area	11	2
Total Texas	181	200
Colorado:		
Denver Area	17	14
Colorado Springs Area	7	10
Total Colorado	24	24
Oklahoma:		
Tulsa Area	10	3
Oklahoma City Area	9	3
Other Areas	1	-
Total Oklahoma	20	6
Florida:		
Tampa	9	3
Orlando	8	-
Other Areas	1	-
Total Florida	18	3
Indiana:		
East Indianapolis	7	-
South Indianapolis	8	-
Total Indiana	15	-
Alabama:		
Birmingham Area	5	-
Mobile	2	-
Other Areas	1	1
Total Alabama	8	1
Nevada:		
Las Vegas	4	-
Total Nevada	4	-

Region/Area	EZPAWN Stores in Each Area	EZMONEY Stores in Each Area
Tennessee:		
Memphis	3	-
Total Tennessee	3	-
Louisiana:		
New Orleans Area	2	-
Other Areas	1	-
Total Louisiana	3	-
Mississippi:		
Jackson	2	-
Other Areas	1	-
Total Mississippi	3	-
Arkansas:		
West Helena	1	-
Total Arkansas	1	-
Total Company	280	234

In addition to its store locations, the Company leases its 27,400 square foot corporate office and 8,100 square foot facility for its jewelry processing center, payday loan call center, and payday loan collections center located in Austin, Texas.

ITEM 3. LEGAL PROCEEDINGS

From time to time, the Company is involved in litigation and regulatory actions. Currently, the Company is a defendant in several actions. While the ultimate outcome of these actions cannot be ascertained, after consultation with counsel, the Company believes the resolution of these actions will not have a material adverse effect on the Company's financial condition, results of operations, or liquidity. There can be no assurance, however, as to the ultimate outcome of these actions.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Since August 27, 1991, the Company's Class A Non-voting Common Stock ("Class A Common Stock") has traded on The NASDAQ Stock Market under the symbol EZPW. As of October 31, 2005, there were 116 stockholders of record of the Company's Class A Common Stock. There is no trading market for the Company's Class B Voting Common Stock ("Class B Common Stock"), and as of October 31, 2005, such stock was held by one stockholder of record.

The high and low per share price for the Company's Class A Common Stock for the past two fiscal years, as reported by The NASDAQ Stock Market, were as follows:

		High	Low
Fiscal 2004:			
	First quarter ended December 31, 2003	$ 9.00	$ 5.81
	Second quarter ended March 31, 2004	11.91	8.40
	Third quarter ended June 30, 2004	13.44	7.13
	Fourth quarter ended September 30, 2004	10.53	6.55
Fiscal 2005:			
	First quarter ended December 31, 2004	$ 15.41	$ 7.47
	Second quarter ended March 31, 2005	21.69	12.66
	Third quarter ended June 30, 2005	16.15	9.37
	Fourth quarter ended September 30, 2005	19.14	10.85

On October 31, 2005, the Company's Class A Common Stock closed at $14.69 per share.

During the past three fiscal years, no dividends have been declared or paid. Under the terms of the Company's amended and restated credit agreement, which matures April 1, 2007, payment of dividends is allowed but restricted. Should dividends be paid in the future, the Company's restated certificate of incorporation provides that cash dividends on common stock, when declared, must be declared and paid at the same per share amounts on the Class A Common Stock and the Class B Common Stock.

Any interested party may request a copy of this Annual Report on Form 10-K or of the Company's Code of Conduct and Ethics, free of charge by submitting a written request to EZCORP, Inc., Investor Relations, 1901 Capital Parkway, Austin, Texas 78746. The Code of Conduct and Ethics also may be obtained from the Company's website at www.ezcorp.com.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial information should be read in conjunction with, and is qualified in its entirety by reference to, the financial statements of the Company and accompanying notes included elsewhere in this Form 10-K:

SELECTED FINANCIAL DATA

	Fiscal Years Ended September 30,				
	2001	2002	2003	2004	2005
	(Amounts in thousands, except per share and store figures)				
	(a)	(a)			
Operating Data:					
Sales	$128,637	$131,046	$134,591	$143,472	$148,410
Pawn service charges	54,666	56,676	58,175	59,090	62,274
Payday loan service charges	2,142	8,251	12,538	23,874	28,954
Credit service fees	-	-	-	-	13,246
Other	725	925	1,045	1,361	1,275
Total revenues	186,170	196,898	206,349	227,797	254,159
Cost of goods sold	79,089	84,936	86,100	88,202	90,678
Net revenues	107,081	111,962	120,249	139,595	163,481
Store operating expenses	73,823	74,325	80,688	86,862	95,876
Payday loan bad debt and other direct expenses	1,422	3,940	4,685	9,103	7,808
Credit service bad debt and other direct expenses	-	-	-	-	6,395
Corporate administrative expenses	14,043	15,619	17,008	21,845	23,067
Depreciation and amortization	10,808	10,087	8,775	7,512	8,104
Restructuring expense	(696)	-	-	-	-
Interest expense, net	8,245	4,770	2,006	1,528	1,275
Equity in net income of unconsolidated affiliate	(267)	(604)	(1,412)	(1,739)	(2,173)
Loss on sale of assets	413	327	170	3	79
Impairment of investment	-	-	1,100	-	-
Income (loss) before income taxes and cumulative effect of adopting a new accounting principle	(710)	3,498	7,229	14,481	23,050
Income tax expense (benefit)	(142)	1,294	(1,170)	5,358	8,298
Income (loss) before cumulative effect of adopting a new accounting principle	(568)	2,204	8,399	9,123	14,752
Cumulative effect of adopting a new accounting principle, net of tax	-	-	(8,037)	-	-
Net income (loss)	$ (568)	$ 2,204	$ 362	$ 9,123	$ 14,752
Earnings (loss) per common share, assuming dilution	$ (0.05)	$ 0.18	$ 0.03	$ 0.70	$ 1.09
Cash dividends per common share	$ -	$ -	$ -	$ -	$ -
Weighted average common shares and share equivalents, assuming dilution	12,104	12,292	12,552	13,122	13,574
Stores operated at end of period	283	280	284	405	514

	September 30,				
	2001	2002	2003	2004	2005
BALANCE SHEET DATA:					
Pawn loans	$ 47,144	$ 49,248	$ 47,955	$ 49,078	$ 52,864
Payday loans	1,250	2,326	3,630	7,292	1,634
Inventory	34,231	32,097	29,755	30,636	30,293
Working capital	75,334	86,425	90,885	93,062	92,954
Total assets	178,560	165,970	153,690	164,322	165,448
Long-term debt	60,192	42,245	31,000	25,000	7,000
Stockholders' equity	101,957	104,544	105,478	116,729	133,543

	Fiscal Years Ended September 30,				
Pro forma amounts assuming the new accounting principle is applied retroactively:	2001	2002	2003	2004	2005
Net income	$ 129	$ 2,901	$ 8,399	$ 9,123	$ 14,752
Net income per diluted share	0.01	0.24	0.67	0.70	1.09
Total assets	167,069	155,091	153,959	164,591	165,717

(a) Beginning in Fiscal 2003, the Company adopted Statement of Financial Accounting Standards No. 142, which ceased amortization of certain indefinite lived intangible assets (See Note B to consolidated financial statements). Amortization expense and equity in net income of affiliate before Fiscal 2003 are stated on the historical accounting method, and are not directly comparable to Fiscal 2003 through Fiscal 2005 amounts.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis compares the results of operations for the 12-month periods ended September 30, 2003, 2004, and 2005 ("Fiscal 2003", "Fiscal 2004", and "Fiscal 2005"). The discussion should be read in conjunction with, and is qualified in its entirety by, the accompanying consolidated financial statements and related notes.

SUMMARY FINANCIAL DATA

	Fiscal Years Ended September 30,		
	2003	2004	2005
	(Dollars in thousands, except as indicated)		
NET REVENUES:			
Sales	$134,591	$143,472	$148,410
Pawn service charges	58,175	59,090	62,274
Payday loan service charges	12,538	23,874	28,954
Credit service fees	-	-	13,246
Other	1,045	1,361	1,275
Total revenues	206,349	227,797	254,159
Cost of goods sold	86,100	88,202	90,678
Net revenues	$120,249	$139,595	$163,481
Income before cumulative effect of adopting a new accounting principle	$ 8,399	$ 9,123	$ 14,752
Cumulative effect of adopting new accounting principle, net of tax	(8,037)	-	-
Net income	$ 362	$ 9,123	$ 14,752
OTHER DATA:			
Gross margin on sales	36.0%	38.5%	38.9%
Average annual inventory turnover	2.7x	2.8x	3.0x
Average inventory per pawn location at year end	$ 106	$ 109	$ 108
Average pawn loan balance per pawn location at year end	$ 171	$ 175	$ 189
Average pawn loan at year end (whole dollars)	$ 71	$ 70	$ 76
Average yield on pawn loan portfolio	126%	126%	133%
Pawn loan redemption rate	76%	76%	77%
Signature loan bad debt as a percent of signature loan revenues (a)	28%	34%	31%

(a) Signature loans include payday loans (included in the Company's balance sheet) and loans coordinated through the Company's credit services (excluded from the Company's balance sheet).

	Fiscal Years Ended September 30,		
	2003	2004	2005
EXPENSES AND INCOME AS A PERCENTAGE OF NET REVENUE (%):			
Store operating	67.1	62.2	58.6
Payday loan bad debt & other direct expenses	3.9	6.5	4.8
Credit service bad debt & other direct expenses	-	-	3.9
Administrative	14.1	15.6	14.1
Depreciation and amortization	7.3	5.4	5.0
Interest, net	1.7	1.1	0.8
Income before income taxes	6.0	10.4	14.1
Income before cumulative effect	7.0	6.5	9.0
STORES IN OPERATION:			
Beginning of year	280	284	405
New openings	4	121	110
Sold, combined, or closed	-	-	(1)
End of year	284	405	514
Average number of locations during the year	280	337	462
COMPOSITION OF ENDING STORES:			
EZPAWN locations	280	280	280
Mono-line signature loan locations adjoining EZPAWNs	2	95	158
Mono-line signature loan locations - free standing	2	30	76
Total stores in operation	284	405	514
EZPAWN locations offering signature loans	225	162	98
Total locations offering signature loans	229	287	332

GENERAL

The Company is primarily a lender or provider of credit services to individuals who do not have cash resources or access to credit to meet their short-term cash needs. In 280 EZPAWN locations (as of September 30, 2005), the Company offers non-recourse loans collateralized by tangible personal property, commonly known as pawn loans. At these locations, the Company also sells merchandise, primarily collateral forfeited from its pawn lending operations, to consumers looking for good value. In 234 EZMONEY ("Mono-line" stores) and 98 EZPAWN locations (as of September 30, 2005), the Company offers short-term non-collateralized loans, often referred to as payday loans, or fee based credit services to customers seeking loans.

The income earned on pawn lending is pawn service charge revenue. While allowable service charges vary by state and loan size, a majority of the Company's loans are in amounts that permit pawn service charges of 20% per month, or 240% annually. The Company's average pawn loan amount has historically averaged between $70 and $75 but varies depending on the valuation of each item pawned. The loan duration ranges between 60 and 120 days, consisting of the regulated term plus a grace period offered by the Company.

Also in its pawnshops, the Company acquires inventory for its retail sales primarily through pawn loan forfeitures and, to a lesser extent, through purchases of customers' merchandise. The realization of gross profit on sales of inventory depends primarily on the Company's assessment of the resale value at the time the property is either accepted as loan collateral or purchased. Improper assessment of the resale value in the lending or purchasing process can result in the realization of a lower margin or reduced marketability of the property.

As of September 30, 2005, the Company offered credit services or unsecured payday loans (collectively, "signature loans") in 234 EZMONEY Mono-line stores, 98 of its pawnshops, and in an Austin, Texas based payday loan call center.

The Company earns payday loan service charge revenue on its payday loans. As of September 30, 2005, the Company markets and services payday loans made by County Bank of Rehoboth Beach ("County Bank"), a federally insured Delaware bank in 69 locations and its call center. After origination of the loans, the Company may purchase a 90% participation in the loans made by County Bank and marketed by the Company. Effective December 31, 2005, County Bank will no longer maintain a payday loan program. Most of these locations will begin providing credit services to consumers in obtaining loans from an unaffiliated lender. In 63 of its locations, the Company makes payday loans in compliance with state law. The average payday loan amount is approximately $380 and the terms are generally less than 30 days, averaging about 17 days. The service charge per $100 loaned ranges from $15 to $20 for a 7 to 23-day period.

On July 15, 2005, the EZMONEY stores located in Texas ceased marketing payday loans and began providing fee-based credit services to consumers in obtaining loans from an unaffiliated lender. At September 30, 2005, 200 of the Company's 234 signature loan stores offered credit services. The Company does not participate in the loans made by the lender, but earns a fee of 20% of the loan amount for assisting the customer in obtaining credit and by enhancing the borrower's creditworthiness through the issuance of a letter of credit. The average loan obtained by the Company's credit service customers is approximately $500 and the terms are generally less than 30 days, averaging about 19 days.

In Fiscal 2005, the Company's net income improved to $14.8 million compared to $9.1 million in Fiscal 2004. Contributing to the earnings improvement was significant growth in the Company's signature loan business, as well as improvements in its pawn loan yield and gross profits on merchandise sales. Partially offsetting these factors was the incremental operating costs at the 109 new Mono-line stores, a full year of expenses at the 121 Mono-line stores added in Fiscal 2004, and an increase in administrative expenses.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's Discussion and Analysis of Financial Condition and Results of Operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, inventory, allowance for losses on payday loans, long-lived and intangible assets, income taxes, contingencies and litigation. Management bases its estimates on historical experience, observable trends, and various other assumptions that are believed to be reasonable under the circumstances. Management uses this information to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates under different assumptions or conditions.

Management believes the following critical accounting policies and estimates could have a significant impact on its results of operations. Readers should refer to Note A of the Company's consolidated financial statements for a more complete review of the Company's other accounting policies and estimates used in the preparation of its consolidated financial statements.

PAWN LOAN REVENUE RECOGNITION: Pawn service charges are recorded using the interest method for all pawn loans the Company deems to be collectible. The Company bases its estimate of uncollectible loans on several factors, including recent redemption rates, historical trends in redemption rates, and the amount of loans in its ending portfolio. Unexpected variations in any of these factors could increase or decrease the Company's estimate of collectible loans, affecting the Company's earnings and financial condition. In Fiscal 2005, 98.7% ($61.5 million) of recorded pawn service charge revenue was collected in cash, and 1.3% ($0.8 million) resulted from an increase in accrued pawn service charges receivable.

PAYDAY LOAN REVENUE RECOGNITION: Payday loans and related service charges reported in the Company's consolidated financial statements reflect only the Company's participation interest in these loans. The Company accrues service charges on the percentage of loans the Company deems to be collectible using the interest method. Accrued service charges related to defaulted loans are deducted from service charge revenue upon loan default and increase service charge revenue upon subsequent collection. In Fiscal 2005, 104.2% ($30.2 million) of recorded payday loan service charge revenue was collected in cash, offset by 4.2% ($1.2 million) from a decrease in accrued payday loan service charges receivable. The decrease relates to the July 15, 2005 conversion of many stores from offering payday loans to offering fee-based credit services.

The Company considers a payday loan defaulted if the loan has not been repaid or renewed by the maturity date. Although defaulted loans may be collected later, the Company charges defaulted loan principal to bad debt upon default, leaving only active loans in the reported balance. Subsequent collections of principal are recorded as a reduction of bad debt at the time of collection. The Company's payday loan net defaults, included in "bad debt and other payday loan direct expenses," were $8.0 million and $6.6 million in Fiscal 2004 and Fiscal 2005, representing 34% and 23% of payday loan service charges in the respective periods.

ALLOWANCE FOR LOSSES ON PAYDAY LOANS: The Company also provides an allowance for losses on active payday loans and related service charges receivable, based on recent loan default experience and expected seasonal variations. The accuracy of the Company's allowance estimate is dependent upon several factors, including its ability to predict future default rates based on historical trends and expected future events. Actual loan losses could vary from those estimated due to variance in any of these factors. Changes in the principal valuation allowance are charged to bad debt expense in the Company's statement of operations. Changes in the service charge receivable valuation allowance are charged to payday loan service charge revenue. Increased defaults and credit losses may occur during a national or regional economic downturn, or could occur for other reasons, resulting in the need to increase the allowance. The Company believes it effectively manages these risks through its underwriting criteria, closely monitoring the performance of the portfolio, and participating in loans made by a bank using similar strategies. At September 30, 2005, the allowance for losses on payday loans was $0.2 million, representing 60% of payday loan fees receivable.

CREDIT SERVICE REVENUE RECOGNITION: The Company earns credit service fees when it assists customers in obtaining a loan from an unaffiliated lender. The Company accrues credit service fees on the percentage of fees the Company expects to collect. Accrued fees related to defaulted loans are deducted from credit service fee revenue upon loan default and increase credit service fee revenue upon subsequent collection.

CREDIT SERVICE BAD DEBT AND OTHER DIRECT EXPENSES: As part of its credit services, the Company issues a letter of credit to enhance the creditworthiness of the Company's customers seeking loans from an unaffiliated lender. The letter of credit assures the lender that if the borrower defaults on his loan, the Company will pay the lender the principal and accrued interest owed by the borrower, plus an insufficient funds fee, all of which the Company records as bad debt and then attempts to collect from the borrower. The Company considers a loan defaulted, and pays all amounts due under the related letter of credit, if the loan has not been repaid or renewed by the maturity date. Although amounts paid under letters of credit may be collected later, the Company charges those amounts to bad debt upon default. Subsequent recoveries under the letters of credit are recorded as a reduction of bad debt at the time of collection. The Company's credit service bad debt, included in credit service bad debt and other direct expenses, was $6.4 million for Fiscal 2005, representing 48% of credit service fee revenues in Fiscal 2005. The Company had no bad debt in Fiscal 2003 or Fiscal 2004, as it did not offer credit services in those years.

CREDIT SERVICE ALLOWANCE FOR LOSSES: The Company also provides an allowance for losses it expects to incur under letters of credit for loans that are active at period-end but have not yet matured. Its allowance is based on recent loan default experience and expected seasonal variations, and includes all amounts it expects to pay to the unaffiliated lender upon loan default, including loan principal, accrued interest, and insufficient funds fees, net of the amounts it expects to subsequently collect from borrowers ("Expected LOC Losses"). Changes in the valuation allowance are charged to credit service bad debt expense in the Company's statement of operations. At September 30, 2005, the allowance for Expected LOC Losses was $1.4 million, representing 46% of credit service fees receivable.

Based on the same expected loss and collection percentages, the Company also provides an allowance for its credit service fees it expects not to collect and charges changes in the credit service fee receivable valuation allowance to credit service fee revenue. At September 30, 2005, this reserve amounted to $0.3 million, or 9.0% of credit service fees receivable.

INVENTORY: If a pawn loan is not repaid, the forfeited collateral (inventory) is recorded at cost (pawn loan principal). The company does not record loan loss allowances or charge-offs on the principal portion of pawn loans. In order to state inventory at the lower of cost (specific identification) or market (net realizable value), the company provides an allowance for shrinkage and excess, obsolete, or slow-moving inventory. The allowance is based on the type and age of merchandise as well as recent sales trends and margins. At September 30, 2005, this allowance was approximately $1.9 million, or 5.9% of the gross inventory balance. Changes in the inventory valuation allowance are recorded as cost of goods sold. The accuracy of the company's inventory allowance is dependent on its ability to predict future events based on historical trends. Unexpected variations in sales margins, inventory turnover, or other factors, including fluctuations in gold values could increase or decrease the company's inventory allowance.

RESULTS OF OPERATIONS

FISCAL 2005 COMPARED TO FISCAL 2004

The Company's Fiscal 2005 pawn service charge revenue increased 5.4%, or $3.2 million from Fiscal 2004 to $62.3 million. The growth was due to an improvement in loan yields to 133% from 126% in Fiscal 2004. Slightly offsetting this was a 0.3% lower average outstanding pawn loan balance in Fiscal 2005.

Fiscal 2005 sales increased $4.9 million from Fiscal 2004 to $148.4 million. The increase was due to a $2.8 million increase in jewelry scrapping and a $2.1 million increase in same store merchandise sales. Below is a summary of Fiscal 2004 and 2005 sales and margins:

	Fiscal Year Ended September 30, 2004	2005
	(Dollars in millions)	
Merchandise sales	$ 116.8	$ 119.0
Jewelry scrapping sales	26.7	29.4
Total sales	143.5	148.4
Gross profit on merchandise sales	$ 49.1	$ 50.3
Gross profit on jewelry scrapping sales	6.1	7.5
Gross margin on merchandise sales	42.1%	42.3%
Gross margin on jewelry scrapping sales	23.0%	25.3%
Overall gross margin	38.5%	38.9%

Fiscal 2005 overall gross margins on sales increased 0.4 of a percentage point from Fiscal 2004 to 38.9%. Margins on merchandise sales increased 0.2 of a percentage point as a result of less discounting and lower loan values on forfeited collateral. Jewelry scrapping margins improved 2.3 percentage points due largely to gold prices rising at a faster rate than the Company's increases in gold loan and purchase values. Future fluctuations in gold prices would have an immediate and direct impact on the proceeds of scrapped jewelry. In response to these fluctuations, the Company may adjust the amount it lends on jewelry, as it did in Fiscal 2005, which would ultimately impact the cost of inventory sold and sales margins. Inventory shrinkage, included in cost of goods sold, was 1.5% of merchandise sales in Fiscal 2005 compared to 1.7% in Fiscal 2004.

At September 30, 2005, the Company offered signature loans in 332 locations and a call center, an increase from September 30, 2004, when the Company offered signature loans in 287 locations and a call center. Prior to July 15, 2005, the Company's signature loans consisted of only payday loans. Beginning July 15, 2005, most of its locations offering payday loans ceased marketing payday loans and began providing fee-based credit services to consumers in obtaining loans from an unaffiliated lender.

The Company opened 121 signature loan stores in Fiscal 2004, and another 110 in Fiscal 2005. One Mono-line location was closed in Fiscal 2005. Signature loan data (combined payday loan and credit service activities) are as follows for Fiscal 2004 and 2005:

	Fiscal Year Ended September 30,	
	2004	2005
	(Dollars in thousands)	
Service charge revenue	$ 23,874	$ 42,200
Bad debt:		
Net defaults, including interest and insufficient fund fees on CSO loans	(7,966)	(11,960)
Change in valuation allowance	(260)	(1,043)
Insufficient funds fees collected and other related costs	159	3
Net bad debt	(8,067)	(13,000)
Other direct transaction expenses	(1,036)	(1,203)
Operating expenses at Mono-line stores	(3,239)	(12,859)
Depreciation and amortization at Mono-line stores	(156)	(590)
Collection and call center costs (included in administrative expense)	(851)	(1,579)
Contribution to operating income	$ 10,525	$ 12,969
Average signature loan balance outstanding during year (a)	$ 5,581	$ 10,118
Signature loan balance at end of year (a)	$ 7,292	$ 15,904
Participating locations at end of year, including call center (whole numbers)	288	333
Signature loan bad debt as a percent of service charge revenue	34%	31%
Signature loan net default rate (a) (b)	5.9%	5.0%

(a) Signature loan balances include payday loans recorded on the Company's balance sheet and the principal portion of active loans outstanding from CSO lenders, the balance of which is not included on the Company's balance sheet.

(b) Principal defaults net of collections, as a percent of signature loans made and renewed.

The Contribution to operating income presented above includes the effect of incremental operating expenses at Mono-line stores. Shared costs at adjoined Mono-line stores, such as rent and labor, have been excluded from these figures.

Signature loan service charge revenue increased from Fiscal 2004 primarily due to higher average loan balances at existing stores and the addition of new Mono-line stores. Although signature loan bad debt has improved three percentage points as a percent of related service charges, it increased $4.9 million in Fiscal 2005 due to the increased volume of signature loans. As a percent of related service charges, the Company's bad debt on payday loans decreased from 34% in Fiscal 2004 to 23% in Fiscal 2005, but bad debt on CSO activities was 48% of related service charges. To transition customers from County Bank loans to credit services, the Company relaxed its underwriting criteria during the transitional period. In doing so, the Company enjoyed a significant increase in credit services volume, but did experience an increase in the losses on its letters of credit obligations as compared to its bad debt on payday loans. The Company has made subsequent modifications to its underwriting for the credit services and expects future bad debt rates to be lower than those experienced during this transitional period.

The Company provides a valuation allowance on payday loan principal and fees receivable. Due to the short-term nature of these loans, the Company uses recent net default rates and anticipated seasonal changes in the default rate as the basis for its valuation allowance. At September 30, 2005, the valuation allowance was 60% of payday loan fees receivable, or 7.8% of payday loan principal and fees receivable.

Store operating expenses increased to $95.9 million in Fiscal 2005 from $86.9 million in Fiscal 2004. The increase was due to $9.6 million additional operating expenses at new Mono-line stores opened in Fiscal 2005 or stores opened during Fiscal 2004 with a full year of expenses in Fiscal 2005. Included in this amount is a one-time cost of $0.6 million related directly to the conversion of stores from offering payday loans to offering credit services. Offsetting this was a $0.6 million reduction in same store operating expenses. Although operating expenses increased in dollars, it represents a 3.6 percentage point decrease when measured as a percent of net revenue.

Administrative expenses were $23.1 million (14.1% of net revenue) in Fiscal 2005 compared to $21.8 million (15.6% of net revenue) in Fiscal 2004. The $1.3 million increase is due primarily to a $1.9 million increase in labor and benefits, a $0.8 million increase in legal and professional fees, and a $0.3 million increase in travel expenses, offset by a $1.1 million reduction in restricted stock grants and related taxes. Also offsetting the increase was the absence of a $0.7 million impairment of a note receivable from a former Chief Executive Officer of the Company, as was seen in Fiscal 2004. Included in administrative expenses are management fees for a related party totaling $1.2 million and $0.8 million in Fiscal 2005 and 2004, as more fully discussed in Item 13 of this report.

Depreciation and amortization expense increased $0.6 million in Fiscal 2005 to $8.1 million, primarily due to the net effect of assets placed in service versus assets that became fully depreciated during the year. Of the total, $0.4 million related to new stores and $0.2 million related to same stores.

In Fiscal 2005, interest expense decreased to $1.3 million from $1.5 million in Fiscal 2004. The improvement resulted primarily from lower average debt balances outstanding during the year. At September 30, 2005, the Company's total debt was $7.0 million compared to $25.0 million at September 30, 2004. Decreases in the debt balance were funded by cash flow from operations after funding all investment activity.

The Fiscal 2005 income tax expense was $8.3 million, or 36% of pre-tax income, compared to $5.4 million, or 37% of pre-tax income in Fiscal 2004. The decrease in the Fiscal 2005 effective tax rate is primarily due to non-deductible executive compensation in Fiscal 2004 that did not recur in Fiscal 2005.

Operating income for Fiscal 2005 improved $8.0 million over Fiscal 2004 to $22.2 million. The $2.4 million increased contribution from signature loans, $3.2 million increase in same store pawn service charges, $2.5 million improvement in gross profit on sales, and $0.6 million reduction in same store operating expenses account for most of the improvement. These improvements were partially offset by the $1.3 million increase in administrative expenses.

After a $0.3 million improvement in interest expense, the $0.4 million increased equity in Albemarle & Bond's earnings, and other smaller items, income before income taxes grew to $23.1 million from $14.5 million in Fiscal 2004. After income taxes, net income improved from $9.1 million in Fiscal 2004 to $14.8 million in Fiscal 2005.

FISCAL 2004 COMPARED TO FISCAL 2003

The Company's Fiscal 2004 pawn service charge revenue increased 1.6%, or $0.9 million from Fiscal 2003 to $59.1 million. The improvement was due to a 1.7% larger average outstanding pawn loan balance in Fiscal 2004, with yields remaining constant at 126%.

Fiscal 2004 sales increased $8.9 million from Fiscal 2003 to $143.5 million. The increase was due to a $5.9 million increase in jewelry scrapping and a $3.0 million increase in same store merchandise sales.

Below is a summary of Fiscal 2003 and 2004 sales and margins:

	Fiscal Year Ended September 30,	
	2003	2004
	(Dollars in millions)	
Merchandise sales	$ 113.8	$ 116.8
Jewelry scrapping sales	20.8	26.7
Total sales	134.6	143.5
Gross profit on merchandise sales	$ 45.2	$ 49.1
Gross profit on jewelry scrapping sales	3.3	6.1
Gross margin on merchandise sales	39.7%	42.1%
Gross margin on jewelry scrapping sales	15.9%	23.0%
Overall gross margin	36.0%	38.5%

Fiscal 2004 overall gross margins on sales increased 2.5 percentage points from Fiscal 2003 to 38.5%. Margins on merchandise sales increased 2.4 percentage points as a result of less discounting and more conservative loan values on forfeited collateral. Jewelry scrapping margins improved 7.1 percentage points due largely to higher gold values. Future fluctuations in gold values would have an immediate and direct impact on the proceeds of scrapped jewelry. In response to these fluctuations, the Company may adjust the amount it lends on jewelry, which would ultimately impact the cost of inventory sold and sales margins. Inventory shrinkage, included in cost of goods sold, was 1.7% of merchandise sales in Fiscal 2004 compared to 1.9% in Fiscal 2003.

At September 30, 2004, the Company offered payday loans in 287 locations and a call center. This is an increase from September 30, 2003, when the Company offered payday loans in 229 locations and a call center. During Fiscal 2003 and 2004, respectively, the Company opened four and 121 Mono-line stores specializing in payday loans. Ninety-five Mono-line stores adjoin EZPAWN locations that offered payday loans prior to the opening of the adjoined Mono-line stores.

Payday loan data are as follows for Fiscal 2003 and 2004:

	Fiscal Year Ended September 30, 2003	2004
	(Dollars in thousands)	
Service charge revenue	$ 12,538	$ 23,874
Bad debt:		
Net defaults on loans	(3,505)	(7,966)
Change in valuation allowance	(91)	(260)
Insufficient funds fees collected and other related costs	45	159
Net bad debt	(3,551)	(8,067)
Other direct transaction expenses	(1,134)	(1,036)
Incremental operating expenses at Mono-line stores	(40)	(3,239)
Incremental depreciation and amortization at Mono-line stores	(2)	(156)
Collection and call center costs (included in administrative expense)	(650)	(851)
Contribution to operating income	$ 7,161	$ 10,525
Average payday loan balance outstanding during year	$ 2,763	$ 5,581
Payday loan balance at end of year	$ 3,630	$ 7,292
Average loan balance per participating location at end of year	$ 16	$ 25
Participating locations at end of year, including call center (whole numbers)	230	288
Bad debt as a percent of service charge revenue	28%	34%
Net default rate (a)	5.0%	5.9%

(a) Principal defaults net of collections, as a percent of loans made and renewed.

The Contribution to operating income presented above includes the effect of incremental operating expenses at Mono-line stores. Shared costs at adjoined Mono-line stores, such as rent and labor, have been excluded from these figures.

Payday loan service charge revenue increased from Fiscal 2003 primarily due to higher average loan balances at existing stores and the addition of new Mono-line stores. Payday loan bad debt also increased $4.5 million in Fiscal 2004. Approximately 75% of the increase in bad debt was related to the higher average loan balances, while 25% was caused by the increase in the net default rate from 28% to 34% of related service charge revenues. Slightly offsetting the increase in bad debt was a $0.1 million reduction in other payday loan direct transaction expenses.

The Company provides a valuation allowance on payday loan principal and fees receivable. Due to the short-term nature of these loans, the Company uses recent net default rates and anticipated seasonal changes in the default rate as the basis for its valuation allowance. At September 30, 2004, the valuation allowance was 6.3% of payday loan principal and fees receivable.

Store operating expenses increased to $86.9 million in Fiscal 2004 from $80.7 million in Fiscal 2003, representing a 4.9 percentage point decrease when measured as a percent of net revenue. Of the total $6.2 million increase, $3.2 million related to new Mono-line stores. The remaining $3.0 million increase was largely due to a $2.5 million increase in labor and labor related costs and a $0.4 million increase in facility repairs and maintenance.

Administrative expenses were $21.8 million (15.6% of net revenue) in Fiscal 2004 compared to $17.0 million (14.1% of net revenue) in Fiscal 2003. The $4.8 million increase is due primarily to $1.6 million in restricted stock grants and related taxes, a $1.4 million increase in legal and professional fees, and a $0.8 million increase in incentive compensation related to the Company's improved performance. Also contributing to the increase was the impairment of a $0.7 million note receivable from a former Chief Executive Officer of the Company due to its doubtful collection. Included in administrative expenses are management fees and expense reimbursements for a related party totaling $802,000 and $767,000 in Fiscal 2004 and 2003, as more fully discussed in Item 13 of this report.

Depreciation and amortization expense decreased $1.3 million in Fiscal 2004 to $7.5 million, primarily due to the net effect of assets that became fully depreciated versus assets placed in service during the year.

In Fiscal 2004, interest expense decreased to $1.5 million from $2.0 million in Fiscal 2003. The improvement resulted from lower average debt balances and lower effective interest rates. At September 30, 2004, the Company's total debt was $25.0 million compared to $31.0 million at September 30, 2003. Decreases in the debt balance were funded by cash flow from operations after funding all investment activity.

In Fiscal 2000, the Company invested $1.1 million in an internet related start-up company. Based on the investee's performance, the Company determined at September 30, 2003 that its investment was fully impaired, and recorded a $1.1 million impairment charge in Fiscal 2003. Fiscal 2004 had no similar impairment.

The Fiscal 2004 income tax expense was $5.4 million, or 37% of pre-tax income, compared to an income tax benefit of $1.2 million in Fiscal 2003. The Fiscal 2003 benefit includes the reversal of a $3.7 million deferred tax asset valuation allowance as the Company projected during that period that its future taxable income would be sufficient to fully realize its deferred tax asset. Excluding the reversal of the valuation allowance, the Company's Fiscal 2003 income tax provision would have been $2.5 million, or 35% of pre-tax income. The increase in the Fiscal 2004 effective tax rate is due to an increase in non-deductible executive compensation and an increase in state income taxes.

Operating income for Fiscal 2004 improved $5.2 million over Fiscal 2003 to $14.3 million. The $6.8 million improvement in gross profit on sales and $3.4 million increased contribution from payday loans account for most of the improvement. Coupled with these are a $0.9 million increase in same store pawn service charges and a $1.3 million reduction in depreciation expense. These improvements were partially offset by the $4.8 million increase in administrative expenses and $3.0 million increase in same store operating expenses.

After a $0.5 million improvement in interest expense, the absence of a $1.1 million investment impairment as was seen in Fiscal 2003, and other smaller items, income before income taxes and the cumulative effect of adopting SFAS No. 142 improved to $14.5 million from $7.2 million in Fiscal 2003. After the changes in income taxes and the Fiscal 2003 cumulative effect of adopting SFAS No. 142, net income improved from $0.4 million in Fiscal 2003 to $9.1 million in Fiscal 2004.

LIQUIDITY AND CAPITAL RESOURCES

In Fiscal 2005, the Company's $31.7 million cash flow from operations consisted of (i) net income plus several non-cash items, aggregating to $28.1 million, and (ii) $3.6 million of changes in operating assets and liabilities, primarily accounts payable and accrued expenses. In Fiscal 2004, the Company's $27.2 million cash flow from operations consisted of (i) net income plus several non-cash items, aggregating to $22.3 million, and (ii) $4.9 million of changes in operating assets and liabilities, primarily accounts payable, accrued expenses, and federal income taxes. The primary differences between cash flow from operations for Fiscal 2004 and Fiscal 2005 are an increase in signature loan fees collected, gross profit on sales of inventory, and pawn service charged collected.

In Fiscal 2005, the Company invested $9.2 million in property and equipment, $3.6 million in funding pawn loans, net of repayments and recoveries through the sale of forfeited collateral, and $1.0 million in funding payday loans net of repayments. These changes, an $18.0 million reduction in debt, and a $1.7 million increase in cash on hand were funded by the cash flow from operations discussed above, the $0.9 million of dividends from Albemarle & Bond Holding, plc, and the $0.9 million proceeds from the exercise of employee stock options.

Below is a summary of the Company's cash needs to meet its future aggregate contractual obligations in the full fiscal years ending September 30 (in thousands):

	Payments due by Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations	$ 7,000	$ -	$ 7,000	$ -	$ -
Interest on long-term debt obligations	704	469	235	-	-
Capital lease obligations	-	-	-	-	-
Operating lease obligations	96,108	14,610	25,360	18,737	37,401
Purchase obligations	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-
Total	$ 103,812	$ 15,079	$32,595	$ 18,737	$ 37,401

In addition to the contractual obligations in the table above, the Company is obligated by letters of credit issued to unaffiliated lenders as part of its credit service operations. At September 30, 2005, the Company's maximum exposure for losses on letters of credit, if all brokered loans defaulted and none was collected, was $15.7 million. This amount includes principal, interest, and insufficient funds fees.

During the fiscal year ending September 30, 2006, the Company plans to open an additional 115 to 125 EZMONEY Mono-line stores for an expected capital expenditure of approximately $4.5 million, plus the funding of working capital and start-up losses at these stores. The Company believes that these new stores will create a drag on earnings in their first six to nine months of operations before turning profitable.

The Company's credit agreement matures April 1, 2007 and provides for a $40.0 million revolving credit facility. Under the terms of the agreement, the Company had the ability to borrow an additional $18.1 million at September 30, 2005, after allowing for $14.3 million in the principal portion of letters of credit issued under its CSO program. Advances are secured by the Company's assets. Terms of the agreement require, among other things, that the Company meet certain financial covenants. Payment of dividends and additional debt are allowed but restricted. The long-term debt obligation included in the table above is the balance outstanding on the Company's revolving credit agreement at September 30, 2005. The outstanding balance fluctuates based on cash needs and the interest rate varies in response to the Company's leverage ratio. For purposes of this table, the Company assumed the current outstanding balance and interest rate will be applicable through the maturity date of the credit agreement on April 1, 2007.

The Company anticipates that cash flow from operations and availability under its revolving credit facility will be adequate to fund its contractual obligations, planned store growth, capital expenditures, and working capital requirements during the coming year.

SEASONALITY

Historically, service charge revenues are highest in the Company's first fiscal quarter (October through December) due to improving loan redemption rates coupled with a higher average loan balance following the summer lending season. Sales generally are highest in the Company's first and second fiscal quarters (October through March) due to the holiday season and the impact of tax refunds. Sales volume can be heavily influenced by the timing of decisions to scrap excess jewelry inventory, which generally occurs during low jewelry sales periods (May through October). The net effect of these factors is that net revenues and net income typically are highest in the first and second fiscal quarters. The Company's cash flow is greatest in its second fiscal quarter primarily due to a high level of loan redemptions and sales in the income tax refund season.

CAUTIONARY STATEMENT REGARDING RISKS AND UNCERTAINTIES THAT MAY AFFECT FUTURE RESULTS

FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K, including Management's Discussion and Analysis of Financial Condition and Results of Operations, includes "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. The Company intends that all forward-looking statements be subject to the safe harbors created by these laws. All statements other than statements of historical information provided herein are forward-looking and may contain information about financial results, economic conditions, trends, and known uncertainties. All forward-looking statements are based on current expectations regarding important risk factors. Many of these risks and uncertainties are beyond the ability of the Company to control, and, in many cases, the Company cannot predict all of the risks and uncertainties that could cause its actual results to differ materially from those expressed in the forward-looking statements. Actual results could differ materially from those expressed in the forward-looking statements, and readers should not regard those statements as a representation by the Company or any other person that the results expressed in the statements will be achieved. Important risk factors that could cause results or events to differ from current expectations are described in Item 1A, "Risk Factors," of this Annual Report on Form 10-K. These factors are not intended to be an all-encompassing list of risks and uncertainties that may affect the operations, performance, development and result of the Company's business. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to release publicly the results of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereon, including without limitation, changes in the Company's business strategy or planned capital expenditures, store growth plans, or to reflect the occurrence of unanticipated events.

ITEM 7A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

MARKET RISK DISCLOSURES

The following discussion about the Company's market risk disclosures involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. The Company is exposed to market risk related to changes in interest rates, foreign currency exchange rates, and gold values. The Company also is exposed to regulatory risk in relation to its credit services and payday loans. The Company does not use derivative financial instruments.

The Company's earnings and financial position may be affected by changes in gold values and the resulting impact on pawn lending and jewelry sales. The proceeds of scrap sales and the Company's ability to liquidate excess jewelry inventory at an acceptable margin are dependent upon gold values. The impact on the Company's financial position and results of operations of a hypothetical change in gold values cannot be reasonably estimated.

The Company's earnings are affected by changes in interest rates due to the impact those changes have on its debt, all of which is variable-rate debt. If interest rates average 50 basis points more in 2006 than they did in 2005, the Company's annual interest expense would be increased by approximately $35,000. This amount is determined by considering the impact of the hypothetical interest rates on the Company's variable-rate debt at September 30, 2005.

The Company's earnings and financial position are affected by foreign exchange rate fluctuations related to the equity investment in A&B. A&B's functional currency is the U.K. pound. The U.K. pound exchange rate can directly and indirectly impact the Company's results of operations and financial position in several ways. For example, a devalued pound could result in an economic recession in the U.K., which in turn could impact A&B's and the Company's results of operations and financial position. The impact on the Company's results of operations and financial position of a hypothetical change in the exchange rate between the U.S. dollar and the U.K. pound cannot be reasonably estimated due to the interrelationship of operating results and exchange rates. The translation adjustment representing the weakening in the U.K. pound during the year ended June 30, 2005 (included in the Company's September 30, 2005 results on a three-month lag as described above) was approximately a $65,000 decrease, net of tax effect, to shareholders' equity. On September 30, 2005, the U.K. pound weakened to 1.00 to 1.76280 U.S. dollars from 1.80480 at June 30, 2005. No assurance can be given as to the future valuation of the U.K. pound and how further movements in the pound could affect future earnings or the financial position of the Company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
EZCORP, Inc.
Austin, Texas

We have audited the accompanying consolidated balance sheets of EZCORP, Inc. and subsidiaries as of September 30, 2005 and 2004 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended. Our audits also include the financial statement schedule listed in the index at Item 15(a)(2). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of EZCORP, Inc. at September 30, 2005 and 2004, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of EZCORP, Inc.'s internal control over financial reporting as of September 30, 2005, based on criteria established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated November 18, 2005 expressed an unqualified opinion thereon.

/s/ BDO Seidman, LLP

Dallas, Texas
November 18, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
EZCORP, Inc.

We have audited the accompanying consolidated statements of operations, stockholders' equity, and cash flows of EZCORP, Inc. and its subsidiaries for the year ended September 30, 2003. Our audit also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit.

We conducted our audit in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated results of EZCORP, Inc. and its subsidiaries' operations and their cash flows for the year ended September 30, 2003, in conformity with accounting principles generally accepted in the United States. Also in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note B to the consolidated financial statements, effective October 1, 2002, the Company adopted the Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangibles."

/s/ ERNST & YOUNG LLP

Austin, Texas
December 7, 2004

CONSOLIDATED BALANCE SHEETS

	September 30, 2004	September 30, 2005
	(In thousands)	
Assets:		
Current assets:		
Cash and cash equivalents	$ 2,506	$ 4,168
Pawn loans	49,078	52,864
Payday loans, net	7,292	1,634
Pawn service charges receivable, net	8,679	9,492
Payday loan service charges receivable, net	1,474	272
Credit service fees receivable, net	-	3,007
Inventory, net	30,636	30,293
Deferred tax asset	9,711	10,534
Prepaid expenses and other assets	2,321	1,998
Total current assets	111,697	114,262
Investment in unconsolidated affiliate	16,101	17,348
Property and equipment, net	25,846	26,964
Note receivable from related party	1,500	-
Deferred tax asset, non-current	4,946	4,012
Other assets, net	4,232	2,862
Total assets	$164,322	$165,448
Liabilities and stockholders' equity:		
Current liabilities:		
Accounts payable and other accrued expenses	$ 14,947	$ 18,988
Customer layaway deposits	1,645	1,672
Federal income taxes payable	2,043	648
Total current liabilities	18,635	21,308
Long-term debt	25,000	7,000
Deferred gains and other long-term liabilities	3,958	3,597
Total long-term liabilities	28,958	10,597
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred Stock, par value $.01 per share; Authorized 5,000,000 shares; none issued and outstanding	-	-
Class A Non-voting Common Stock, par value $.01 per share; Authorized 40,000,000 shares; 11,181,401 issued and 11,172,368 outstanding in 2004; 11,878,458 issued and 11,869,425 outstanding in 2005	112	117
Class B Voting Common Stock, convertible, par value $.01 per share; Authorized 1,198,990 shares; Issued 1,190,057; Outstanding 1,190,057 at September 30, 2004 and 990,057 at September 30, 2005	12	10
Additional paid-in capital	116,683	118,219
Retained earnings (accumulated deficit)	(38)	14,714
Deferred compensation expense	(832)	(244)
	115,937	132,816
Treasury stock, at cost (9,033 shares)	(35)	(35)
Accumulated other comprehensive income	827	762
Total stockholders' equity	116,729	133,543
Total liabilities and stockholders' equity	$164,322	$165,448

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended September 30,		
	2003	2004	2005
	(In thousands, except per share amounts)		
Revenues:			
Sales	$ 134,591	$ 143,472	$ 148,410
Pawn service charges	58,175	59,090	62,274
Payday loan service charges	12,538	23,874	28,954
Credit service fees	-	-	13,246
Other	1,045	1,361	1,275
Total revenues	206,349	227,797	254,159
Costs of goods sold	86,100	88,202	90,678
Net revenues	120,249	139,595	163,481
Operating expenses:			
Operations	80,688	86,862	95,876
Payday loan bad debt and other direct expenses	4,685	9,103	7,808
Credit service bad debt and other direct expenses	-	-	6,395
Administrative	17,008	21,845	23,067
Depreciation	8,685	7,435	8,036
Amortization	90	77	68
Total operating expenses	111,156	125,322	141,250
Operating income	9,093	14,273	22,231
Interest expense, net	2,006	1,528	1,275
Equity in net income of unconsolidated affiliate	(1,412)	(1,739)	(2,173)
Loss on sale / disposal of assets	170	3	79
Impairment of investment	1,100	-	-
Income before income taxes and cumulative effect of adopting a new accounting principle	7,229	14,481	23,050
Income tax expense (benefit)	(1,170)	5,358	8,298
Income before cumulative effect of adopting a new accounting principle	$ 8,399	$ 9,123	$ 14,752
Cumulative effect of adopting a new accounting principle, net of tax	(8,037)	-	-
Net income	$ 362	$ 9,123	$ 14,752
Income per common share - basic:			
Income before cumulative effect of adopting a new accounting principle	$ 0.69	$ 0.74	$ 1.19
Cumulative effect of adopting a new accounting principle, net of tax	(0.66)	-	-
Net income	$ 0.03	$ 0.74	$ 1.19
Income per common share - assuming dilution:			
Income before cumulative effect of adopting a new accounting principle	$ 0.67	$ 0.70	$ 1.09
Cumulative effect of adopting a new accounting principle, net of tax	(0.64)	-	-
Net income	$ 0.03	$ 0. 70	$ 1.09
Weighted average shares outstanding:			
Basic	12,181	12,256	12,434
Assuming dilution	12,552	13,122	13,574

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	2003	2004	2005
	Years Ended September 30, (In thousands)		
Operating Activities:			
Net income	$ 362	$ 9,123	$14,752
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of adopting new accounting principle	8,037	-	-
Depreciation and amortization	8,775	7,512	8,104
Payday loan loss provision	3,551	8,225	6,627
Deferred taxes	(7,327)	(2,103)	111
Net loss on sale or disposal of assets	170	3	79
Impairment of investment	1,100	-	-
Impairment of receivable from stockholder	-	729	-
Deferred compensation expense	3	538	588
Income from investment in unconsolidated affiliate	(1,412)	(1,739)	(2,173)
Changes in operating assets and liabilities:			
Service charges and fees receivable, net	(421)	(428)	(2,618)
Inventory	868	83	193
Notes receivable from related parties	22	-	1,500
Prepaid expenses, other current assets, and other assets, net	2,803	(545)	1,625
Accounts payable and accrued expenses	(450)	3,964	4,107
Restructuring reserve	(34)	-	-
Customer layaway deposits	(374)	(147)	27
Deferred gains and other long-term liabilities	(363)	(361)	(361)
Federal income taxes	31	2,371	(837)
Net cash provided by operating activities	15,341	27,225	31,724
Investing Activities:			
Pawn loans made	(163,125)	(170,019)	(172,991)
Pawn loans repaid	90,691	92,457	93,315
Recovery of pawn loan principal through sale of forfeited collateral	75,201	75,475	76,040
Payday loans made	(24,051)	(52,501)	(59,466)
Payday loans repaid	19,196	40,614	58,497
Additions to property and equipment	(2,491)	(7,963)	(9,227)
Dividends from unconsolidated affiliate	523	680	861
Proceeds from sale of assets	964	-	-
Net cash used in investing activities	(3,092)	(21,257)	(12,971)
Financing Activities:			
Proceeds from exercise of stock options	-	450	909
Debt issuance costs	-	(408)	-
Net payments on bank borrowings	(11,245)	(6,000)	(18,000)
Net cash used in financing activities	(11,245)	(5,958)	(17,091)
Change in cash and equivalents	1,004	10	1,662
Cash and equivalents at beginning of period	1,492	2,496	2,506
Cash and equivalents at end of period	$ 2,496	$ 2,506	$ 4,168
Cash paid during the periods for:			
Interest	$ 3,017	$ 1,746	$ 943
Income taxes	$ 3,163	$ 5,286	$ 9,244
Non-cash Investing and Financing Activities:			
Pawn loans forfeited and transferred to inventory	$73,727	$ 76,439	$75,890
Deferred gain on sale-leaseback	$ 506	$ -	$ -
Issuance of common stock to 401(k) plan	$ 64	$ 69	$ 72
Foreign currency translation adjustment	$ 505	$ 342	$ 65
Tax benefit from exercise of stock options	$ -	$ -	$ 558

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock Shares	Common Stock Par Value	Additional Paid In Capital	Retained Earnings (Accumulated Deficit)	Deferred Compensation Expense	Treasury Stock	Receivable From Stockholder	Accumulated Other Comprehensive Income (Loss)	Total
				(In thousands)					
Balances at Sept. 30, 2002	12,176	$ 122	$ 114,729	$ (9,523)	$ -	$ (35)	$ (729)	$ (20)	$104,544
Issuance of Common Stock to 401(k) plan	21	-	64	-	-	-	-	-	64
Amortization of stock option compensation	-	-	3	-	-	-	-	-	3
Issuance of restricted shares to employee	-	-	784	-	(784)	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	-	-	505	505
Net income	-	-	-	362	-	-	-	-	362
Total comprehensive income	-	-	-	-	-	-	-	-	867
Balances at Sept. 30, 2003	12,197	122	115,580	(9,161)	(784)	(35)	(729)	485	105,478
Issuance of Common Stock to 401(k) plan	9	-	69	-	-	-	-	-	69
Issuance of restricted shares to employee	-	-	586	-	-	-	-	(48)	538
Stock options exercised	165	2	448	-	-	-	-	-	450
Receivable from stockholder written off	-	-	-	-	-	-	729	-	729
Foreign currency translation adjustment	-	-	-	-	-	-	-	342	342
Net income	-	-	-	9,123	-	-	-	-	9,123
Total comprehensive income	-	-	-	-	-	-	-	-	9,465
Balances at Sept. 30, 2004	12,371	124	116,683	(38)	(832)	(35)	-	827	116,729
Issuance of Common Stock to 401(k) plan	4	-	72	-	-	-	-	-	72
Amortization of deferred compensation	-	-	-	-	588	-	-	-	588
Vesting of restricted stock	125	-	-	-	-	-	-	-	-
Stock options exercised	368	3	906	-	-	-	-	-	909
Tax benefit from exercise of stock options	-	-	558	-	-	-	-	-	558
Foreign currency translation adjustment	-	-	-	-	-	-	-	(65)	(65)
Net income	-	-	-	14,752	-	-	-	-	14,752
Total comprehensive income	-	-	-	-	-	-	-	-	14,687
Balances at Sept. 30, 2005	12,868	$ 127	$ 118,219	$ 14,714	$ (244)	$ (35)	$ -	$ 762	$133,543

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION: EZCORP, Inc. (the "Company") is primarily a lender or provider of credit services to individuals who do not have cash resources or access to credit to meet their short-term cash needs. At September 30, 2005, the Company offered non-recourse loans collateralized by tangible personal property, commonly known as pawn loans, in 280 EZPAWN locations. At these locations, the Company also sells merchandise, primarily collateral forfeited from its pawn lending operations, to consumers looking for good value. In 234 EZMONEY locations and 98 EZPAWN locations, the Company offered short-term non-collateralized loans, often referred to as payday loans, or fee based credit services to customers seeking loans. The Company commenced its fee based credit services July 15, 2005.

CONSOLIDATION: The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation. The Company accounts for its 28.7% interest in Albemarle & Bond Holdings, plc ("A&B") using the equity method.

PAWN LOAN REVENUE RECOGNITION: Pawn service charges are recorded using the interest method for all pawn loans the Company deems to be collectible. The Company bases its estimate of collectible loans on several factors, including recent redemption rates, historical trends in redemption rates, and the amount of loans in its ending portfolio. Unexpected variations in any of these factors could increase or decrease the Company's estimate of collectible loans, affecting the Company's earnings and financial condition. If the pawn loan is not repaid, the forfeited collateral (inventory) is valued at the lower of cost (pawn loan principal) or market (net realizable value) of the property. When this inventory is sold, sales revenue and the related cost are recorded at the time of sale.

PAYDAY LOAN REVENUE RECOGNITION: Payday loans and related service charges reported in the Company's consolidated financial statements reflect only the Company's participation interest in these loans. The Company accrues service charges on the percentage of loans the Company deems to be collectible using the interest method. Accrued service charges related to defaulted loans are deducted from service charge revenue upon loan default, and increase service charge revenue upon subsequent collection.

PAYDAY LOAN BAD DEBT AND OTHER DIRECT EXPENSES: The Company considers a loan defaulted if the loan has not been repaid or renewed by the maturity date. Although defaulted loans may be collected later, the Company charges defaulted loan principal to bad debt upon default, leaving only active loans in the reported balance. Subsequent collections of principal are recorded as a reduction of bad debt at the time of collection. The Company's payday loan net defaults, included in bad debt and other payday loan direct expenses, were $3.5 million, $8.0 million and $6.6 million, representing 28%, 34% and 23% of payday loan service charges for the years ended September 30, 2003, 2004 and 2005, ("Fiscal 2003," "Fiscal 2004" and "Fiscal 2005") respectively.

PAYDAY LOAN ALLOWANCE FOR LOSSES: The Company also provides an allowance for losses on active payday loans and related service charges receivable, based on recent loan default experience and expected seasonal variations. Changes in the principal valuation allowance are charged to bad debt expense in the Company's statement of operations. Changes in the service charge receivable valuation allowance are charged to payday loan service charge revenue. At September 30, 2003, 2004 and 2005, the allowance for losses on payday loans was $0.3 million, $0.6 million, and $0.2 million, respectively, representing 37%, 40%, and 60%, respectively, of payday loan fees receivable.

CREDIT SERVICE REVENUE RECOGNITION: The Company earns credit service fees when it assists customers in obtaining a loan from an unaffiliated lender. The Company accrues credit service fees on the percentage of fees the Company expects to collect. Accrued fees related to defaulted loans are deducted from credit service fee revenue upon loan default, and increase credit service fee revenue upon subsequent collection.

CREDIT SERVICE BAD DEBT AND OTHER DIRECT EXPENSES: As part of its credit services, the Company issues a letter of credit to enhance the creditworthiness of the Company's customers seeking loans from an unaffiliated lender. The letter of credit assures the lender that if the borrower defaults on his loan, the Company will pay the lender the principal and accrued interest owed it by the borrower, plus an insufficient funds fee, all of which the Company records as bad debt and then attempts to collect from the borrower. The Company considers a loan defaulted, and pays all amounts due under the related letter of credit, if the loan has not been repaid or renewed by the maturity date. Although amounts paid under letters of credit may be collected later, the Company charges those amounts to bad debt upon default. Subsequent recoveries under the letters of credit are recorded as a reduction of bad debt at the time of collection. The Company's credit service bad debt, included in credit service bad debt and other direct expenses, was $6.4 million for the year ended September 30, 2005, ("Fiscal 2005"), representing 48% of credit service fee revenues in Fiscal 2005. The Company had no credit service bad debt in the years ended September 30, 2003 and 2004 ("Fiscal 2003" and "Fiscal 2004"), as it did not offer credit services in those years.

CREDIT SERVICE ALLOWANCE FOR LOSSES: The Company also provides an allowance for losses it expects to incur under letters of credit for loans that are active at period-end but have not yet matured. Its allowance is based on recent loan default experience and expected seasonal variations, and includes all amounts it expects to pay to the unaffiliated lender upon loan default, including loan principal, accrued interest, and insufficient funds fees, net of the amounts it expects to subsequently collect from borrowers ("Expected LOC Losses"). Changes in the valuation allowance are charged to credit service bad debt expense in the Company's statement of operations. At September 30, 2005, the allowance for Expected LOC Losses was $1.4 million, representing 46% of credit service fees receivable. The Company's maximum exposure for losses on letters of credit, if all loans defaulted and none was collected, was $15.7 million at September 30, 2005.

Based on the expected loss and collection percentages, the Company also provides an allowance for its credit service fees it expects not to collect, and charges changes in the credit service fee receivable valuation allowance to credit service fee revenue. At September 30, 2005, this reserve amounted to $0.3 million, or 9.0% of credit service fees receivable.

The Company had no credit service operations or allowances in Fiscal 2003 and Fiscal 2004.

TOTAL REVENUES: In Fiscal 2005, the Company's total revenues were comprised of 25% pawn service charges, 58% sales, and 17% signature loan fees (payday loans and credit services). In Fiscal 2004, the Company's total revenues were comprised of 26% pawn service charges, 63% sales, 10% payday loan service charges, and 1% other fee revenue.

CASH AND CASH EQUIVALENTS: The Company considers investments with maturities of 90 days or less when purchased to be cash equivalents.

INVENTORY: If a pawn loan is not repaid, the forfeited collateral (inventory) is recorded at cost (pawn loan principal). The Company does not record loan loss allowances or charge-offs on the principal portion of pawn loans. In order to state inventory at the lower of cost (specific identification) or market (net realizable value), the Company provides an allowance for shrinkage and excess, obsolete, or slow-moving inventory. The allowance is based on the type and age of merchandise as well as recent sales trends and margins. At September 30, 2004 and 2005, the valuation allowance deducted from the carrying value of inventory amounted to $1,545,000 and $1,860,000 (4.8% and 5.8% of gross inventory), respectively. Changes in the inventory valuation allowance are recorded as cost of goods sold.

SOFTWARE DEVELOPMENT COSTS: The Company accounts for software development costs in accordance with the American Institute of Certified Public Accountants' ("AICPA") Statement of Position ("SOP") No. 98-1, "Accounting for the Costs of Computer Software Developed for or Obtained for Internal Use," which requires the capitalization of certain costs incurred in connection with developing or obtaining software for internal use. During 2003, 2004, and 2005 approximately $233,000, $134,000, and $196,000 was capitalized in connection with the development and acquisition of internal software systems. No interest was capitalized in 2003, 2004, or 2005. Capitalized costs are amortized by the straight-line method over the estimated useful lives of each system, ranging from five to eight years.

CUSTOMER LAYAWAY DEPOSITS: Customer layaway deposits are recorded as deferred revenue until the entire related sales price has been collected and the related merchandise has been delivered to the customer.

PROPERTY AND EQUIPMENT: Property and equipment are stated at cost. Provisions for depreciation are computed on a straight-line basis using estimated useful lives of 30 years for buildings and 2 to 8 years for furniture, equipment, and software development costs. Leasehold improvements are depreciated over the shorter of their estimated useful life - typically 10 years - or the reasonably assured lease term at the inception of the lease. Property and equipment is shown net of accumulated depreciation of $59.3 million and $67.2 million at September 30, 2004 and 2005, respectively.

OPERATING LEASES: In a letter dated February 7, 2005, the Office of the Chief Accountant of the Securities and Exchange Commission expressed to the American Institute of Certified Public Accountants its interpretation of the rules for accounting for operating leases. In the quarter ended March 31, 2005, the Company performed a review of its lease accounting practices to ensure compliance with this letter. Consistent with industry practices, the Company historically recorded rent expense on a straight-line basis over the initial non-cancelable lease term. The Company has concluded that the calculation of straight-line rent should include lease renewal options that are reasonably assured, as defined in SFAS 98, "Accounting for Leases." As a result, the Company determined that rent expense was understated in previous periods by a cumulative amount of $0.3 million, which was recorded as operations expense in the quarter ended March 31, 2005. No prior periods were restated, as the amount was not material to any quarterly or annual period or to the Company's financial position in any period. The adjustment did not affect historical or future net cash flows or the timing of payments under related leases. The Company also reassessed the depreciable lives of its leasehold improvements to be the shorter of their estimated useful life or the reasonably assured lease term at the inception of the lease. This resulted in no cumulative difference, but did result in a $0.1 million increase in current depreciation expense in the quarter ended March 31, 2005.

INTANGIBLE ASSETS: The Company adopted the Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets" effective October 1, 2002. Under the provisions of SFAS No. 142, goodwill and other intangible assets having an indefinite useful life are no longer subject to amortization but will be tested for impairment at least annually. The effects of the adoption of this new accounting principle are discussed in Note B, "Change in Accounting Principle."

VALUATION OF TANGIBLE LONG-LIVED ASSETS: The Company assesses the impairment of tangible long-lived assets (i.e., property and equipment) whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors which could trigger an impairment review include the following: significant underperformance relative to historical or projected future cash flows; significant changes in the manner of use of the assets or the strategy for the overall business; and significant negative industry trends. When management determines that the carrying value of tangible long-lived assets may not be recoverable, impairment is measured based on the excess of the assets' carrying value over the estimated fair value. No impairment of tangible long-lived assets has been recognized in Fiscal 2004 or 2005.

FAIR VALUE OF FINANCIAL INSTRUMENTS: The fair value of financial instruments is determined by reference to various market data and other valuation techniques, as appropriate. Unless otherwise disclosed, the fair values of financial instruments approximate their recorded values, due primarily to their short-term nature. The Company considers investments with maturities of 90 days or less when purchased to be cash equivalents.

FOREIGN CURRENCY TRANSLATION: The Company's equity investment in A&B is translated into U.S. dollars at the exchange rate as of A&B's balance sheet date of June 30. The related interest in A&B's net income is translated at the average exchange rate for each six-month period reported by A&B. Resulting translation adjustments are reflected as a separate component of stockholders' equity.

COSTS OF GOODS SOLD: Included in costs of goods sold is the historical cost of inventory sold, inventory shrinkage, and any change in the Company's allowance for inventory shrinkage and valuation. Also included is the cost of the Company's central jewelry processing unit, as it relates directly to sales of precious metals to refiners.

OPERATIONS EXPENSE: Included in operations expense are costs related to operating the Company's stores. These costs include labor, other direct expenses such as utilities, supplies, and banking fees, and other indirect expenses such as store rent, building repairs and maintenance, advertising, and store property taxes and insurance.

ADMINISTRATIVE EXPENSE: Included in administrative expense are costs related to the Company's executive and administrative offices. This includes executive, administrative and regional salaries, wages and incentive compensation, professional fees, license fees, and costs related to the operation of the Company's administrative offices such as rent, property taxes, insurance, and information technology. Also included in administrative expense are costs of the Company's payday loan call center and bad debt collection center.

ADVERTISING: Advertising costs are expensed as incurred. Advertising expense was approximately $1,189,000, $1,202,000, and $1,440,000 for the fiscal years ended September 30, 2003, 2004, and 2005, respectively.

INCOME TAXES: The provision for federal income taxes has been calculated based on the Company's estimate of its effective tax rate for the full fiscal year. At June 30, 2004, the Company increased its estimate of the effective tax rate for its fiscal year ending September 30, 2004 from 34.5% to 37.0%, as more fully discussed in Note I, "Income Taxes." As part of the process of preparing the consolidated financial statements, the Company is required to estimate income taxes in each of the jurisdictions in which it operates. This process involves estimating the actual current tax liability together with assessing temporary differences in recognition of income for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheet. Management must then assess the likelihood that the deferred tax assets will be recovered from future taxable income. In the event the Company was to determine that it would not be able to realize all or part of its net deferred tax assets in the future, a valuation allowance would be charged to the income tax provision in the period such determination was made. Likewise, should the Company determine that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, a decrease to a valuation allowance would increase income in the period such determination was made. The Company evaluates the realizability of its deferred tax assets quarterly by assessing the need for a valuation allowance, if any. As of September 30, 2004 and 2005, the Company did not have a valuation allowance on its deferred tax assets.

STOCK-BASED COMPENSATION: The Company accounts for its stock-based compensation plans in accordance with the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations ("APB 25"). Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, "Accounting for Stock-Based Compensation Transition and Disclosure," encourages expensing the fair value of employee stock options, but allows an entity to continue to account for stock-based compensation to employees under APB 25 with disclosures of the pro forma effect on net income had the fair value accounting provisions of SFAS No. 123 been adopted. The Company has calculated the fair value of options granted in these periods using the Black-Scholes option-pricing model and has determined the pro forma impact on net income. For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period.

The following table presents the effect on net income (loss) if the Company had applied the fair value recognition provisions of SFAS No. 123, as amended by SFAS No. 148, to stock-based compensation:

	Years ended September 30,		
	2003	2004	2005
	(In thousands, except per share amounts)		
Net income, as reported	$ 362	$ 9,123	$ 14,752
Add: stock-based employee compensation expense included in reported net income, net of related tax effects	-	350	376
Deduct: total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(364)	(879)	(1,048)
Pro forma net income (loss)	$ (2)	$ 8,594	$ 14,080
Earnings per share, basic:			
As reported	$ 0.03	$ 0.74	$ 1.19
Pro forma	$ 0.00	$ 0.70	$ 1.13
Earnings per share, assuming dilution:			
As reported	$ 0.03	$ 0.70	$ 1.09
Pro forma	$ 0.00	$ 0.65	$ 1.04

See Note H, "Common Stock, Warrants, and Options."

SEGMENTS: The Company accounts for its operations in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." No segment disclosures have been made as the Company considers its business activities as a single segment.

USE OF ESTIMATES: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and such difference may be material.

RECLASSIFICATIONS: Certain prior year financial statement balances have been reclassified to conform to the current year presentation.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS: In December 2004, the Financial Accounting Standards Board issued SFAS No. 123 (revised 2004), "Share Based Payment" ("SFAS No. 123R"). The statement revises SFAS No. 123 and supersedes APB 25, under which the Company currently accounts for its share-based payments to its employees. SFAS No. 123R will be effective for the Company beginning October 1, 2005, and will require the Company to recognize as expense the grant-date fair value of share-based payments made to employees. Pro forma disclosure will no longer be an alternative. SFAS No. 123R also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement could reduce net operating cash flows and increase net financing cash flows in periods after adoption.

SFAS No. 123R permits public companies to adopt its requirements using one of two methods:

1. A "modified prospective" method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS No. 123R for all share-based payments granted after the effective date and (b) based on the requirements of Statement 123 for all awards granted to employees prior to the effective date of SFAS No. 123R that remain unvested on the effective date.

2. A "modified retrospective" method which includes the requirements of the modified prospective method described above, but also permits entities to restate based on the amounts previously recognized under Statement 123 for purposes of pro forma disclosures either (a) all prior periods presented or (b) prior interim periods of the year of adoption.

The Company expects to adopt SFAS No. 123R using the modified prospective method, and expects to continue to estimate the fair value of stock options using the Black-Scholes option pricing model so that fair value estimates will be computed on a basis comparable with prior year pro forma compensation expense calculations. The amount of expense will depend largely on option exercises, forfeitures, cancellations, and any grants occurring during the year, and therefore cannot be reasonably estimated.

NOTE B: CHANGE IN ACCOUNTING PRINCIPLE

The Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets" effective October 1, 2002. Under the provisions of SFAS No. 142, goodwill and other intangible assets having indefinite lives are no longer subject to amortization but will be tested for impairment annually, or more frequently if events or changes in circumstances indicate that the assets might be impaired. With the adoption of SFAS No. 142, the Company ceased amortization of goodwill and pawn licenses, which lowered amortization expense approximately $603,000 annually, beginning October 1, 2002. The Company also ceased goodwill amortization related to its equity investment in A&B, which resulted in a $453,000 annual increase in "equity in net income of unconsolidated affiliates." During the quarter ended December 31, 2002, the Company, with the assistance of independent valuation specialists, completed impairment tests of its goodwill and pawn licenses. The goodwill testing estimated enterprise value based on discounted cash flows and market capitalization and indicated an implied fair value of goodwill of $0 based on the allocation of enterprise value to all of the Company's assets and liabilities. This resulted in an $8.0 million, net of tax, impairment charge for goodwill, recorded as a cumulative effect of adopting a new accounting principle. Separately, the estimated fair value of pawn licenses was compared to their carrying value, indicating no impairment. In accordance with SFAS No. 142, the Company also reassessed the useful lives of intangible assets other than goodwill and pawn licenses, resulting in no change. The Company assesses its goodwill and indefinite lived intangible assets as of July 1 of each year or more frequently if events or changes in circumstances indicate impairment. Excluding the cumulative adjustment recognizing impairment of the Company's goodwill, the Company concluded that there was no impairment of its indefinite lived intangible assets in Fiscal 2003, 2004, and 2005.

The following table presents the results of the Company on a comparable basis as if SFAS No. 142 had been effective for all periods presented.

	Years Ended September 30,		
	2003	2004	2005
	(In thousands, except per share amounts)		
Net income, as reported	$ 362	$ 9,123	$14,752
Cumulative effect of adopting a new accounting principle, net of tax	8,037	-	-
Adjusted net income	$ 8,399	$ 9,123	$14,752
Basic earnings per share:			
Net income as reported	$ 0.03	$ 0.74	$ 1.19
Cumulative effect of adopting new accounting principle, net of tax	0.66	-	-
Adjusted net income	$ 0.69	$ 0.74	$ 1.19
Diluted earnings per share:			
Net income as reported	$ 0.03	$ 0.70	$ 1.09
Cumulative effect of adopting a new accounting principle, net of tax	0.64	-	-
Adjusted net income	$ 0.67	$ 0.70	$ 1.09

At each balance sheet date presented, the balance of pawn licenses - the only major class of indefinite lived intangible assets at each of these dates - was $1.5 million.

The following table presents the gross carrying amount and accumulated amortization for each major class of definite-lived intangible assets at the specified dates:

	September 30, 2004		September 30, 2005	
	Carrying Amount	Accumulated Amortization	Carrying Amount	Accumulated Amortization
	(In thousands)			
License application fees	$ 345	$ 195	$ 345	$ 226
Real estate finders' fees	554	277	554	294
Non-compete agreements	388	238	388	258
Total	$ 1,287	$ 710	$ 1,287	$ 778

Total amortization expense from definite-lived intangible assets was approximately $90,000, $77,000, and $68,000 for the years ended September 30, 2003, 2004, and 2005. The following table presents the Company's estimate of amortization expense for definite-lived intangible assets for each of the five succeeding fiscal years as of September 30, 2005:

Fiscal Year	Amortization Expense
(In thousands)	
2006	$ 67
2007	67
2008	66
2009	57
2010	42

As acquisitions and dispositions occur in the future, amortization expense may vary from these estimates.

NOTE C: EARNINGS PER SHARE

A reconciliation of the numerators and denominators of basic and diluted earnings per share is shown in the table below:

	Years Ended September 30,		
	2003	2004	2005
	(In thousands)		
Numerator			
Numerator for basic and diluted earnings per share:			
Income before cumulative effect of adopting a new accounting principle	$ 8,399	$ 9,123	$ 14,752
Cumulative effect of adopting a new accounting principle, net of tax	(8,037)	-	-
Net income	362	9,123	14,752
Denominator			
Denominator for basic earnings per share: weighted average shares	12,181	12,256	12,434
Effect of dilutive securities:			
Options and warrants	371	806	1,006
Restricted common stock grants	-	60	134
Dilutive potential common shares	371	866	1,140
Denominator for diluted earnings per share: adjusted weighted average shares and assumed conversions	12,552	13,122	13,574
Basic earnings per share	$ 0.03	$ 0.74	$ 1.19
Diluted earnings per share	$ 0.03	$ 0.70	$ 1.09

The following table presents the weighted average shares subject to options outstanding during the periods indicated. Anti-dilutive options, warrants and restricted stock grants have been excluded from the computation of diluted earnings per share because the exercise price was greater than the average market price of the common shares so the effect would be anti-dilutive.

Outstanding options to purchase shares of common stock were as follows:

	Years Ended September 30,		
	2003	2004	2005
Total options outstanding			
Weighted average shares subject to options	2,001,344	2,255,604	2,089,908
Average exercise price per share	$ 6.14	$ 6.61	$ 6.95
Anti-dilutive options outstanding			
Weighted average shares subject to options	910,810	1,033,471	59,679
Average exercise price per share	$ 10.69	$ 10.91	$ 14.92

During Fiscal 2004, there were 42,787 of weighted average shares of restricted stock outstanding that were anti-dilutive. None were anti-dilutive in Fiscal 2005.

NOTE D: INVESTMENTS

The Company owns 13,276,666 common shares of Albemarle & Bond Holdings, plc ("A&B"), or approximately 29% of the total outstanding shares. The shares were acquired in 1998 at a total cost of $12.8 million. A&B is primarily engaged in pawnbroking, retail jewelry sales, check cashing, and lending in the United Kingdom. The investment is accounted for using the equity method. Since A&B's fiscal year end is June 30, the income reported by the Company for its investment in A&B is on a three-month lag. In accordance with United Kingdom securities regulations, A&B files only semi-annual financial reports, for its fiscal periods ending December 31 and June 30. The income reported for the Company's fiscal year end of September 30 represents its percentage interest in the results of A&B's operations from July 1 to June 30. In Fiscal 2004 and 2005, the Company received dividends from A&B of $680,000 and $861,000, respectively. The undistributed earnings included in the Company's consolidated retained earnings are $3.8 million as of September 30, 2005. A&B's shares are listed on the Alternative Investment Market of the London Stock Exchange and at October 31, 2005, the market value of this investment was approximately $35.6 million, based on the closing market price and currency exchange rate on that date.

Conversion of A&B's financial statements into US Generally Accepted Accounting Principles ("GAAP") resulted in no material differences from those reported by A&B following United Kingdom Generally Accepted Accounting Principles ("UK GAAP").

Below is summarized financial information for A&B's most recently reported results (using the exchange rate as of June 30 of each year for balance sheet items and average exchange rates for income statement items for the periods indicated):

	As of June 30,	
	2004	2005
	(In thousands)	
Current assets	$ 44,787	$ 51,451
Non-current assets	8,649	9,475
Total assets	$ 53,436	$ 60,926
Current liabilities	$ 7,356	$ 7,627
Non-current liabilities	15,927	18,837
Equity shareholders' funds	30,153	34,463
Total liabilities and equity shareholders' funds	$ 53,436	$ 60,926

	Years ended June 30,		
	2003	2004	2005
	(In thousands)		
Turnover (gross revenues)	$ 32,094	$ 38,891	$ 44,620
Gross profit	22,468	27,613	32,555
Profit after tax (net income)	4,827	6,024	7,539

At September 30, 2005, the recorded balance of the Company's investment in A&B, accounted for on the equity method, was $17.3 million. The Company's equity in net assets of A&B was $10.6 million. The difference between the recorded balance and the Company's equity in A&B's net assets represents the $6.7 million of unamortized goodwill which resulted from the initial purchase, plus the cumulative difference resulting from A&B's earnings, dividend payments, and translation gain since the date of investment.

In 2000, the Company invested $1.1 million in an internet related start-up company and accounted for it under the cost method. Based on the investee's performance, the Company determined at September 30, 2003 that its investment was fully impaired, resulting in a $1.1 million impairment charge recorded in Fiscal 2003.

NOTE E: PROPERTY AND EQUIPMENT

Major classifications of property and equipment were as follows:

	September 30,	
	2004	2005
	(In thousands)	
Land	$ 44	$ 44
Buildings and improvements	34,775	38,527
Furniture and equipment	28,901	33,296
Software	21,275	21,407
Construction in progress	131	934
Total	85,126	94,208
Less accumulated depreciation	(59,280)	(67,244)
	$ 25,846	$ 26,964

NOTE F: ACCOUNTS PAYABLE AND OTHER ACCRUED EXPENSES

Accounts payable and other accrued expenses consisted of the following:

	September 30, 2004	September 30, 2005
	(In thousands)	
Trade accounts payable	$ 3,333	$ 3,760
Accrued payroll and related expenses	6,449	6,398
Accrued interest	136	145
Accrued rent and property taxes	2,285	3,099
Accrual for expected losses on CSO letters of credit	-	1,391
Other accrued expenses	2,744	4,195
	$ 14,947	$ 18,988

NOTE G: LONG-TERM DEBT

Long-term debt consisted of:

	September 30, 2004	September 30, 2005
	(In thousands)	
Note payable to bank under credit agreement	$ 25,000	$ 7,000
Less current maturities	-	-
	$ 25,000	$ 7,000

At September 30, 2005, the Company's credit agreement provided for a $40.0 million revolving credit facility with an effective rate of 4.9375% and a maturity date of April 1, 2007. The effective interest rate at September 30, 2004 was 3.5%. Advances are secured by the Company's assets. The Company may choose either a Eurodollar rate or the agent bank's base rate. Interest accrues at the Eurodollar rate plus 150 to 275 basis points or the agent bank's base rate plus 0 to 125 basis points, depending on the leverage ratio computed at the end of each quarter. The Company also pays a commitment fee of 37.5 basis points on the unused amount of the revolving facility. Terms of the agreement require, among other things, that the Company meet certain financial covenants. Payment of dividends and additional debt are allowed but restricted.

NOTE H: COMMON STOCK, WARRANTS, AND OPTIONS

The capital stock of the Company consists of two classes of common stock designated as Class A Non-Voting Common Stock ("Class A Common Stock") and Class B Voting Common Stock ("Class B Common Stock"). The rights, preferences, and privileges of the Class A and Class B Common Stock are similar except that each share of Class B Common Stock has one vote and each share of Class A Common Stock has no voting privileges. All Class A Common Stock is publicly held. Holders of Class B Common Stock may, individually or as a class, convert some or all of their shares into Class A Common Stock. Class A Common Stock becomes voting common stock upon the conversion of all Class B Common Stock to Class A Common Stock. The Company is required to reserve such number of authorized but unissued shares of Class A Common Stock as would be issuable upon conversion of all outstanding shares of Class B Common Stock.

At September 30, 2005, warrants to purchase 22,396 shares of Class A Common Stock and 4,074 shares of Class B Common Stock at $6.17 per share were outstanding. The warrants are not mandatorily redeemable, and are exercisable at the option of the holder through July 25, 2009.

The Company has an Incentive Stock Option Plan (the "1991 Plan") under which options to purchase Class A Common Stock were granted to employees until adoption of the EZCORP, Inc 1998 Incentive Plan (the

"1998 Plan") discussed below. Options granted under the 1991 Plan were granted at exercise prices equal to or greater than the fair market value of the Class A Common Stock on the date of grant. Grants under the 1991 Plan provide for accelerated vesting upon a change in control of the Company.

On November 5, 1998, the Compensation Committee of the Board of Directors approved the adoption of the 1998 Plan, which provided for the issuance of shares for stock option awards of up to 1,275,000 of the Company's Class A Common Stock. In approving the 1998 Plan, the Compensation Committee resolved that no further options would be granted under any previous plans.

On November 5, 1998, the Compensation Committee of the Board of Directors approved a grant of 1,023,000 options to executive officers, exercisable at $10.00 per share, and, except as discussed below, vesting on October 6, 2008. As of September 30, 2005, 450,000 of these options remained outstanding (options granted less options canceled due to employee termination) and none had been exercised. The terms of this grant provide for accelerated vesting upon achievement of certain debt to equity ratios and levels of earnings per share.

On October 30, 2002, the Compensation Committee of the Board of Directors approved a grant of 570,000 options to executive officers, exercisable at $2.57 per share, and, except as discussed below, vesting on October 20, 2008. As of September 30, 2005, 294,500 of these options remained outstanding, 135,000 options have been canceled due to employee termination, and 140,500 options have been exercised. The terms of this grant provides for accelerated vesting upon achievement of certain income levels for years ending September 30, 2003, 2004, and 2005. As of September 30, 2005, 72,500 options are exercisable.

On September 17, 2003, the Board of Directors approved the adoption of the EZCORP, Inc. 2003 Incentive Plan (the "2003 Plan"). The 2003 Plan permits grants of the same types of options, stock appreciation rights ("SARs") and limited stock appreciation rights ("LSARs") as the 1991 and 1998 Plans and provides for stock option awards of up to 900,000 of the Company's Class A Common Stock. In approving this plan, the Board of Directors resolved that no further options would be granted under the 1998 Plan.

On September 17, 2003, the Compensation Committee of the Board of Directors approved an award of 125,000 shares of restricted stock to the Chairman of the Board. The Company also agreed to reimburse the Chairman for the income tax consequences resulting from the award. The market value of the restricted stock on the award date was $0.8 million, which was amortized over the two-year restriction period ended September 17, 2005. The Company amortized to expense $0.4 million of this cost in each of the fiscal years ended September 30, 2004 and 2005. In the quarter ended December 31, 2003, the Company also reimbursed $0.8 million for the Chairman's one-time taxes related to the award. The reimbursement was charged to administrative expense. These restricted shares are not included in the Summary of Option Plan Activity or Range of Options Outstanding tables below.

Also on September 17, 2003, the Compensation Committee of the Board of Directors approved a grant of 100,000 options to the Chairman of the Board, exercisable at $6.27 per share. Forty percent of these options vested September 15, 2004, and the remaining 60% vested September 15, 2005.

On January 15, 2004, the Compensation Committee of the Board of Directors approved an award of 60,000 shares of restricted stock to the Company's Chief Executive Officer. The Company also agreed to reimburse him for the income tax consequences resulting from the award. The shares will vest on January 1, 2009, provided he remains continuously employed by the Company through the vesting date. The shares are subject to earlier vesting based on the occurrence of certain objectives. The market value of the restricted stock on the award date was $0.6 million, which was being amortized over a three-year period based on the Company's initial expectation that earlier vesting objectives would be met. One third of the shares vested January 15, 2005 based on the attainment of the goals for accelerated vesting. During the Fiscal 2004 and 2005 Periods, $0.1 million and $0.2 million of this cost was amortized to expense, respectively. Effective October 1, 2005, the Company determined it no longer believes the requirements will be met for accelerated vesting. Accordingly, the remaining unamortized deferred compensation of $0.2 million will be amortized ratably over the vesting period ending January 1, 2009.

Additionally in the quarter ended March 31, 2004, the Company reimbursed $0.3 million for the Chief Executive Officer's one-time taxes related to the award. The reimbursement was charged to administrative expense. These restricted shares are not included in the Summary of Option Plan Activity or Range of Options Outstanding tables below.

Also on January 15, 2004, the Compensation Committee of the Board of Directors approved a grant of 324,000 options to key individuals exercisable at $9.77 per share, and except as discussed below, vesting on January 1, 2009. An additional grant under the same conditions was granted on April 19, 2004 at an exercise price of $10.60 per share. As of September 30, 2005, all options remain outstanding and none have been exercised. The terms of the grant provide for accelerated vesting upon achievement of certain objectives.

In Fiscal 2003, 2004, and 2005, the Compensation Committee of the Board of Directors approved additional grants of options under the 1998 and 2003 Plans at exercise prices ranging from $2.00 to $16.06. Under the 1991 Plan, the 1998 Plan and the 2003 Plan, options typically vest at 20% each year and are fully vested in five years. They have a contractual life of ten years. Total options available for grant at September 30, 2005 under the 2003 Plan were 71,500. A summary of the option plans' activity follows:

SUMMARY OF OPTION PLAN ACTIVITY

	Number of Shares	Price Range of Shares	Weighted Average
Outstanding at September 30, 2002	1,451,723	$ 2.00 - $21.75	$ 7.71
Granted	876,000	$ 2.30 - $ 6.27	$ 3.05
Forfeited	(200,030)	$ 2.00 - $13.00	$ 3.64
Expired	(14,700)	$21.75	$ 21.75
Exercised	-	-	-
Outstanding at September 30, 2003	2,112,993	$ 2.00 - $15.00	$ 6.13
Granted	412,500	$ 5.92 - $12.15	$ 9.60
Forfeited	(113,240)	$ 2.00 - $ 4.00	$ 2.48
Expired	(128,000)	$13.00 - $14.50	$ 13.98
Exercised	(165,800)	$ 2.00 - $ 6.27	$ 2.70
Outstanding at September 30, 2004	2,118,453	$ 2.00 - $15.00	$ 6.80
Granted	105,000	$ 8.86 - $16.06	$ 10.58
Forfeited	(21,690)	$ 2.00 - $ 8.86	$ 5.97
Expired	(34,973)	$12.50 - $12.75	$ 12.67
Exercised	(366,890)	$ 2.00 - $10.00	$ 2.46
Outstanding at September 30, 2005	1,799,900	$ 2.00 - $16.06	$ 7.80

RANGE OF OPTIONS OUTSTANDING

Range of Exercise Prices	Number of Shares Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Exercisable	Exercisable Shares Weighted Avg. Exer. Price
$ 2.00-$ 2.90	480,900	$ 2.41	6.60	169,510	$ 2.29
$ 3.50-$ 4.24	37,000	$ 4.00	7.64	14,800	$ 4.00
$ 5.92-$ 8.86	243,000	$ 7.15	8.35	123,600	$ 6.34
$ 9.77-$ 16.06	1,039,000	$ 10.57	5.25	311,500	$ 11.45
$ 2.00-$ 16.06	1,799,900	$ 7.80	6.08	619,410	$ 7.75

Pro forma information regarding net income (loss) is required by SFAS No. 123, as amended by SFAS No. 148, and has been determined as if the Company had accounted for its employee stock options under the fair value method of SFAS No. 123, as amended by SFAS No. 148. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, this option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. In applying the Black-Scholes option valuation model, the Company used the following weighted average assumptions for the years ended September 30, 2003, 2004, and 2005, respectively:

	September 30, 2003	September 30, 2004	September 30, 2005
Risk-free interest rate	2.82%	3.22%	3.24%
Dividend yield	0%	0%	0%
Volatility factor of the expected market price of the Company's common stock	0.56	0.38	0.41
Expected life of the options	5 years	10 years	10 years
Weighted average fair value of options granted:			
Exercise price greater than market value at date of grant	$ 1.47	$ -	$ -
Exercise price equal to market value at date of grant	$ 2.33	$ 5.20	$ 6.11
Exercise price less than market value on the date of grant	$ -	$ -	$ -

Shares of reserved common stock at September 30, 2005, were as follows:

	Class A	Class B
Stock compensation plans	1,551,310	-
Stock warrants	22,396	4,074
Conversion of Class B Common Stock	998,990	-
	2,572,696	4,074

Pro forma information regarding net income (loss) is presented in Note A, "Organization and Summary of Significant Accounting Policies."

NOTE I: INCOME TAXES

The income tax provision (benefit) attributable to continuing operations is as follows:

	Years Ended September 30, 2003	2004	2005
	(In thousands)		
Current			
Federal	$ 3,046	$ 7,400	$ 8,121
State	-	61	67
	3,046	7,461	8,188
Deferred			
Federal	(4,216)	(2,103)	110
State	-	-	-
	$ (1, 170)	$ 5,358	$ 8,298

The income tax provision (benefit) is included in the financial statements as follows:

	Years Ended September 30, 2003	2004	2005
	(In thousands)		
Continuing operations	$ (1,170)	$ 5,358	$ 8,298
Cumulative effect of adopting a new accounting principle	(3,111)	-	-
	$ (4,281)	$ 5,358	$ 8,298

A reconciliation of income taxes calculated at the statutory rate and the provision (benefit) for income taxes attributable to continuing operations is as follows:

	Years Ended September 30,		
	2003	2004	2005
	(In thousands)		
Income taxes at the federal statutory rate	$ 2,458	$ 5,068	$ 8,068
State income tax, net of federal benefit	-	61	93
Change in valuation allowance	(3,700)	-	-
Other	72	229	137
	$ (1,170)	$ 5,358	$ 8,298

In the quarter ended June 30, 2004, the Company increased its estimate of the effective tax rate for the Fiscal 2004 period from 34.5% to 37.0%. The increase resulted primarily from the determination in the quarter that certain executive compensation would not be deductible for federal income tax purposes in 2004 and from an increase in expected state income taxes. This, combined with the Company's continued growth in earnings and projected future earnings, also increased the tax rate at which the Company expects its net deferred tax assets to be realized. The one-time benefit received as a result of the revaluation of the Company's deferred tax assets due to the increase in the expected future tax rate is included in the "Other" category in the 2004 rate reconciliation above. The Company's effective tax rate was 36.0% in Fiscal 2005.

Significant components of the Company's deferred tax liabilities and assets as of September 30 are as follows:

	2004	2005
	(In thousands)	
Deferred tax liabilities:		
Tax over book amortization	$ 3,935	$ 3,764
Foreign income and dividends	844	1,309
Prepaid expenses	167	321
Total deferred tax liabilities	4,946	5,394
Deferred tax assets:		
Book over tax depreciation	9,330	8,347
Tax over book inventory	6,185	6,266
Accrued liabilities	1,235	1,901
Pawn service charges receivable	2,464	2,694
Tax carry-forwards	389	389
Impairment of receivable from stockholder	-	343
Total deferred tax assets	19,603	19,940
Net deferred tax asset	14,657	14,546
Valuation allowance	-	-
Net deferred tax asset	$ 14,657	$ 14,546

In Fiscal 2003, the Company eliminated the valuation allowance of $3.7 million based on management's belief that it was more likely than not that the Company's net deferred tax asset would be realized as a result of expected future taxable income from operations and implementation of certain tax planning strategies, if required.

Substantially all of the Company's operating income was generated from domestic operations during 2004 and 2005. At September 30, 2004 and 2005, the Company has provided deferred income taxes on all undistributed earnings from its foreign unconsolidated affiliate. Such earnings have been reinvested in foreign operations except for dividends at September 30, 2004 and 2005 of approximately $680,000 and

$861,000, respectively. Furthermore, any taxes paid to foreign governments on those earnings may be used in whole or in part as credits against the U.S. tax on any dividends distributed from such earnings.

The Company has no net operating loss carry-forward or alternative minimum tax credit carry-forward at September 30, 2005.

NOTE J: RELATED PARTY TRANSACTIONS

As of October 1, 2004, the Company entered into a financial advisory services agreement with Madison Park, L.L.C. ("Madison Park"), an affiliate of the controlling stockholder. The agreement requires Madison Park to provide ongoing advice and consultation with respect to mergers, acquisitions, divestitures, strategic planning, corporate development, investor relations, treasury, and other advisory services for a monthly fee of $100,000, inclusive of most expenses. The Madison Park agreement has a three-year term and the Company has the right to terminate the agreement at any time. Madison Park can terminate only at the end of any one of the Company's fiscal years. Prior to entering into the agreement with Madison Park, the Audit Committee obtained a fairness opinion from a qualified, independent financial advisory firm. The fairness opinion supported the fees for the services to be rendered based on the terms of the agreement and the Company's strategic plan. Philip E. Cohen is a principal in Morgan Schiff, Madison Park, and the general partner of the controlling stockholder. In Fiscal 2005, total payments to Madison Park amounted to $1,200,000.

Pursuant to the terms of a financial advisory services agreement, Morgan Schiff & Co., Inc. ("Morgan Schiff"), an affiliate of the general partner of the controlling stockholder, provided financial advisory services to the Company through October 1, 2004 for a monthly fee, inclusive of most expenses. These services included advice and consultation with respect to mergers, acquisitions, divestitures, strategic planning, corporate development, investor relations, treasury, and other advisory services. As a result of entering the agreement with Madison Park, the Company elected not to renew its financial advisory services agreement with Morgan Schiff at October 1, 2004. Through April 30, 2004, Morgan Schiff received a financial advisory fee of $100,000 per month, inclusive of most expenses. As of May 1, 2004, the Company withheld the payment of the monthly fee pending the outcome of a review by the Audit Committee of the historical expenses paid by the Company to Morgan Schiff. The Audit Committee presented a preliminary report including findings with respect to the historical expense review.

Based on the review and the findings of the Audit Committee performed in consultation with its independent counsel and financial advisors, the Company determined that it overpaid expenses to Morgan Schiff in prior years. The Audit Committee did not find any evidence of wrongdoing or bad faith on the part of Morgan Schiff and Morgan Schiff disagreed with the Audit Committee's preliminary findings. The Audit Committee recommended that the Company seek a recovery from Morgan Schiff in the amount of $400,000. Based on the Audit Committee's recommendation, the Company offset monthly fees due Morgan Schiff in the amount of $400,000, and reduced by that amount its Administrative Expense and Accounts Payable for the year ended September 30, 2004. The Audit Committee and the Company have determined not to take any further action on this matter at this time.

The table below summarizes the monthly fee earned and expense reimbursements paid to Morgan Schiff by the Company during Fiscal 2003, 2004, and 2005 (in thousands):

	2003	2004	2005
Monthly retainer	$ 367	$ 1,200	$ -
Expense reimbursements	400	(398)	-
Total	$ 767	$ 802	$ -

In 1994, the Company loaned a former chief executive ("CEO") $729,112.50 to purchase 50,000 shares of Class A Common Stock. The loan was shown as a reduction of stockholders' equity. In connection with his separation from the Company in 2000, the maturity date of the loan was extended to the earlier of (a) ten business days following the first day that the closing price for the Company's stock equals or exceeds $10 per share, or (b) August 1, 2005. Additionally, under the agreement, all accrued and unpaid interest due on the loan was forgiven until the first day that the closing price for the Company's stock equaled or exceeded $6 per share. On September 17, 2003, the Company's stock closed at $6.27. As a result, the former CEO became responsible for the payment of interest from September 18, 2003 through December 31, 2003. He paid accrued interest through December 31, 2003. Forgiveness of interest and related income tax costs prior to September 18, 2003 were charged as compensation expense. During Fiscal 2003, 2004, and 2005, the Company recognized compensation expense of $72,000, $0, and $0, respectively. On January 16, 2004 the Company's stock closed at $10.34 thereby accelerating the due date of the note. The former CEO defaulted in the payment of the note after it became due. On September 22, 2004, the Company obtained a judgment confirming an arbitration award on the note in the amount of $969,398.55 (principal of $729,112.50 and accrued interest of $240,286.05) plus post-judgment interest. On October 19, 2004, the former CEO filed a Chapter 7 bankruptcy seeking to discharge all of his debts including the debt represented by the judgment. A full valuation allowance has been recorded for the note, as its collection is doubtful.

In October 1994, the Board of Directors approved an agreement that provided incentive compensation to the Chairman, Sterling Brinkley, based on growth in the share price of the Company's Class A Common Stock. Mr. Brinkley was advanced $1.5 million evidenced by a recourse promissory note, due in 2005 and bearing interest at the minimum rate allowable for federal income tax purposes (2.33% for Fiscal 2005).

Under the terms of Mr. Brinkley's $1.5 million loan, as amended, the loan principal would have been forgiven if, prior to its October 1, 2005 maturity date, a stock price target of $28.25 had been attained. Mr. Brinkley repaid his note in full in September 2005. Accrued interest was forgiven based upon continued employment, and the Company was required to reimburse Mr. Brinkley for the income tax consequences of the interest forgiveness. Charges to operations consist of forgiveness of interest and related income tax costs and totaled approximately $58,000, $41,000, and $60,000 for the years ended September 30, 2003, 2004, and 2005, respectively.

In February 2000, the Company loaned Mr. Rotunda $200,000 as an employment incentive. The principal and interest of the loan were subject to forgiveness in equal increments over a three-year period conditioned upon Mr. Rotunda's continued employment with the Company on February 24th of each year. The Company was required to reimburse Mr. Rotunda for the income tax consequence of any portion of the forgiveness. In Fiscal 2003, the remaining balance of this loan of $66,667 plus accrued interest of $1,651 was forgiven. During 2003, charges to operations consist of forgiveness of loan principal and interest and related income tax costs and totaled $113,960.

NOTE K: LEASES

The Company leases various facilities and certain equipment under operating leases. Future minimum rentals due under non-cancelable leases are as follows for each of the years ending September 30:

	(In thousands)
2006	$ 14,610
2007	13,377
2008	11,983
2009	10,207
2010	8,530
Thereafter	37,401
	$ 96,108

The Company subleases some of the above facilities. Future minimum rentals expected under these subleases amount to $9,600 in each of the fiscal years ending between 2006 and 2010, and $36,800 thereafter.

After an initial lease term of generally 5 to 10 years, the Company's lease agreements typically allow renewals in five-year increments. The Company's lease agreements generally include rent escalations throughout the initial lease term. Such rent escalations are included in the above numbers. For financial reporting purposes, the aggregate rentals over the lease term, including lease renewal options that are reasonably assured, are expensed on a straight-line basis.

Net rent expense for the years ending September 30, 2003, 2004, and 2005 was $15.5 million, $15.5 million, and $16.7 million, respectively. Net rent expense includes the collection of sublease rent revenue of approximately $75,000, $55,000, and $47,000 for years ending September 30, 2003, 2004, and 2005.

During Fiscal 2001, 2002, and 2003, the Company completed several sale-leaseback transactions of some of its previously owned facilities. Losses on such sales were recognized immediately, and gains on such sales were deferred and are being amortized as a reduction of lease expense over the terms of the related leases. The remaining unamortized long-term portion of these deferred gains, amounting to $3.6 million at September 30, 2005, is included in "Deferred gains and other long-term liabilities" in the Company's consolidated balance sheet. The short-term portion, included in "Accounts payable and other accrued expenses" was $0.4 million at September 30, 2005. Future rentals pursuant to these sale-leasebacks are included in the above schedule of future minimum rentals. Terms of these leases are consistent with the terms on the Company's other lease agreements.

NOTE L: EMPLOYMENT AGREEMENTS

As President and Chief Executive Officer, Joseph L. Rotunda's annual compensation includes an annual bonus ranging from 50% to 150% of his base salary dependent upon the attainment of Board approved operating goals. In the event of a change of control, Mr. Rotunda is entitled to receive a bonus payment equivalent to 200% of his annual compensation, as well as immediate vesting of all stock options. If Mr. Rotunda's employment is terminated, other than for cause, he is entitled to receive a severance payment equal to his annual compensation.

NOTE M: 401(k) PLAN

The Company sponsors a 401(k) Plan under which eligible employees of the Company may contribute up to a maximum percentage allowable not to exceed the limits of Code Sections 401(k), 402(g), 404 and 415. To be eligible, an employee must be at least 21 years old and have been employed by the Company for at least six months. The Company, in its sole discretion, may match in the form of the Company's Class A Common Stock. Contribution expense related to the plan for 2003, 2004, and 2005 was approximately $64,000, $61,000 and $72,000, respectively.

NOTE N: CONTINGENCIES

From time to time, the Company is involved in litigation and regulatory actions. Currently, the Company is a defendant in several actions. While the ultimate outcome of these actions cannot be ascertained, after consultation with counsel, the Company believes the resolution of these actions will not have a material adverse effect on the Company's financial condition, results of operations, or liquidity. There can be no assurance, however, as to the ultimate outcome of these actions.

NOTE O: QUARTERLY INFORMATION (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share amounts)			
YEAR ENDED SEPTEMBER 30, 2005				
Total revenues	$ 61,628	$ 63,098	$ 56,250	$ 73,183
Net revenues	39,715	39,197	37,829	46,740
Net income	4,949	3,969	2,129	3,705
Income per common share, basic				
Net income	0.40	0.32	0.17	0.30
Income per common share, assuming dilution				
Net income	0.37	0.29	0.16	0.27
YEAR ENDED SEPTEMBER 30, 2004				
Total revenues	$ 54,314	$ 58,289	$ 51,141	$ 64,053
Net revenues	35,041	35,772	31,801	36,981
Net income	2,990	3,007	253	2,873
Income per common share, basic				
Net income	0.25	0.25	0.02	0.23
Income per common share, assuming dilution				
Net income	0.23	0.23	0.02	0.22

In the quarter ended June 30, 2004, the Company increased its estimate of the effective tax rate for its fiscal year ending September 30, 2004 from 34.5% to 37.0%. The increase resulted primarily from the determination that certain executive compensation would not be deductible for federal income tax purposes in 2004 and from an increase in expected state income taxes. The increase in the effective income tax rate lowered net income in the quarter ended June 30, 2004 by $248,000, or $0.02 per share (basic and assuming dilution).

NOTE P: COMPREHENSIVE INCOME

Comprehensive income includes net income and other revenues, expenses, gains and losses that are excluded from net income but are included as a component of total stockholders' equity. Comprehensive income for Fiscal 2005 and Fiscal 2004 was $14.7 million and $9.5 million, respectively. The difference between comprehensive income and net income results primarily from the effect of foreign currency translation adjustments determined in accordance with SFAS No. 52, "Foreign Currency Translation." The accumulated balance of foreign currency activity excluded from net income of $1.2 million is presented, net of tax of $0.4 million, in the consolidated balance sheets as "Accumulated other comprehensive income."

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective October 6, 2004, the Company engaged BDO Seidman, LLP to audit the Company's consolidated financial statements beginning with the year ended September 30, 2004, and informed Ernst & Young, its previous independent accountant, that it planned to dismiss Ernst & Young as its independent accountant. On December 15, 2004, the Company formally dismissed Ernst & Young LLP as its independent accountant. The change was the result of a proposal and competitive bidding process involving several accounting firms. The decision to dismiss Ernst & Young LLP and to retain BDO Seidman, LLP was recommended by the Audit Committee of the Company's Board of Directors and approved by the Board of Directors.

The Company had no disagreements on accounting or financial disclosure matters with either of its independent certified public accountants - BDO Seidman, LLP or Ernst & Young LLP - to report under this Item 9.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures, which are defined under SEC rules as controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods. Based upon that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were effective.

There were no significant changes in the Company's internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation.

Notwithstanding the foregoing, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Moreover, the design of any system of controls is also based in part upon certain assumptions about the likelihood of future events.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of the Company's internal control over financial reporting. This internal control system has been designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of the Company's published consolidated financial statements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2005. To make this assessment, management utilized the criteria for effective internal control over financial reporting described in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that, as of September 30, 2005, the Company's internal control over financial reporting is effective based on those criteria.

Management's assessment of the effectiveness of our internal control over financial reporting as of September 30, 2005 has been audited by BDO Seidman, LLP, an independent registered public accounting firm, as stated in their report which appears in this annual report on Form 10-K.

/s/ Joseph L. Rotunda	/s/ Dan N. Tonissen
Joseph L. Rotunda President, Chief Executive Officer & Director November 12, 2005	Dan N. Tonissen Senior Vice President, Chief Financial Officer & Director November 12, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
EZCORP, Inc.
Austin, Texas

We have audited management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting and Scope of Management's Report, that EZCORP, Inc. maintained effective internal control over financial reporting as of September 30, 2005, based on criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). EZCORP, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that EZCORP, Inc. maintained effective internal control over financial reporting as of September 30, 2005, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, EZCORP, Inc. maintained, in all material respects, effective internal control over financial reporting as of September 30, 2005, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets as of September 30, 2005 and 2004 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended of EZCORP, Inc. and our report dated November 18, 2005 expressed an unqualified opinion thereon.

/s/ BDO Seidman, LLP

Dallas, Texas
November 18, 2005

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers and directors of the Company as of October 31, 2005 were as follows:

Name	Age	Title
Sterling B. Brinkley (1)	53	Chairman of the Board of Directors
Joseph L. Rotunda (1) (3)	58	President, Chief Executive Officer, and Director
Dan N. Tonissen (1) (3)	55	Senior Vice President, Chief Financial Officer, Assistant Secretary, and Director
Thomas C. Roberts (2) (4)	63	Director
Gary C. Matzner (4)	57	Director
Richard D. Sage (2) (4)	65	Director
Daniel M. Chism	37	Controller and Assistant Secretary
Robert A. Kasenter	59	Senior Vice President of Administration
John R. Kissick	63	Vice President of Strategic Development
Connie L. Kondik	41	Vice President, Secretary, and General Counsel
Michael Volpe	41	Vice President of EZPAWN Operations
Robert Jackson	50	Vice President and Chief Information Officer
Eric Fosse	42	Vice President of EZMONEY Operations

(1) Member of Executive Committee

(2) Member of Compensation Committee

(3) Member of Section 401(k) Plan Committee

(4) Member of Audit Committee

Mr. Brinkley has served as either Chairman of the Board or Chairman of the Executive Committee of the Board of Directors of the Company since 1989. Mr. Brinkley serves as a Director of Albemarle & Bond Holdings plc, which the Company owns approximately 29%. In addition, Mr. Brinkley was President and Chairman of the Board of MS Pawn Corporation, the general partner of MS Pawn Limited Partnership until 2004. Mr. Brinkley has also served as Chairman of the Board or Chairman of the Executive Committee of Crescent Jewelers, Inc., an affiliate of the Company, since 1988 and currently serves as Chief Executive Officer. Crescent Jewelers, Inc., a private company, filed for Chapter 11 bankruptcy protection in August 2004. From 1990 to December 2003, he served as Chairman of the Board or Chairman of the Executive Committee of Friedman's, Inc., a publicly traded affiliate of the Company. In January 2005, Friedman's, Inc. filed for Chapter 11 bankruptcy. From 1986 to 1990, Mr. Brinkley served as a Managing Director of Morgan Schiff & Co., Inc., an affiliate of the Company. See "Security Ownership of Certain Beneficial Owners and Management."

Mr. Rotunda joined the Company as director, President, and Chief Operating Officer in February 2000 and assumed the role of Chief Executive Officer of the Company in August 2000. From 1998 to 2000, he was Chief Operating Officer of G&K Services, Inc., a $500 million provider of uniform and textile products. From 1991 to 1998 he progressed through several officer positions to Executive Vice President and Chief Operating Officer of Thorn Americas, Inc. Mr. Rotunda also currently serves as a Director of Easyhome, Ltd., Toronto, Canada.

Mr. Tonissen has served as a director, Senior Vice President, Chief Financial Officer, and Assistant Secretary of the Company since August 1994. Prior to 1994, he held senior level financial positions with La Salsa Holding Company, Valley Grain Products, Inc., and Denny's, Inc.

Mr. Roberts has served as a director and as Chairman of the Audit Committee of the Company's Board of Directors since January 2005. From 1970 to 1985, Mr. Roberts was with Schlumberger, Ltd., where he was an Executive Vice President and Chief Financial Officer from 1977 to 1979 and President of

Schlumberger's worldwide electronics operations from 1979 until 1985. From 1985 until 1989, he was President of Control Data Computer Systems and Services and a member of the Control Data Board of Directors. Since 1990, Mr. Roberts has been a private investor and is currently Chairman of the Board of Directors and Chairman of the Trust Committee of Pensco, Inc., a financial services company.

Mr. Matzner has served as director of the Company since July 2002. He has been Senior Counsel with the law firm of McDermott, Will & Emery since August 2002, and has been the Mayor of the Village of Pinecrest, Florida since November 2004. From 1997 to July 2002, Mr. Matzner was President of Nobel Health Services, Inc., a provider of health care consulting services. From 1999 to May 2001, Mr. Matzner was also President of Oakridge Outpatient Center, Inc.

Mr. Sage has served as director of the Company since July 1995. He was a co-founder of AmeriHealth, Inc., which owned and managed hospitals. He served as Treasurer of AmeriHealth, Inc. from April 1983 to October 1995 and was a member of the board of directors of AmeriHealth, Inc. from April 1983 to December 1994. Mr. Sage was a Director of Champion Healthcare Corporation from January 1995 to August 1996. Since June 1993, he has been associated with Sage Law Offices in Miami, Florida.

Mr. Chism has served as Controller and Assistant Secretary of the Company since August 1999. From 1996 to 1999, Mr. Chism served as Audit Manager for Ernst & Young LLP, where he also served as an audit senior and audit staff member from 1991 to 1995. From 1995 to 1996, Mr. Chism served as a Director of Internal Audit and a Departmental Controller for VarTec Telecom, Inc.

Mr. Kasenter joined the Company in August 2003 as Vice President of Human Resources and in October 2004 was promoted to Senior Vice President of Administration. He was a director of the Donnkenny Apparel Board from 2001 until April 2005, at which time Donnkenny filed for Chapter 11 bankruptcy protection and was sold. Mr. Kasenter was the President & Chief Executive Officer of Strategic Executive Actions, a Chicago-based management consulting firm specializing in human resource crisis issues, from 1999 to 2003. From 1968 to 1999, Mr. Kasenter was employed in various operating and administrative positions and ultimately served as the Executive Vice President of Human Resources and Corporate Communications for Montgomery Ward.

Mr. Kissick has served as Vice President of Strategic Development since August 2001. From 1991 to 1998 he served as Vice President of Strategic Planning for Thorn Americas, Inc. Prior to 1991, he held senior marketing positions at Reynolds and Reynolds, Hobart Corporation, and Pizza Hut.

Ms. Kondik has served as General Counsel since June 2000, Secretary since January 2001, and Vice President since January 2003. From June 1995 to June 2000, Ms. Kondik served as Sr. Associate General Counsel, Vice-President, and Assistant Secretary of Empire Funding Corp. and TMI Financial, Inc., a national sub-prime mortgage lender and servicer.

Mr. Volpe joined the Company in October 2003 as Vice President of Store Operations. From August 2001 to October 2003, he was a multi-unit manager for Toys "R" Us in the Chicago Area. Prior to that, Mr. Volpe spent ten years in several positions with Montgomery Ward, including the National Director of Hardlines and District Manager positions.

Mr. Jackson joined the Company in May 2004 as Vice President & Chief Information Officer. He was Chief Information Officer at DuPont Photomasks, Inc. from 1997 to 2004 where he also served as Controller from 1995 to 1996. Prior to 1995, Mr. Jackson held senior financial leadership positions in the U.S. and South America at E.I. DuPont de Nemours.

Mr. Fosse joined the Company in September 2004 as Vice President of EZMONEY Payday Loans. From 1991 to 2004, Mr. Fosse was employed in various operating positions and ultimately served as a Regional Vice President of G&K Services, a provider of garment and facility services to businesses across the United States and Canada.

COMMITTEES OF THE BOARD

The Board of Directors held eight meetings during the year ended September 30, 2005. The Board of Directors has appointed four committees: an Executive Committee, an Audit Committee, a Compensation Committee, and a Section 401(k) Plan Committee. The members of the Executive Committee for Fiscal 2005 were Mr. Brinkley, Mr. Rotunda, and Mr. Tonissen. The Executive Committee held several informal meetings during Fiscal 2005, and all members attended. The Audit Committee, comprised of Messrs. Roberts, Sage and Matzner, held four meetings in Fiscal 2005. Messrs. Roberts and Sage attended all Audit Committee meetings, and Mr. Matzner attended three of the four meetings. All audit committee members are independent directors and are financially literate. Mr. Roberts is the committee's chairman and is an "audit committee financial expert" as defined in the applicable rules and regulations of the Securities and Exchange Act of 1934. The Compensation Committee, comprised of Mr. Sage and Mr. Roberts, held one meeting during Fiscal 2005. All actions taken by the committee during the year were by Written Unanimous Consent. The committee that administers the Section 401(k) Plan consists of Mr. Rotunda and Mr. Tonissen. Both members attended the one informal meeting held by the 401(k) Committee during Fiscal 2005. All Fiscal 2005 actions of this committee were by Written Unanimous Consents or by board resolutions. All directors attended at least 75% of the total number of meetings of the Board and of the committees on which they serve.

The NASDAQ stock market, on which the Company's stock is traded, typically requires registrants' boards to utilize a nominating committee to nominate prospective members of the board. EZCORP is a controlled company, with all its voting stock controlled by one individual. Accordingly, the Company is exempt from the requirement to have a nominating committee, and its directors are appointed by its voting shareholder.

CODE OF CONDUCT AND ETHICS

The Company has in place a Code of Conduct and Ethics applicable to all employees, as well as the Board of Directors and executive officers. Copies of the Company's Code of Conduct and Ethics are available, free of charge by submitting a written request to EZCORP, Inc., Investor Relations, 1901 Capital Parkway, Austin, Texas 78746 or may be obtained from the Company's website at www.ezcorp.com.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based primarily on statements received from officers and directors and a review of the relevant Forms 3, 4, and 5, all officers, directors, and beneficial owners of more than ten percent of any class of equity securities were timely, except as noted below, throughout the fiscal year in filing all reports required by Section 16(a) of the Exchange Act.

Richard Sage, Gary Matzner, and Robert Jackson each filed a Form 4 on October 7, 2004, two days after the deadline of October 5, 2004. Each of the filings reported a single grant of stock options awarded to each individual on October 1, 2004.

ITEM 11. EXECUTIVE COMPENSATION

COMPENSATION SUMMARY

The following table presents compensation earned for services during Fiscal 2003, 2004, and 2005 by the Company's Chief Executive Officer and each of the Company's four most highly compensated executive officers whose total annual compensation exceeded $100,000 (collectively, the "Named Executive Officers").

Name and Principal Position	Year	Annual Compensation Salary ($)	Bonus ($)	Other ($)	Long Term Compensation Restricted Stock Awards ($)	All other Compensation ($)(2)
Sterling B. Brinkley	2003	373,365	31,800	-	783,750	1,349
Chairman of the Board (1) (6)	2004	473,077	22,650	759,847	-	3,238
	2005	497,650	-	-	-	1,625
Joseph L. Rotunda	2003	469,154	538,318	74,812	-	1,475
President, Chief Executive Officer and	2004	522,885	787,500	414,298	586,200	3,378
Director (3) (4)	2005	575,481	721,875	-	-	1,912
Dan N. Tonissen	2003	259,577	102,050	-	-	819
Senior Vice President, Chief Financial	2004	272,500	170,898	-	-	2,327
Officer, Assistant Secretary and Director	2005	289,346	165,300	-	-	1,086
Robert A. Kasenter	2003	27,692	-	38,000	-	251
Senior Vice President of	2004	160,000	78,000	-	-	1,364
Administration (5)	2005	188,846	100,244	-	-	722
Michael Volpe	2003	-	-	-	-	-
Vice President of EZPAWN Operations (5)	2004	152,615	77,040	97,858	-	1,353
	2005	166,250	57,276	41,458	-	633
Eric Fosse	2003	-	-	-	-	-
Vice President of EZMONEY	2004	-	-	-	-	-
Operations (5)	2005	168,269	78,313	150,437	-	665

(1) On September 17, 2003, Mr. Brinkley was awarded 125,000 shares of restricted Class A Common Stock. The market value of this restricted stock grant on September 17, 2003 was $0.8 million. At the grant date, the Company also agreed to reimburse Mr. Brinkley for the income tax consequences of the award. According to the terms of the grant, the restrictions lapsed September 17, 2005.

(2) This category includes the value of any life insurance and disability premiums paid on behalf of the named executive.

(3) On January 15, 2004, Mr. Rotunda was awarded 60,000 shares of restricted Class A Common Stock with a fair value of $0.6 million on that date. The Company also agreed to reimburse Mr. Rotunda for the income tax consequences of the award. The restriction requires Mr. Rotunda to remain employed by the Company until January 1, 2009 at which time any unvested shares will vest. The shares are subject to earlier vesting based on the occurrence of certain objectives. 20,000 shares vested on January 15, 2005 based on the achievement of certain of those objectives. As of September 30, 2005, the market value of the 60,000 shares was $1.0 million.

(4) Mr. Rotunda's Other Annual Compensation in 2004 includes $336,223 for payment of taxes related to the restricted stock award, $51,272 expenses related to a country club membership plus taxes, and $26,803 for auto allowance plus taxes.

(5) Mr. Kasenter's, Mr. Volpe's, and Mr. Fosse's Other Annual Compensation is for relocation to Austin, Texas.

(6) Mr. Brinkley's 2004 Other Annual Compensation includes $746,163 for payment of taxes related to the restricted stock award on September 17, 2003 and the 2004 forgiveness of interest on his note.

EMPLOYMENT AGREEMENTS

As President and Chief Executive Officer, Joseph L. Rotunda's annual compensation includes an annual bonus ranging from 50% to 150% of his base salary dependent upon the attainment of Board approved operating goals. In the event of a change of control, Mr. Rotunda is entitled to receive a bonus payment equivalent to 200% of his annual compensation, as well as immediate vesting of all stock options. If Mr. Rotunda's employment is terminated, other than for cause, he is entitled to receive a severance payment equal to his annual compensation.

INSIDER NOTES

In 1994, the Company loaned a former chief executive ("CEO") $729,112.50 to purchase 50,000 shares of Class A Common Stock. The loan was shown as a reduction of stockholders' equity. In connection with his separation from the Company in 2000, the maturity date of the loan was extended to the earlier of (a) ten business days following the first day that the closing price for the Company's stock equals or exceeds $10 per share, or (b) August 1, 2005. Additionally, under the agreement, all accrued and unpaid interest due on the loan was forgiven until the first day that the closing price for the Company's stock equaled or exceeded $6 per share. On September 17, 2003, the Company's stock closed at $6.27. As a result, the former CEO became responsible for the payment of interest from September 18, 2003 through December 31, 2003. He paid accrued interest through December 31, 2003. Forgiveness of interest and related income tax costs prior to September 18, 2003 were charged as compensation expense. During Fiscal 2003, 2004, and 2005, the Company recognized compensation expense of $72,000, $0, and $0, respectively. On January 16, 2004 the Company's stock closed at $10.34 thereby accelerating the due date of the note. The former CEO defaulted in the payment of the note after it became due. On September 22, 2004, the Company obtained a judgment confirming an arbitration award on the note in the amount of $969,398.55 (principal of $729,112.50 and accrued interest of $240,286.05) plus post-judgment interest. On October 19, 2004, the former CEO filed a Chapter 7 bankruptcy seeking to discharge all of his debts including the debt represented by the judgment. A full valuation allowance has been recorded for the note, as its collection is doubtful.

In October 1994, the Board of Directors approved an agreement that provided incentive compensation to the Chairman, Sterling Brinkley, based on growth in the share price of the Company's Class A Common Stock. Mr. Brinkley was advanced $1.5 million evidenced by a recourse promissory note, due in 2005 and bearing interest at the minimum rate allowable for federal income tax purposes (2.33% for Fiscal 2005).

Under the terms of Mr. Brinkley's $1.5 million loan, as amended, the loan principal would have been forgiven if, prior to its October 1, 2005 maturity date, a stock price target of $28.25 had been attained. Mr. Brinkley repaid his note in full in September 2005. Accrued interest was forgiven based upon continued employment, and the Company was required to reimburse Mr. Brinkley for the income tax consequences of the interest forgiveness. Charges to operations consist of forgiveness of interest and related income tax costs and totaled approximately $58,000, $41,000, and $60,000 for the years ended September 30, 2003, 2004, and 2005, respectively.

In February 2000, the Company loaned Mr. Rotunda $200,000 as an employment incentive. The principal and interest of the loan were subject to forgiveness in equal increments over a three-year period conditioned upon Mr. Rotunda's continued employment with the Company on February 24th of each year. The Company was required to reimburse Mr. Rotunda for the income tax consequence of any portion of the forgiveness. In Fiscal 2003, the remaining balance of this loan of $66,667 plus accrued interest of $1,651 was forgiven. During 2003, charges to operations consist of forgiveness of loan principal and interest and related income tax costs and totaled $113,960.

DIRECTOR COMPENSATION

The table below summarizes payments made to outside directors during Fiscal 2005:

Name	Board Service	Compensation Committee	Audit Committee	Meeting Attendance Fee	Total
Thomas C. Roberts	$ 18,000	$ 6,000	$ 4,500	$ 9,250	$ 37,750
Richard D. Sage	24,000	6,000	4,000	13,250	47,250
Gary C. Matzner	24,000	-	6,000	11,000	41,000
	$ 66,000	$ 12,000	$ 14,500	$ 33,500	$ 126,000

The Company had no other outside directors during Fiscal 2005.

STOCK OPTIONS

On November 5, 1998, the Compensation Committee of the Board of Directors approved the grant of 350,000 options to Mr. Brinkley and 100,000 options to Mr. Tonissen that remain outstanding. The options are exercisable at $10 per share, vest on October 6, 2008, and have a contractual life of ten years. The terms of this grant provide for accelerated vesting upon achievement of certain debt to equity ratios and levels of earnings per share. If any of these options fail to qualify as incentive options under the Internal Revenue Code, the Company has agreed to pay a bonus to each optionee at the time and in the amount of any resulting tax savings realized by the Company.

On October 30, 2002, the Compensation Committee of the Board of Directors approved a grant of 570,000 options to executive officers, exercisable at $2.57 per share, and, except as discussed below, vesting on October 20, 2008. As of September 30, 2005, 294,500 of these options remained outstanding, 135,000 options have been canceled due to employee termination, and 140,500 options have been exercised. The terms of this grant provides for accelerated vesting upon achievement of certain income levels for years ending September 30, 2003, 2004, and 2005. As of September 30, 2005, 72,500 options are exercisable.

On September 17, 2003, the Compensation Committee of the Board of Directors approved a grant of 100,000 options to Mr. Brinkley, exercisable at $6.27 per share. Forty percent of these options vested on September 15, 2004, and the remaining 60% vested on September 15, 2005.

Also on January 15, 2004, the Compensation Committee of the Board of Directors approved a grant of 324,000 options to key individuals exercisable at $9.77 per share, and except as discussed below, vesting on January 1, 2009. An additional grant under the same conditions was granted on April 19, 2004 at an exercise price of $10.60 per share. As of September 30, 2005, all options remain outstanding and none have been exercised. The terms of the grant provide for accelerated vesting upon achievement of certain objectives.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

The Named Executive Officers received no option or SAR grants in the fiscal year ended September 30, 2005.

AGGREGATE OPTIONS/SAR EXERCISES IN LAST FISCAL YEAR AND FY-END OPTION/SAR VALUES

The following table sets forth certain information concerning the exercise of stock options (or tandem SARs) and freestanding SARs in Fiscal 2005 and the value of unexercised options and SARs held by each of the Named Executive Officers at the end of the Company's last fiscal year.

Name	Shares Acquired On Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable	Value of Unexercised In-the-Money Options/SARs at FY-End ($)(1) Exercisable/Unexercisable
Sterling B. Brinkley Chairman of the Board	-	-	100,000 / 350,000	$979,000 / $2,121,000
Joseph L. Rotunda President, Chief Executive Officer and Director	260,000	4,195,404	200,000 / 90,000	$1,212,000 / $1,214,100
Dan N. Tonissen Senior Vice President, Chief Financial Officer, Assistant Secretary and Director	20,000	273,240	82,000 / 208,000	$679,200 / $1,779,480
Robert A. Kasenter Senior Vice President of Administration	-	-	30,000 / 55,000	$244,000 / $428,900
Michael Volpe Vice President of EZPAWN Operations	-	-	24,000 / 56,000	$166,300 / $413,840
Eric Fosse Vice President of EZMONEY Operations	-	-	4,000 / 16,000	$29,520 / $118,080

(1) Values stated are based upon the closing price of $16.06 per share of the Company's Class A Common Stock on The NASDAQ Stock Market on September 30, 2005, the last trading day of the fiscal year.

COMPENSATION PURSUANT TO PLANS

STOCK INCENTIVE PLAN

The Company's 1991 Incentive Stock Option Plan (the "1991 Plan") provided for (i) the granting of incentive stock options to purchase Class A Common Stock, (ii) the granting of nonqualified stock options to purchase Class A Common Stock, (iii) the granting of stock appreciation rights ("SARs"), and (iv) the granting of limited stock appreciation rights ("LSARs") .

The options, SARs, and LSARs are not transferable except by will and by the laws of descent and distribution, and under other limited circumstances. The 1991 Plan is intended to be qualified under Rule 16b-3 promulgated by the Securities and Exchange Commission, which Rule generally exempts certain option grants and certain stock or cash awards from the provisions of Section 16(b) under the Securities Exchange Act of 1934.

Options granted under the 1991 Plan were granted at exercise prices equal to or above the fair market value on the date of the grant. In October 1994, the Board of Directors amended the Plan to provide accelerated vesting upon a change in control of the Company. As of September 30, 2005, the Company had 30,000 active options outstanding to executive officers under the 1991 Plan at $12.00. Of these options, all are vested and none has been exercised.

On November 5, 1998, the Compensation Committee of the Board of Directors approved the adoption of the EZCORP, Inc. 1998 Incentive Plan (the "1998 Plan"). The 1998 Plan permits grants of the same types of options, SARs and LSARs as the 1991 Plan and provides for the issuance of shares for stock option awards of up to 1,275,000 of the Company's Class A Common Stock. In approving such plan, the Compensation Committee resolved that no further options would be granted under any previous plans. As of September 30, 2005, the Company had 969,500 active options outstanding to executive officers under the 1998 Plan at prices ranging from $2.00 to $15.00. Of these options, 599,200 are vested. During Fiscal 2005, 304,500 options have been exercised.

On October 30, 2002, the Compensation Committee of the Board of Directors approved a grant of 570,000 options to executive officers, exercisable at $2.57 per share, and, except as discussed below, vesting on October 20, 2008. As of September 30, 2005, 294,500 of these options remained outstanding 135,000 options have been canceled due to employee termination, and 140,500 options have been exercised. The terms of this grant provides for accelerated vesting upon achievement of certain income levels for years ending September 30, 2003, 2004, and 2005. As of September 30, 2005, 72,500 options are exercisable.

On September 17, 2003, the Compensation Committee of the Board of Directors approved the adoption of the EZCORP, Inc. 2003 Incentive Plan (the "2003 Plan"). The 2003 Plan permits grants of the same types of options, SARs and LSARs as the 1991 and 1998 Plans and provides for stock option awards of up to 900,000 of the Company's Class A Common Stock. As of September 30, 2005, the Company had 454,000 active options outstanding to executive officers (options granted less options canceled due to employee termination) under the 2003 Plan at prices ranging from $5.92 to $12.15. Of these options, 206,800 are vested.

Also, on September 17, 2003, the Board of Directors approved an award of 125,000 shares of restricted stock to the Chairman of the Board. The closing price of the Company's stock on September 17, 2003 was $6.27. The restriction requires that Mr. Brinkley remain employed with the Company through September 17, 2005. The Company also agreed to reimburse Mr. Brinkley for the income tax consequences resulting from the award.

On January 15, 2004, the Board of Directors approved an award of 60,000 shares of restricted stock to the Company's Chief Executive Officer valued at $0.6 million. The shares will vest on January 1, 2009, provided he remains continuously employed by the Company through the vesting date. The shares are subject to earlier vesting based on the occurrence of certain objectives. The Company also agreed to reimburse him for the income tax consequences resulting from the award.

401(k) PLAN

On June 6, 1991, the Company adopted the EZCORP, Inc. 401(k) Plan (the "401(k) Plan"), a savings and profit sharing plan intended to qualify under Section 401(k) of the Code. Under the 401(k) Plan, employees of the Company and those subsidiaries that adopt it may contribute up to a maximum percentage allowable not to exceed the limits of Code Sections 401(k), 402(g), 404 and 415. (not to exceed $14,000 in 2005, except if over age 50 and have met the $14,000 limit, then can contribute an additional $4,000) to the plan trust. The Company may match 25% of an employee's contributions up to 6% of his compensation. Employer contributions may be made in the form of or invested in Class A Common Stock. Contribution expense related to the 401(k) Plan for 2005 was approximately $72,000. The Company's contributions vest based on the employee's length of service with the Company and its subsidiaries, with 25% of the total contributions vesting each year once the employee has two years of service (for the purposes of the 401(k) plan, a year of service is defined as 1,000 hours worked). On termination of employment, an employee will receive all of his contributions and any vested portion of the Company's contributions, as adjusted by any earnings and losses.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Board of Directors has appointed a Compensation Committee currently comprised of Mr. Sage and Mr. Roberts. Mr. Sage serves as a director and is also a member of the Audit Committee of the Board of Directors. Mr. Roberts serves as a director and a member of the Audit Committee of the Board of Directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

SECURITY OWNERSHIP OF MANAGEMENT AND PRINCIPAL STOCKHOLDERS

Phillip Ean Cohen indirectly controls the Company through his ownership of all of the issued and outstanding stock of MS Pawn Corporation, the sole general partner of MS Pawn Limited Partnership ("MS Pawn"), which owns 100% of the Class B Voting Common Stock of the Company. The table below sets forth information regarding the beneficial ownership of the Company's Common Stock as of October 31, 2005 for (i) each of the Company's current directors, (ii) each of the Named Executive Officers, (iii) beneficial owners known to the registrant to own more than five percent of any class of the Company's voting securities, and (iv) all current officers and directors as a group.

Name and Address of the Beneficial Owners(a)	Class A Non-Voting Common Stock		Class B Voting Common Stock		Voting
	Number	Percent	Number	Percent	Percent
MS Pawn Limited Partnership (b) (g) MS Pawn Corporation Phillip Ean Cohen 1901 Capital Parkway Austin, Texas 78746	999,516(h)	7.76%(h)	994,131	100%	100%
Sterling B. Brinkley (c) 315 11th Street Oakland, CA 94607	236,640	1.98%	-	-	-
Joseph L. Rotunda (d) 1901 Capital Parkway Austin, TX 78746	444,303	3.65%	-	-	-
Dan N. Tonissen (e) 1901 Capital Parkway Austin, Texas 78746	171,000	1.42%	-	-	-
Thomas C. Roberts 1901 Capital Parkway Austin, Texas 78746	-	-	-	-	-
Gary C. Matzner (l) 2601 S. Bayshore Dr. Miami, Florida 33133	9,800	0.08%	-	-	-
Richard D. Sage (m) 13636 Deering Bay Drive Coral Gables, Florida 33158	12,231	0.10%	-	-	-
Robert A. Kasenter (i) 1901 Capital Parkway Austin, Texas 78746	30,000	0.25%	-	-	-
Michael Volpe (k) 1901 Capital Parkway Austin, Texas 78746	28,000	0.24%	-	-	-
Eric Fosse (j) 1901 Capital Parkway Austin, Texas 78746	4,000	0.03%	-	-	-
All officers and directors as a group (b) (f)	1,077,124	8.54%	-	-	-

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(a) Except as indicated in the footnotes to this table, the persons named in the table have sole voting and investment power with respect to all shares of Class B Common Stock shown as beneficially owned by them, subject to community property laws where applicable.

(b) MS Pawn Corporation is the general partner of MS Pawn and has the sole right to vote its shares of Class B Common Stock and to direct their disposition. Mr. Cohen is the sole stockholder of MS Pawn Corporation. See "Certain Relationships and Related Transactions."

(c) Includes options to acquire 100,000 shares of Class A Common Stock at $6.27 per share and warrants to acquire 1,191 shares of Class A Common Stock at $6.17 per share. Does not include options to acquire 350,000 shares of Class A Common Stock at $10.00 per share, none of which are currently exercisable.

(d) Includes options to acquire 50,000 shares of Class A Common Stock at $2.00 per share, 90,000 shares of Class A Common Stock at $2.57 per share, 50,000 shares of Class A Common Stock at $10.00 per share, 50,000 shares of Class A Common Stock at $13.00 per share and 50,000 shares of Class A Common Stock at $15.00 per share. Does not include 60,000 shares of restricted stock.

(e) Includes options to acquire 4,000 shares of Class A Common Stock at $2.00 per share, 92,000 shares of Class A Common Stock at $2.57 per share, 20,000 shares of Class A Common Stock at $9.77 per share, 30,000 shares of Class A Common Stock at $12.00 per share. Does not include options to acquire 100,000 shares of Class A Common Stock at $10.00 per share, 40,000 shares of Class A Common Stock at $9.77 per share, or 4,000 shares of Class A Common Stock at $2.00 per share, none of which are currently exercisable.

(f) Includes 13 persons' options to acquire 733,700 shares of Class A Common Stock at prices ranging from $2.00 to $16.06 per share and warrants to acquire 1,222 shares of Class A Common Stock at $6.17 per share.

(g) Includes warrants for 4,093 shares of Class A Common Stock, warrants for 4,074 shares of Class B Common Stock held by MS Pawn, and warrants for 1,292 shares of Class A Common Stock held by Mr. Cohen.

(h) The number of shares and percentage reflect Class A Common Stock and warrants, together with Class B Common Stock and warrants, which are convertible to Class A Common Stock.

(i) Includes options to acquire 10,000 shares of Class A Common Stock at $4.24 per share and 20,000 shares of Class A Common Stock at $9.77 per share. Does not include options to acquire 15,000 shares of Class A Common Stock at $4.24 per share or 40,000 shares of Class A Common Stock at $9.77 per share, none of which are currently exercisable.

(j) Includes options to acquire 4,000 shares of Class A Common Stock at $8.68 per share. Does not include options to acquire 16,000 shares of Class A Common Stock at $8.68 per share that are not currently exercisable.

(k) Includes options to acquire 8,000 shares of Class A Common Stock at $5.92 per share and 20,000 shares of Class A Common Stock at $9.77 per share. Does not include options to acquire 12,000 shares of Class A Common Stock at $5.92 per share, or 40,000 shares of Class A Common Stock at $9.77 per share, none of which are currently exercisable.

(l) Includes options to acquire 1,800 shares of Class A Common Stock at $2.57 per share, 3,000 shares of Class A Common Stock at $6.27 per share, and 5,000 shares of Class A Common Stock at $8.86 per share. Does not include options to acquire 1,200 shares of Class A Common Stock at $2.57 per share or 5,000 shares of Class A Common Stock at $16.06 per share, none of which are currently exercisable.

(m) Includes options to acquire 2,400 shares of Class A Common Stock at $2.00 per share, 1,800 shares of Class A Common Stock at $2.57 per share, 3,000 shares of Class A Common Stock at $6.27 per share, 5,000 shares of Class A Common Stock at $8.86 per share and warrants to acquire 31 shares of Class A Common Stock at $6.17 per share. Does not include options to acquire 600 shares of Class A Common Stock at 2.00 per share, 1,200 shares of Class A Common Stock at $2.57 per share, or 5,000 shares of Class A Common Stock at $16.06 per share, none of which are currently exercisable.

Securities authorized under equity compensation plans as of September 30, 2005, were as follows:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted Average Exercise Price of Outstanding Option (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	1,799,900	$ 7.80	71,500
Equity compensation plans not approved by security holders	-	-	-
Total	1,799,900	$ 7.80	71,500

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

For information concerning the $200,000 February 2000 loan from the Company to Mr. Rotunda, see "Executive Compensation, Employment Agreements."

As of October 1, 2004, the Company entered into a financial advisory services agreement with Madison Park, L.L.C. ("Madison Park"), an affiliate of the controlling stockholder. The agreement requires Madison Park to provide ongoing advice and consultation with respect to mergers, acquisitions, divestitures, strategic planning, corporate development, investor relations, treasury, and other advisory services for a monthly fee of $100,000, inclusive of most expenses. The Madison Park agreement has a three-year term and the Company has the right to terminate the agreement at any time. Madison Park can terminate only at the end of any one of the Company's fiscal years. Prior to entering into the agreement with Madison Park, the Audit Committee obtained a fairness opinion from a qualified, independent financial advisory firm. The fairness opinion supported the fees for the services to be rendered based on the terms of the agreement and the Company's strategic plan. Philip E. Cohen is a principal in Morgan Schiff, Madison Park, and the general partner of the controlling stockholder. In Fiscal 2005, total payments to Madison Park amounted to $1,200,000.

Pursuant to the terms of a financial advisory services agreement, Morgan Schiff & Co., Inc. ("Morgan Schiff"), an affiliate of the general partner of the controlling stockholder, provided financial advisory services to the Company through October 1, 2004 for a monthly fee, inclusive of most expenses. These services included advice and consultation with respect to mergers, acquisitions, divestitures, strategic planning, corporate development, investor relations, treasury, and other advisory services. As a result of entering the agreement with Madison Park, the Company elected not to renew its financial advisory services agreement with Morgan Schiff at October 1, 2004. Through April 30, 2004, Morgan Schiff received a financial advisory fee of $100,000 per month, inclusive of most expenses. As of May 1, 2004, the Company withheld the payment of the monthly fee pending the outcome of a review by the Audit Committee of the historical expenses paid by the Company to Morgan Schiff. The Audit Committee presented a preliminary report including findings with respect to the historical expense review.

Based on the review and the findings of the Audit Committee performed in consultation with its independent counsel and financial advisors, the Company determined that it overpaid expenses to Morgan Schiff in prior years. The Audit Committee did not find any evidence of wrongdoing or bad faith on the part of Morgan Schiff and Morgan Schiff disagreed with the Audit Committee's preliminary findings. The Audit Committee recommended that the Company seek a recovery from Morgan Schiff in the amount of $400,000. Based on the Audit Committee's recommendation, the Company offset monthly fees due Morgan Schiff in the amount of $400,000, and reduced by that amount its Administrative Expense and Accounts Payable for the year ended September 30, 2004. The Audit Committee and the Company have determined not to take any further action on this matter at this time.

The table below summarizes the monthly fee earned and expense reimbursements paid to Morgan Schiff by the Company during Fiscal 2003, 2004, and 2005 (in thousands):

	2003	2004	2005
Monthly retainer	$367	$1,200	$ -
Expense reimbursements	400	(398)	-
Total	$767	$ 802	$ -

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Fees for professional services provided by BDO Seidman, LLP during the years ended September 30, 2004 and 2005 are:

	Years Ended September 30,	
	2004	2005
Audit fees:		
Audit of financial statements	$160,000	$ 246,145
Audit pursuant to section 404 of the Sarbanes-Oxley Act	-	200,000
Quarterly reviews and other audit fees	-	69,453
Total audit fees	160,000	515,598
Audit related fees	-	16,033
Tax fees	-	-
All other fees	-	6,440
Total fees for services	$160,000	$ 538,071

Fees for professional services provided by the Company's previous independent accountant, Ernst & Young LLP, during the years ended September 30, 2004 and 2005 are:

	Years Ended September 30,	
	2004	2005
Audit fees	$ 50,650	$ 57,265
Audit related fees	28,616	32,589
Tax fees:		
Tax compliance	121,055	110,000
Tax consulting	148,880	43,700
All other fees	-	-
Total fees for services	$349,201	$ 243,554

The Audit Committee of the Company's Board of Directors has adopted a policy of pre-approving all fees to be paid to the Company's independent audit firm, regardless of the type of service. All non-audit services were reviewed with the Audit Committee, which concluded that the provision of such services by Ernst & Young LLP and BDO Seidman, LLP, as appropriate, was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) The following consolidated financial statements of EZCORP, Inc. and subsidiaries are included in Item 8:

CONSOLIDATED FINANCIAL STATEMENTS

Reports of Independent Registered Public Accounting Firms

Consolidated Balance Sheets as of September 30, 2004 and 2005

Consolidated Statements of Operations for each of the three years in the period ended September 30, 2005

Consolidated Statements of Cash Flows for each of the three years in the period ended September 30, 2005

Consolidated Statements of Stockholders' Equity for each of the three years in the period ended September 30, 2005

Notes to Consolidated Financial Statements.

(2) The following Financial Statement Schedule is included herein:

Schedule II-Valuation Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission ("SEC") are not required under the related instructions or are inapplicable, and therefore, have been omitted.

(3) Listing of Exhibits (included herein)

(b) Through the fourth quarter ended September 30, 2005, the Company filed the following Current Reports on Form 8-K: Four dated November 13, 2004, January 20, 2005, April 20, 2005, and July 20, 2005 were to report the issuance of a press release regarding its results of operations for the fiscal quarters ended September 30, 2004, December 31, 2004, March 31, 2005, and June 30, 2005, respectively; one dated December 13, 2004 announcing a revision to its previous announcement of earnings for the quarter ended September 30, 2004; two dated October 12, 2004 (later amended on December 15, 2004 on Form 8-K/A) and June 30, 2005 announcing changes in the independent registered public accounting firms for the Company and the Company's 401(k) Plan and Trust, respectively; one dated January 5, 2005 announcing the election of a new Director to its Board of Directors; and one dated July 15, 2005 announcing the offering of a new service.

EZCORP, INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION ACCOUNTS
(In millions)

Description	Balance at Beginning of Period	ADDITIONS Charged to Expense	Charged to Other Accts	Deductions	Balance at End of Period
Allowance for valuation of inventory:					
Year ended September 30, 2003	$ 1.7	$ 0.1	$ -	$ -	$ 1.8
Year ended September 30, 2004	1.8	(0.3)	-	-	1.5
Year ended September 30, 2005	$ 1.5	$ 0.4	$ -	$ -	$ 1.9
Allowance for uncollectible pawn service charges receivable:					
Year ended September 30, 2003	$ 6.7	$ (0.4)	$ -	$ -	$ 6.3
Year ended September 30, 2004	6.3	0.7	-	-	7.0
Year ended September 30, 2005	$ 7.0	$ 0.6	$ -	$ -	$ 7.6
Allowance for losses on payday loans:					
Year ended September 30, 2003	$ 0.1	$ 3.6	$ -	$ 3.5	$ 0.2
Year ended September 30, 2004	0.2	8.1	-	7.8	0.5
Year ended September 30, 2005	$ 0.5	$ 6.6	$ -	$ 7.0	$ 0.1
Allowance for valuation of deferred tax assets:					
Year ended September 30, 2003	$ 3.7	$ (3.7)	$ -	$ -	$ -
Year ended September 30, 2004	-	-	-	-	-
Year ended September 30, 2005	$ -	$ -	$ -	$ -	$ -

LISTING OF EXHIBITS

See Exhibit Index immediately following signature page.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

EZCORP, Inc.

December 13, 2005

By: /s/ Joseph L. Rotunda
(Joseph L. Rotunda)
(President & Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Sterling B. Brinkley Sterling B. Brinkley	Chairman of the Board	December 13, 2005
/s/ Joseph L. Rotunda Joseph L. Rotunda	President, Chief Executive Officer & Director (Principal Executive Officer)	December 13, 2005
/s/ Dan N. Tonissen Dan N. Tonissen	Senior Vice President, Chief Financial Officer, Assistant Secretary & Director (Principal Financial and Accounting Officer)	December 13, 2005
/s/ Gary C. Matzner Gary C. Matzner	Director	December 13, 2005
/s/ Richard D. Sage Richard D. Sage	Director	December 13, 2005
/s/ Thomas C. Roberts Thomas Roberts	Director	December 13, 2005

EXHIBIT INDEX

Number	Description	Page Number if Filed herein	Incorporated by Reference to
3.1	Amended and Restated Certificate of Incorporation of the Company		Exhibit 3.1 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
3.1 A	Certificate of Amendment to Certificate of Incorporation of the Company		Exhibit 3.1A to the Registration Statement on Form S-1 effective July 15, 1996 (File No. 33-41317)
3.2	Bylaws of the Company.		Exhibit 3.2 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
3.3	Amendment to the Bylaws.		Exhibit 3.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 (File No. 0-19424)
3.4	Amendment to the Certificate of Incorporation of the Company.		Exhibit 3.4 to Registrant's Annual Report on Form 10-K for the year ended September 30, 1994 (File No. 0-19424)
3.5	Amendment to the Certificate of Incorporation of the Company		Exhibit 3.5 to Registrant's Annual Report on Form 10-K for the year ended September 30, 1997
3.6	Amendment to the Certificate of Incorporation of the Company		Exhibit 3.6 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998
4.1	Specimen of Class A Non-voting Common Stock certificate of the Company.		Exhibit 4.1 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.2	Omitted		N/A
10.3	Omitted		N/A
10.4	Omitted		N/A

10.5	Security Agreement executed by EZPAWN Texas, Inc. (substantially the same agreement also was executed by EZPAWN Oklahoma, Inc.; EZPAWN Mississippi, Inc.; EZPAWN Arkansas, Inc.; EZPAWN Colorado, Inc.; EZPAWN Alabama, Inc.; EZPAWN Tennessee, Inc.; and Houston Financial Corporation).	Exhibit 10.5 to Registrant's Annual Report on Form 10-K for the year ended September 30, 1992 (File No. 0-19424)
10.6	Guaranty Agreement executed by EZPAWN Texas, Inc. (substantially the same agreement also was executed by EZPAWN Oklahoma, Inc.; EZPAWN Mississippi, Inc.; EZPAWN Arkansas, Inc.; EZPAWN Colorado, Inc.; EZPAWN Alabama, Inc.; EZPAWN Tennessee, Inc.; and Houston Financial Corporation).	Exhibit 10.6 to Registrant's Annual Report on Form 10-K for the year ended September 30, 1992 (File No. 0-19424)
10.7	Omitted	N/A
10.8	Omitted	N/A
10.9	Omitted	N/A
10.10	Letter agreement executed December 20, 1990 between Morgan Schiff & Co., Inc. ("Morgan Schiff") and the Company.	Exhibit 10.10 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.11	Stock Purchase Agreement between the Company, Courtland L. Logue, Jr., Courtland L. Logue, Sr., James D. McGee, M. Frances Spears, Porter A. Stratton and Steve A. Stratton dated as of May 18, 1989.	Exhibit 10.11 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.12	Capitalization and Subscription Agreement between MS Pawn Limited Partnership ("MS Pawn") and the Company, dated as of July 25, 1989.	Exhibit 10.12 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.13	Omitted	N/A
10.14	Omitted	N/A

10.15	Omitted	N/A
10.16	Omitted	N/A
10.17	Omitted	N/A
10.18	Warrant Certificate issued by the Company to MS Pawn on July 25, 1989.	Exhibit 10.18 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.19	Amendment to the Stock Purchase Agreement dated as of June 19, 1989 Between the Company and the Stockholders of the Predecessor Company.	Exhibit 10.19 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.20	Second Amendment to Stock Purchase Agreement dated as of April 20, 1990 between the Company and the Stockholders of the Predecessor Company.	Exhibit 10.20 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.21	Omitted	N/A
10.22	Omitted	N/A
10.23	Omitted	N/A
10.24	Omitted	N/A
10.25	Omitted	N/A
10.27	Omitted	N/A
10.28	Omitted	N/A
10.29	Omitted	N/A
10.30	Omitted	N/A
10.31	Omitted	N/A
10.32	Omitted	N/A
10.33	Omitted	N/A
10.34	Omitted	N/A
10.35	Stockholders' Agreement dated as of July 25, 1989 between the Company, MS Pawn and Courtland L. Logue, Jr.	Exhibit 10.35 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)

10.36	Joinder Agreement to the StockHolders' Agreement dated as of May 1, 1991 between the Company MS Pawn, Mr. Kofnovec, Mr. Gary, Mr. Ross and Ms. Berger.	Exhibit 10.36 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.37	Incentive Stock Option Plan.	Exhibit 10.37 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.38	401(k) Plan.	Exhibit 10.38 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.39	Section 125 Cafeteria Plan.	Exhibit 10.39 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.40	Omitted	N/A
10.41	Omitted	N/A
10.42	Omitted	N/A
10.43	Omitted	N/A
10.44	Omitted	N/A
10.45	Lease between Logue, Inc. and E-Z Corporation for real estate located at 1166 Airport Boulevard, Austin, Texas, dated July 25, 1989.	Exhibit 10.45 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.46	Lease between Logue, Inc. and E-Z Corporation for real estate located at 5415 North Lamar Boulevard, Austin, Texas, dated July 25, 1989	Exhibit 10.46 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.47	Agreement of Lease between LDL Partnership and Logue-Drouin Industries, Inc. for real property at 8540 Broadway Blvd., Houston, Texas, dated May 3, 1988 and related Assignment of Lease.	Exhibit 10.47 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.48	Lease Agreement between C Minus Corporation and Logue-Drouin Industries, Inc. DBA E-Z Pawn #5 for real property located at 5209 Cameron Road, Austin, Texas, dated December 28, 1987.	Exhibit 10.48 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)

10.49	Lease Agreement between Logue, Inc. and E-Z Corporation for real Property located at 901 E. 1st St., Austin, Texas, dated July 25, 1989.	Exhibit 10.49 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317)
10.50	Agreements between the Company and MS Pawn dated February 18, 1992 for the payment of $1.377 million of Series A Increasing Rate Senior Subordinated Notes held by MS Pawn.	Exhibit 10.50 to the Registration Statement on Form S-1 effective March 16, 1992 (File No. 33-45807)
10.51	Agreement Regarding Reservation of Shares.	Exhibit 10.51 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993 (File No. 0-19424)
10.52	Omitted	N/A
10.53	Omitted	N/A
10.54	Omitted	N/A
10.55	Omitted	N/A
10.56	Omitted	N/A
10.57	Omitted	N/A
10.58	Omitted	N/A
10.59	Omitted	N/A
10.60	Loan Agreement between Sterling B. Brinkley and the Company dated October 7, 1994 (an identical document exists with respect to Vincent A. Lambiase).	Exhibit 10.60 to Registrant's Annual Report on Form 10-K for the year ended September 30, 1995 (File No. 0-19424)
10.61	Promissory Note between Sterling B. Brinkley and the Company in the original principal amount of $1,500,000 attached thereto (an identical document exists with respect to Vincent A. Lambiase).	Exhibit 10.61 to Registrant's Annual Report on Form 10-K for the year ended September 30, 1995 (File No. 0-19424)
10.62	July 1, 1994 Employment Agreement between the Company and Vincent A. Lambiase and Promissory Note in the amount of $729,112.50 in connection therewith.	Exhibit 10.62 to Registrant's Annual Report on Form 10-K for the year ended September 30, 1995 (File No. 0-19424)
10.63	EZCORP, Inc. Incentive Stock Option Award Agreement, Employee Form	Exhibit 10.63 to Registrant's Annual Report on Form 10-K For the year ended September 30,1998 (File No.0-19424)

10.64	EZCORP, Inc. Incentive Stock Option Award Agreement, Executive Form	Exhibit 10.64 to Registrant's Annual Report on Form 10-K for the year ended September 30, 1998 (File No. 0-19424)
10.71	Omitted	N/A
10.72	Omitted	N/A
10.73	Omitted	N/A
10.74	Omitted	N/A
10.75	Omitted	N/A
10.76	Omitted	N/A
10.77	Credit Agreement between the Company and Wells Fargo Bank (Texas), N.A., as Agent and Issuing Bank, re: $110 million Revolving Credit Loan	Exhibit 10.77 to Registrant's Annual Report on Form 10-K for the year ended September 30, 1998 (File No. 0-19424)
10.78	First Amendment to Credit Agreement Between the Company and Wells Fargo Bank (Texas), N.A., as Agent and Issuing Bank, re: $110 million Revolving Credit Loan.	Exhibit 10.78 to Registrant's Annual Report on Form 10-K for the year Ended September 30, 1999 (File No. 0-19424)
10.79	Second Amendment to Credit Agreement and Waiver between the Company and Wells Fargo Bank (Texas), N.A., as Agent and Issuing Bank, re: $85 million Revolving Credit Loan.	Exhibit 10.79 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000 (File No. 0-19424)
10.80	Limited Waiver between the Company and Wells Fargo Bank Texas, N.A., as Agent and Issuing Bank, re: $85 million Revolving Credit Loan.	Exhibit 10.80 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000 (File No. 0-19424)
10.81	Amended and Restated Credit Agreement between the Company and Wells Fargo Bank Texas, N.A., as Agent and Issuing Bank, re: $85 million Credit Facility.	Exhibit 10.81 to Registrant's Annual Report on Form 10-K for the year ended September 30, 2000 (File No. 0-19424)
10.82	Waivers of Selected Sections of Credit Agreement between the Company and Wells Fargo Bank, N.A., as Agent and Issuing Bank, re: $85 million Credit Facility.	Exhibit 10.82 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001 (File No. 0-19424)
10.83	First Amendment to Amended and Restated Credit Agreement between the Company and Wells Fargo Bank, N.A., as Agent and Issuing Bank, re: $85 million Credit Facility.	Exhibit 10.83 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001 (File No. 0-19424)
10.84	Second Amendment to Amended and	Exhibit 10.84 to Registrant's Annual

	Restated Credit Agreement between the Company and Wells Fargo Bank, N.A., as Agent and Issuing Bank, re: $85 million Credit Facility.	Report on Form 10-K for the year ended September 30, 2001 (File No. 0-19424)
10.85	Third Amendment to Amended and Restated Credit Agreement between the Company and Wells Fargo Bank, N.A., as Agent and Issuing Bank, re: $85 million Credit Facility.	Exhibit 10.85 to Registrant's Annual Report on Form 10-K for the year ended September 30, 2001 (File No. 0-19424)
10.86	Fourth Amendment to Amended and Restated Credit Agreement between the Company and Wells Fargo Bank, N.A., as Agent and Issuing Bank, re: $85 million Credit Facility.	Exhibit 10.86 to Registrant's Current Report on Form 8-K dated September 30, 2002 (File No. 0-19424)
10.87	Second Amended and Restated Credit Agreement between the Company and Wells Fargo Bank Texas, N.A., as Agent and Issuing Bank, re: re-syndication of Credit Facility, with a maturity date of March 31, 2005.	Exhibit 10.87 to Registrant's Current Report on Form 8-K dated October 30, 2002 (File No. 0-19424)
10.88	EZCORP, Inc. 2003 Incentive Plan.	Exhibit 10.88 to Registrant's Annual Report on Form 10-K for the year ended September 30, 2003 (File No. 0-19424)
10.89	Third Amended and Restated Credit Agreement between the Company and Wells Fargo Bank Texas, N.A., as Agent and Issuing Bank, re: $40 million Credit Facility	Exhibit 10.89 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 30, 2004 (File No. 0-19424)
10.90	Amended Charter of the Audit Committee of the Board of Directors of EZCORP, Inc. dated October 26, 2004	Exhibit 10.90 to Registrant's Annual Report on Form 10-K for the year endedSeptember 30, 2004 (File No. 0-19424)
10.91	Advisory Services Agreement between EZCORP, Inc. and Madison Park LLC effective October 1, 2004	Exhibit 10.91 to Registrant's Annual Report on Form 10-K for the year ended September 30, 2004 (File No. 0-19424)
10.92	First Amendment to Third Amended and Restated Credit Agreement between the Company and Wells Fargo Bank, N.A., as Agent and Issuing Bank, re: $40 million Credit Facility	Exhibit 10.92 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 (File No. 0-19424)
10.93	Second Amendment to Third Amended and Restated Credit Agreement between the Company and Wells Fargo Bank, N.A., as Agent and Issuing Bank, re: $40 million Credit Facility *	N/A
10.94	EZCORP Supplemental Executive	Exhibit 10.94 to Registrant's Current

	Retirement Plan effective December 1, 2005	Report on Form 8-K dated November 28, 2005 (File No. 0-19424)
10.95	Charter of the Audit Committee of the Board of Directors of EZCORP, Inc. dated November 8, 2005	N/A
10.96	EZCORP Fiscal Year 2006 Incentive Compensation Plan.* +	N/A
16.1	Letter Regarding Change in Certifying Accountant from Ernst & Young LLP to SEC dated October 11, 2004	Exhibit 16.1 to Registrant's Current Report on Form 8-K dated October 6, 2004 (File No. 0-19424)
20.1	Omitted	N/A
21.1	Subsidiaries of Registrant.*	N/A
23.1	Consent of Independent Registered Public Accounting Firm.*	N/A
23.2	Consent of Independent Registered Public Accounting Firm.*	N/A
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *	N/A
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *	N/A
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *	N/A
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *	N/A

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* Filed herewith.

\+ Portions of this exhibit have been omitted pursuant to a request for confidential treatment.

EXHIBIT 10.93

SECOND AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This SECOND AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT dated as of September 27, 2005 (this "Amendment"), is among EZCORP, INC., a Delaware corporation (the "Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Agent for itself and the other Lenders (the "Agent") and as the Issuing Bank, and the Lenders.

RECITALS:

A. The Borrower, the Agent, the Lenders and the Issuing Bank have previously entered into that certain Third Amended and Restated Credit Agreement dated as of April 8, 2004 (as the same has been amended, restated or modified from time to time, the "Agreement").

B. A new indirect subsidiary of the Borrower, EZMONEY Wisconsin, Inc., a Delaware corporation ("EZMONEY Wisconsin"), was created on September 9, 2005, and concurrent with the execution of this Amendment, EZMONEY Wisconsin has executed and delivered documents, agreements and instruments required pursuant to Section 8.10 of the Agreement in order to be a Guarantor under the Loan Documents.

C. The Agent, the Lenders and the Borrower desire to amend Schedule 7.14 to, and several other provisions of, the Agreement in order to (i) reflect the addition of EZMONEY Wisconsin and (ii) to permit the Borrower to prepay Eurodollar Advances on days other than the last day of the respective Interest Periods on the terms and subject to the conditions and to the extent set forth below.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.1 Definitions. All capitalized terms not otherwise defined herein shall have the same meanings as in the Agreement, as amended hereby.

ARTICLE II

Amendment

Section 2.1 Amendment to Section 4.2. Effective as of the date hereof, Section 4.2 of the Agreement is hereby amended and restated to read in its entirety as follows:

> Section 4.2 Voluntary Prepayment. The Borrower may, upon at least one Business Day prior notice to the Agent in the case of Base Rate Advances (except as otherwise provided for under Section 2.7(a) for Swing Loan Advances), and at least three Business Days prior notice to the Agent in the case of Eurodollar Advances, voluntarily prepay the

Advances in whole at any time or from time to time in part without premium or penalty but with accrued interest to the date of prepayment on the amount so prepaid, provided that (a) any prepayments of Eurodollar Advances, if prepaid on other than the last day of the Interest Period for such Advances, shall be accompanied by all additional amounts which may be required pursuant to Sections 5.1 and 5.5 and (b) each partial prepayment shall be in the principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. All notices under this Section shall be irrevocable and shall be given not later than 11:00 a.m. (Austin, Texas time) on the day which is not less than the number of Business Days specified above for such notice. Any such voluntary prepayments shall be applied as the Borrower and the Agent may agree, but in the absence of such agreement, first to the Swing Loan Advances, then to Letter of Credit Disbursements for which the Issuing Bank has not been reimbursed by the Borrower, then to Base Rate Advances under the Revolving Credit Loan, then to Eurodollar Advances under the Revolving Credit Loan and then to the remaining Letter of Credit Liabilities. Any prepayments hereunder shall be accompanied with accrued and unpaid interest on the amount prepaid to the date of prepayment.

Section 2.2 Amendment to Section 5.1(a). Effective as of the date hereof, Section 5.1(a) of the Agreement is hereby amended and restated to read in its entirety as follows:

(a) The Borrower shall pay directly to each Lender from time to time such amounts as such Lender may determine in good faith to be required to compensate such Lender for any additional losses, out-of-pocket costs, or expenses which it may reasonably incur as a result of such payment or nonpayment, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of a liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain any Eurodollar Advances hereunder or its obligation to make any of such Advances hereunder, or any reduction in any amount receivable by such Lender hereunder in respect of any such Advances or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change which:

(i) changes the basis of taxation of any amounts payable to such Lender under this Agreement or its Note (or Notes) in respect of any of such Advances (other than taxes imposed on the overall net income of such Lender or its Applicable Lending Office for any of such Advances by the jurisdiction in which such Lender has its principal office or such Applicable Lending Office);

(ii) imposes or modifies any reserve, special deposit, minimum capital, capital ratio, or similar requirement relating to any extensions of credit or other assets of, or any deposits with or other liabilities or commitments of, such Lender (including any of such Advances or any deposits referred to in the definition of "Eurodollar Rate" in Section 1.1 hereof); or

(iii) imposes any other condition affecting this Agreement or the Notes or any of such extensions of credit or liabilities or commitments.

Each Lender will notify the Borrower of any event occurring after the date of this Agreement which will entitle such Lender to compensation pursuant to this Section 5.1(a) as promptly as practicable after it obtains knowledge thereof and determines to request such compensation, and will designate a different Applicable Lending Office for the Advances affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Lender, violate any law, rule, or regulation or be in any way disadvantageous to such Lender, provided that such Lender shall have no obligation to so designate an Applicable Lending Office located in the United States of America. Each Lender will furnish the Borrower with a certificate setting forth the basis and the amount of each request of such Lender for compensation under this Section 5.1(a). If any Lender requests compensation from the Borrower under this Section 5.1(a), the Borrower may, by notice to such Lender (with a copy to the Agent) suspend the obligation of such Lender to make or Continue making, or Convert Advances into, Advances of the Type with respect to which such compensation is requested until the Regulatory Change giving rise to such request ceases to be in effect (in which case the provisions of Section 5.4 hereof shall be applicable). For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 5.1 and Section 5.5, each Lender shall be deemed to have funded each Eurodollar Advance made by it at the Eurodollar Rate used in determining the Adjusted Eurodollar Rate for such Eurodollar Advance by a matching deposit or other borrowing in the London interbank market for a comparable amount and for a comparable period, whether or not such Eurodollar Advance was in fact so funded.

Section 2.3 Amendment to Schedule 7.14. Effective as of the date hereof, all references to "Schedule 7.14" in the Agreement shall be deemed to mean the "Schedule 7.14" attached hereto as Schedule 7.14.

ARTICLE III

Conditions Precedent

Section 3.1 Conditions. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent:

(a) Amendment. The Agent shall have received this Amendment executed by the Borrower and the Agent and consented to by the Guarantors.

(b) Joinder Documents. The Agent shall have received a supplement to the Guaranty, a supplement to the Contribution and Indemnification Agreement, a supplement to the Subsidiary Security Agreement and such other documents required pursuant to Section 8.10 of the Agreement, all duly executed by EZMONEY Wisconsin.

(c) No Default. No Default shall have occurred and be continuing.

(d) Representations and Warranties. All of the representations and warranties contained in Article VII of the Agreement and in the other Loan Documents shall be true and correct on and as of the date of this Amendment with the same force and effect as if such representations and warranties had been made on and as of such date, except to the extent such representations and warranties speak to a specific date.

(e) Additional Documentation. The Agent shall have received such additional approvals, opinions or documents as the Agent or its legal counsel may reasonably request.

ARTICLE IV

Ratifications, Representations and Warranties

Section 4.1 Ratifications. The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Agreement and except as expressly modified and superseded by this Amendment, the terms and provisions of the Agreement and the other Loan Documents are ratified and confirmed and shall continue in full force and effect. The Borrower and the Agent agree that the Agreement as amended hereby and the other Loan Documents shall continue to be legal, valid, binding and enforceable in accordance with their respective terms.

Section 4.2 Representations and Warranties. The Borrower hereby represents and warrants to the Lenders, the Agent and the Issuing Bank that (a) the execution, delivery and performance of this Amendment and any and all other Loan Documents EXECUTED AND/OR DELIVERED IN CONNECTION HEREWITH HAVE BEEN AUTHORIZED BY ALL REQUISITE CORPORATE ACTION ON THE PART OF THE BORROWER AND WILL NOT VIOLATE THE CERTIFICATE OF INCORPORATION OR BYLAWS OF THE BORROWER, (B) THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THE AGREEMENT, AND ANY OTHER LOAN DOCUMENT ARE TRUE AND CORRECT ON AND AS OF THE DATE HEREOF AS THOUGH MADE ON AND AS OF THE DATE HEREOF (EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES AS ARE LIMITED BY THEIR EXPRESS TERMS TO A SPECIFIC DATE), (C) EFFECTIVE UPON THE EXECUTION OF THIS AMENDMENT AND THE LOAN DOCUMENTS EXECUTED IN CONNECTION HEREWITH, NO DEFAULT HAS OCCURRED AND IS CONTINUING, AND (D) THE BORROWER IS IN FULL COMPLIANCE WITH ALL COVENANTS AND AGREEMENTS CONTAINED IN THE AGREEMENT AS AMENDED HEREBY.

ARTICLE V

Miscellaneous

Section 5.1 Survival of Representations and Warranties. All representations and warranties made in this Amendment or any other Loan Document including any Loan Document furnished in connection with this Amendment shall survive the execution and delivery of this Amendment and the other Loan Documents, and no investigation by the Lenders, the Agent or the Issuing Bank or any closing shall affect the representations and warranties or the right of the Lenders, the Agent or the Issuing Bank or the Agent to rely upon them.

Section 5.2 Reference to Agreement. Each of the Loan Documents, including the Agreement and any and all other agreements, documents, or instruments now or hereafter executed and delivered pursuant to the terms hereof or pursuant to the terms of the Agreement as amended hereby, are hereby amended so that any reference in such Loan Documents to the Agreement shall mean a reference to the Agreement as amended hereby.

Section 5.3 Expenses of Agent. As provided in the Agreement, Borrower agrees to pay on demand all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all amendments, modifications, and supplements thereto, including without limitation the reasonable costs and fees of the Agent's legal counsel, and all costs and expenses incurred by the Agent in connection with the enforcement or preservation of any rights under the Agreement or any other Loan Document, including without limitation the reasonable costs and fees of the Agent's legal counsel.

Section 5.4 Severability. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

Section 5.5 Applicable Law. This Amendment and all other Loan Documents executed pursuant hereto shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America.

Section 5.6 Successors and Assigns. This Amendment is binding upon and shall inure to the benefit of the Lenders, the Agent, the Issuing Bank and the Borrower and their respective successors and assigns, except the Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Lenders and the Agent.

Section 5.7 Counterparts. This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument. Signatures transmitted by facsimile, email or other electronic medium shall be effective as originals.

Section 5.8 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment.

Section 5.9 ENTIRE AGREEMENT. THIS AMENDMENT AND ALL OTHER INSTRUMENTS, DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THIS AMENDMENT EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THIS AMENDMENT, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

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Executed as of the date first written above.

BORROWER:

EZCORP, INC.

By:

Joseph L. Rotunda
President and Chief Executive Officer

AGENT, ISSUING BANK AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Agent, Issuing Bank and a Lender

By:

Richard Gan
Vice President

GUARANTY BANK,
as a Lender

By:

Daniel Leonard
Assistant Vice President

The Guarantors hereby consent and agree to this Amendment and agree that the Guaranty shall remain in full force and effect and shall continue to (i) guarantee the Guaranteed Indebtedness (as defined in the Guaranty), and (ii) be the legal, valid and binding obligation of the Guarantors and enforceable against the Guarantors in accordance with its terms. In addition, the Guarantors hereby agree that each Subsidiary Security Agreement, the Contribution and Indemnification Agreement and each Real Property Security Document shall remain in full force and effect and shall continue to (i) secure the Obligations (as defined in the Loan Documents other than the Real Property Security Documents) and the Debt (as defined in the Real Property Security Documents), and (ii) be the legal, valid and binding obligation of the Guarantors and enforceable against the Guarantors and collateral in accordance with their respective terms.

OBLIGATED PARTIES:

EZCORP INTERNATIONAL, INC.
EZMONEY COLORADO, INC.
EZMONEY HOLDINGS, INC.
EZMONEY MANAGEMENT, INC.
EZPAWN ALABAMA, INC.
EZPAWN ARKANSAS, INC.
EZPAWN COLORADO, INC.
EZPAWN FLORIDA, INC.
EZPAWN HOLDINGS, INC.
EZPAWN INDIANA, INC.
EZPAWN LOUISIANA, INC.
EZPAWN NEVADA, INC.
EZPAWN OKLAHOMA, INC.
EZPAWN TENNESSEE, INC.
PAYDAY LOAN MANAGEMENT, INC.
TEXAS EZPAWN MANAGEMENT, INC.
EZMONEY WISCONSIN, INC.

By:

Joseph L. Rotunda
President and Chief Executive Officer

TEXAS EZPAWN, L.P.

By: Texas EZPAWN Management, Inc.,
its sole general partner

By:

Joseph L. Rotunda
President and Chief Executive Officer

TEXAS PRA MANAGEMENT, L.P.

By: EZMONEY Management, Inc.,
its sole general partner

By:

Joseph L. Rotunda
President and Chief Executive Officer

TEXAS EZMONEY, L.P.

By: PAYDAY LOAN MANAGEMENT, INC.,
its sole general partner

By:

Joseph L. Rotunda
President and Chief Executive Officer

SCHEDULE 7.14

List of Subsidiaries

Corporate Name	Type of Entity	Jurisdiction of Entity	Federal Tax I.D.	State I.D. Number	Foreign Jurisdictions	Number of Shares or Percent Interest
EZCORP, Inc.	Corporation	Delaware	74-2540145	2196789	TX	
EZCORP INTERNATIONAL, INC.	Corporation	Delaware	74-2874123	2870970	N/A	1,000
EZPAWN Alabama, Inc.	Corporation	Delaware	74-2643349	2307445	AL	1,000
EZPAWN Arkansas, Inc.	Corporation	Delaware	74-2629548	2292291	AR	1,000
EZPAWN Colorado, Inc.	Corporation	Delaware	74-2629549	CO - 2284741/ TX - 8700005692	CO & TX	1,000
EZPAWN Florida, Inc.	Corporation	Delaware	74-2655620	2313729	FL	1,000
EZPAWN Indiana, Inc.	Corporation	Delaware	74-2655624	2317132	IN	1,000
EZMONEY Management, Inc.	Corporation	Delaware	74-2655625	2307447	TX	1,000
EZPAWN Louisiana, Inc.	Corporation	Delaware	74-2704187	2392318	LA	1,000
EZPAWN Nevada, Inc.	Corporation	Delaware	74-2672899	NV - 2328220/ CA - 2010557	NV & CA	1,000
EZPAWN Oklahoma, Inc.	Corporation	Delaware	74-2621073	2284738	OK	1,000
EZMONEY Holdings, Inc.	Corporation	Delaware	74-2672902	2326107	N/A	1,000
EZPAWN Tennessee, Inc.	Corporation	Delaware	74-2641965	2302767	TN	1,000
EZPAWN Holdings, Inc.	Corporation	Delaware	74-2540146	2198785	MS	100
Texas EZPAWN Management, Inc.	Corporation	Delaware	74-2689697	2361958	TX	1,000
Texas EZPAWN L.P.	Limited Partnership	Texas	74-2689698	7127110		
Texas PRA Management, L.P.	Limited Partnership	Texas	02-0596091	800081488		
Texas EZMONEY, L.P.	Limited Partnership	Texas	83 - 0360848	800210635		
Payday Loan Management, Inc.	Corporation	Delaware	83 - 0360843	800220645	TX	1,000
EZMONEY Colorado, Inc.	Corporation	Delaware	20 - 2531048	20051041748	CO	1,000
EZMONEY Wisconsin, Inc.	Corporation	Delaware	20 - 3415652		WI	1,000

EXHIBIT 10.95

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF EZCORP, INC.

I. INTRODUCTION AND PURPOSE

The Board of Directors ("Board") of EZCORP, Inc. (the "Company") has formed a special purpose committee known as the Audit Committee (the "Committee"). The primary purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing and advising the Board concerning:

- financial reports and other financial information provided by the Company to any governmental body or the public;

- systems of internal control implemented by the Company; and

- the Company's auditing, accounting and financial reporting processes generally.

The Committee's primary duties and responsibilities are to:

- provide independent monitoring of the Company's financial reporting and internal controls;

- evaluate the audit efforts of the Company's independent accountants and internal auditing department; and

- encourage open communication between the independent accountants, Company management, the internal auditing department, and the Board of Directors.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section V of this Charter.

II. COMPOSITION

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be "independent" pursuant to:

- Section 10A(m)(3) and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act") (subject to exceptions provided in Rule 10A-3(c) of the Exchange Act and the cure period provided in Rule 4350(d)(4) of the rules of the NASDAQ stock market (the "NASDAQ Rules")); and

- Rule 4200(a)(15) (subject to the exception provided in Rule 4350(d)(2)(B) and the cure period provided in Rule 4350(d)(4)) of the NASDAQ Rules.

No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

All members of the Committee shall have sufficient background and experience to be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and statement of cash flows. Additionally, at least one member of the Committee shall have past employment experience in finance or accounting, a professional certification in accounting or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

The members of the Committee shall be elected by the Board of Directors at the annual meeting and shall serve until their successors shall be duly elected and qualified. The Committee shall elect a Chairperson.

III. AUTHORITY

The Committee shall have the authority to retain and consult with special legal, accounting or other consultants to advise the Committee as circumstances may dictate. In addition, the Committee shall be directly responsible, in its capacity as a committee of the Board, for the appointment, compensation, retention and oversight of the independent accountants. The Committee shall determine the appropriate funding needed by the Committee and have sole authority to approve: (i) compensation to the independent audit firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company; (ii) compensation to any advisers employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

IV. MEETINGS

The Committee shall meet quarterly, or more frequently as circumstances dictate. As part of its function of fostering open communication, the Committee should meet regularly with management, the director of the internal audit and the independent accountants. The Committee will periodically meet separately with each of these groups to allow for matters which any member of such groups believes should be discussed privately. Such meetings will include quarterly consultation with the independent accountants and management to review the Company's financials consistent with item V.2 below.

V. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall have the responsibilities and authority necessary to comply with Rule 10A-3(b)(2), (3), (4) and (5) under the Exchange Act, including, without limitation, the responsibility and duty to take the following actions:

Document/Report Review

1. Review and update this Charter at least annually or more frequently should conditions dictate.

2. Conduct a pre-issuance review of the Company's annual and quarterly financial statements and any other reports or other financial information submitted to any governmental body or the public, including without limitation a review of the MD&A disclosures made in the Company's periodic reports filed with the Securities and Exchange Commission (the "SEC").

3. As considered necessary, discuss with management and the independent accountants any reports or financial information prepared under V. 2.

4. Meet with the Director of Internal Audit and review reports and management's response as considered necessary.

5. Advise the Board concerning the results of the Committee's review procedures.

6. Review the adequacy of and assist in the preparation of disclosure in the Company's Form 10-K of the required disclosures concerning the Committee and its function.

Independent Accountants

7. Approve in advance all audit, review or attest engagements required under the securities laws to be provided by the independent accountants, including fees and terms, and assure that the independent accounting firm reports directly to the Committee.

8. Not less than annually, confirm with management and the independent accountant that the engagement of the independent accountants to provide permissible non-audit services requires pre-approval by the Committee (other than with respect to de minimis exceptions described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit).

9. Not less than annually, assure receipt from the independent accountants of the written disclosure and letter required by ISB Standard No. 1 and actively engage in a dialogue with the independent accountants regarding any relationships the independent accountants have with the Company that might appear to impact the independent accountants' objectivity and independence.

10. Review and evaluate the lead partner of the independent accountants; assure compliance with the audit partner rotation requirements of Section 10A(j) of the Exchange Act; and

present to the Board of Directors the Committee's conclusions with respect to the qualifications and performance of the independent accountants.

11. Consider, at least annually, the independence of the independent accountants, including whether the independent accountants' performance of permissible non-audit services is compatible with the accountant's independence; obtain and review the report by the independent accountants describing any relationships between the independent accountants and the Company that may adversely affect the independence of the accountants; discuss with the independent accountants any disclosed relationship or services that may impact their objectivity and independence; and present to the Board the Committee's conclusions with respect to the independence of the independent accountants.

12. Periodically communicate with the independent accountants, in meetings separate from management, concerning their evaluation of internal controls, the propriety of the Company's financial statements, the quality of the system of internal accounting control and any other matters deemed necessary to fulfill the Committee's responsibilities.

Financial Reporting Processes

13. Review and evaluate the propriety of the Company's disclosure controls and internal and external financial reporting processes, in consultation with management and the independent accountants.

14. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

15. Consult with the independent accountants and management concerning the quality and appropriateness of accounting principles applied in financial reporting.

16. Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by any governmental body, the independent accountants, management, or the internal auditing department.

Process Improvement

17. Discuss the basis and appropriateness of significant judgments necessary to the preparation of financial statements with management and the independent accountants.

18. Subsequent to completion of the annual audit, review with the independent accountants any significant difficulties encountered during the course of the audit and any restrictions on the scope of work or access to required information.

19. Determine if there has been any significant disagreement between management and the independent accountants concerning accounting principles, significant judgments or other

matters. Work with management and the independent accountants to resolve any disagreements.

20. Review with the independent accountants their recommendations concerning changes to, or improvements in, internal control and financial reporting practices and assess management's responses to such recommendations.

21. Perform an evaluation of the Committees performance at least annually to determine whether it is functioning effectively.

Ethical and Legal Compliance

22. Review annually and provide recommendations to the Board of Directors concerning the Company's code of ethical conduct and assure that management has established systems to enforce and monitor compliance.

23. Review annually the internal audit plan, organizational structure, and qualifications of the internal audit department with the Director of Internal Audit.

24. Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements.

25. Establish and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

26. Perform any other activities consistent with this Charter, the Company's Bylaws and governing law, as the Committee or the Board of Directors deems necessary or appropriate.

This Charter was adopted by the Company's Board of Directors on November 8, 2005.

EXHIBIT 10.96

NOTE: PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION IN A CONFIDENTIAL TREATMENT REQUEST UNDER RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THE SYMBOL "[***]" IN THIS EXHIBIT INDICATES THAT INFORMATION HAS BEEN OMITTED.

EZCORP(R)

FY 2006 INCENTIVE

COMPENSATION PROGRAM

FY 2006 INCENTIVE COMPENSATION PROGRAM

POLICY

It is a policy of EZCORP, Inc. and its wholly owned affiliates (also referred to as "the Company") to offer a total compensation package which is commensurate with the job assigned, competitive within the affiliated industry, and reflective of the value of each individual's performance and overall contribution towards the short and long term success of the Company.

As a supplement to the base compensation paid and stock option awards granted by EZCORP, the Company offers the FY2006 Incentive Compensation Program (the "Program") to reward the accomplishment of corporate, business unit, and personal objectives for select key associates. This Program is designed to motivate selected associates to strive for excellence in both Company and specific personal objectives and provides incentive compensation awards for their achievement.

OBJECTIVES

The primary objectives of the EZCORP Incentive Compensation Program are:

1. To provide an incentive for individuals to drive their performance to achieve strategic Company and personal objectives.

2. To attract, retain and motivate top-quality associates who are able to add significant value to the Company's performance.

3. To provide incentive compensation opportunities which are competitive for the associate levels and the affiliated industry.

ELIGIBILITY FOR PARTICIPATION

The Compensation Advisory Group (President & CEO, SVP Administration and the SVP & CFO) will determine which positions participate in the Program. Participants are generally selected from positions that typically have incentive-based compensation components in the industry and from individuals who make meaningful and substantial contributions to the business. Participation in the Program will be determined prior to the beginning of the fiscal year. Eligible associates will usually be drawn from:

1. Officers and Executives of the Company.

2. Regional and Corporate Director Level Management

3. Key Management individuals as determined by the Compensation Advisory Group

SETTING OF FINANCIAL MEASUREMENTS AND INDIVIDUAL OBJECTIVES

COMPANY OBJECTIVE:

The Chief Executive Officer, with the concurrence of the Board of Directors will identify specific financial measures and set Company Objectives that will be used to determine the incentive awards for the year.

INDIVIDUAL OBJECTIVES:

The Executive Committee will determine overall departmental objectives and assign some or all of those objectives as Personal Objectives to specific individual participants. The 2006 ICP DEPARTMENT OBJECTIVES are attached.

Awards will be based on the level of attainment of both the Company Objectives and the Personal Objectives of each participant. HOWEVER, THE COMPANY WILL SET A MINIMUM FINANCIAL THRESHOLD THAT MUST BE ATTAINED FOR ANY INCENTIVE COMPENSATION TO BE PAID.

Periodic progress reviews will be conducted with participants during the year in the monthly Key Performance Review (KPR) meetings to monitor progress and ensure on-going focus and alignment.

FY 2006 COMPANY OBJECTIVES AND INCENTIVE TARGETS

Net Income will be used to determine actual financial award payouts for FY2006. For purposes of this Program, "NET INCOME" IS DEFINED AS THE NET INCOME SHOWN ON THE AUDITED FINANCIAL STATEMENTS, ADJUSTED FOR ANY SPECIAL ITEMS, CHARGES AND CREDITS, WHICH THE BOARD COMPENSATION COMMITTEE, IN ITS SOLE DISCRETION, DETERMINES ARE UNUSUAL OR INFREQUENTLY OCCURRING EVENTS OR SITUATIONS AND THAT GENERALLY DO NOT PROVIDE OR REQUIRE CASH, AND ALSO ARE NOT SUBJECT TO THE DIRECT CONTROL OF MANAGEMENT.

THE COMPANY'S NET INCOME GOAL FOR INCENTIVE COMPENSATION IS [***]. The minimum threshold for payout is reached at [***] and the maximum payout is achieved at [***].

The payout for financial participation can be read from the following matrix based on FY2006 "Net Income":

Net Income	[***]	[***]	[***]
%>FY2005	[***]	[***]	[***]
Estimated EPS	[***]	[***]	[***]
Bonus Payout	[***]	[***]	[***]

FY 2006 PERSONAL OBJECTIVES AND INCENTIVE TARGETS

1. The Executive Committee has established Departmental Objectives for FY2006. Based upon those Departmental Objectives, participants have been assigned Personal Objectives for the FY2006 Incentive Compensation Program that is attached. These Personal Objectives are subject to revisions based upon changing circumstances as deemed appropriate by the President & CEO throughout the year.

2. The quality of the output of specific Personal Objectives will be a substantial portion of the payout rating. To ensure consistency in the scoring of the performance in achieving Personal Objectives by individual participants, the following definitions and payout structure are provided:

   * Achieved or exceeds the target goal   Payout 100%

   * Slight miss of the target goal   Payout 50% to 75%

   * Miss minimum target goal   Payout zero

3. The Personal Objectives portion of the incentive award is maximized at 100% of the allocated PERCENTAGE. The Executive Committee will determine scores to be given.

4. The relative weighting of Company and Personal Objectives will be determined based upon the individual position and the amount of control they have on the achievement of the Objectives. Therefore, individual participants will have different weighting between Company and Personal Objectives.

CALCULATION OF INCENTIVE COMPENSATION PAYOUT

THE COMPANY OBJECTIVES AND THE PERSONAL OBJECTIVES WILL BE SCORED BASED UPON THE ACTUAL RESULTS ACHIEVED FOR THE

PROGRAM YEAR. EACH PARTICIPANT'S ACTUAL PAYOUT WILL BE DETERMINED USING THE FORMULA BELOW:

A.	% Company Objective Participation	____%	(A1)	(assigned, see personal documentation)
	Matrix Rating	____%	(A2)	(Company financial goal; percent achievement)
	(A1 X A2) =	____%	(A3)	(COMPANY OBJECTIVE FACTOR)
B.	% Personal Objectives Participation	____%	(B1)	(assigned, see personal documentation)
	Weighted Rating for Personal Objectives	____%	(B2)	(sum of all personal objective ratings divided by the number of assigned objectives)
	(B1 X B2) =	____%	(B3)	(PERSONAL OBJECTIVE FACTOR)
C.	Base Salary as of October 1, 2005	$___	(C1)	
	Participation Factor	____%	(C2)	(Sum of A3 + B3)
	(C1 X C2) =	$___	(C3)	INCENTIVE PAYOUT

CALCULATION EXAMPLE:
- --------------------
[***]

A.	Company Obj. Potential	[***]	(A1)	(assigned, see personal documentation)
	Company Matrix Rating	[***]	(A2)	
		[***]		
	(A1 x A2) =		(A3)	(COMPANY FACTOR)
B.	Personal Obj. Potential	[***]	(B1)	(assigned, see personal documentation)
	Weighted Rating	[***]	(B2)	(sum of all personal objective ratings divided by the number of assigned objectives)
	(B1 x B2) =	[***]	(B3)	(OBJECTIVE FACTOR)
C.	Base Salary as of 10/1/05	[***]	(C1)	
	Participation Factor (A3 + B3)	[***]	(C2)	(Sum of Company Factor and Personal Factor)
	(C1 x C2) =	[***]	(C3)	INCENTIVE PAYOUT

INCENTIVE PROGRAM FUNDING

Funding for the Incentive Compensation Program will be based on the number of participants selected for the individual Program year and their individual level of participation. At the beginning of each fiscal year, a budget will be established based on participant information and on economic, operational and financial profitability. The full amount of the Program payouts will be included in the administrative expense of the Company prior to the determination of the Company's final results for ICP purposes. Therefore, the funding of the ICP payouts is a part of the financial results of the Company for incentive calculations.

ADMINISTRATION OF THE PROGRAM

AMENDMENTS TO OR TERMINATION OF THE PROGRAM

WHILE IT IS THE INTENTION OF THE COMPANY TO PROVIDE AN INCENTIVE COMPENSATION PLAN ANNUALLY, THE COMPANY RESERVES THE RIGHT TO:

[X] Amend or modify the incentive plan in its entirety;

[X] Suspend or terminate the Program at any time.

PERFORMANCE MEASUREMENT

1. The Executive Committee, at its sole discretion, will score each departmental objective and the individual performance of each ICP participant as it relates to that specific Objective. Participants who share a common Personal Objective may be rated differently based upon their contribution to the achievement or lack of achievement of that specific objective.

2. The fact that an associate is initially selected as eligible to participate in the ICP does not mean that he or she is entitled to or guaranteed receipt of an incentive compensation award.

3. Actions taken by a Participant in the Program to enhance his or her incentive pay at the expense of the long-term benefit of the Company will result in the Participant being disqualified as a Program Participant, at the sole discretion of the Company.

4. If it can be determined by the Company, at its sole discretion, that a Participant's actions throughout the ICP year did not support or actually worked against their team's ability to meet its objective, the Participant will not receive any incentive compensation award even if all of the objectives are obtained.

5. The Compensation Advisory Group reserves the right, in its sole discretion, to establish the measurement systems associated with this Program and to approve in advance, departmental and Personal Objectives.

6. Any participant who receives an "UNSATISFACTORY" appraisal rating as determined by the Company in its sole discretion, for the incentive period will NOT be eligible for an incentive award for that period.

NO IMPLIED CONTRACT

The information presented in this Program shall not in any way be construed to constitute a binding employment or compensation contract between the Company and its associates, nor shall it in any way affect the "employment-at-will relationship" between associates and the Company.

RULES CONCERNING AWARDS PAYMENTS AND PARTICIPATION

1. Participants must be employed with the Company at the time incentive payments are made to be eligible to receive an award

2. Participants who voluntarily or involuntarily leave the service of the Company shall not be entitled to receive an award at the end of the Program year.

3. Recommendations to include a new hire or a promoted associate into the Program at any time during the Program year must be approved by the Chief Executive Officer. THIS ACTION IS MANDATORY BEFORE INFORMING ANY ASSOCIATE OF THEIR PARTICIPATION IN THE PROGRAM. Partial year participant awards, if any, will be prorated based upon full months of the associate's inclusion into the Program and their achievement of Program year objectives.

4. Associates hired after the second fiscal quarter (March 31, 2006) will not normally be eligible for participation until the following Program year. The Chief Executive Officer must approve any exceptions to the above in advance. THIS ACTION IS MANDATORY BEFORE INFORMING ANY ASSOCIATE OF THEIR PARTICIPATION IN THE PROGRAM.

DISCRETIONARY AWARDS

The CEO will have the authority to award "discretionary bonuses" at year-end. These awards will be granted to individuals based upon the associate's contribution toward either the achievement of the Company's strategic objectives or the FY2006 financial plan. Individual awards will not exceed $[***]; aggregate of awards will not exceed $[***] annually.

EFFECTIVE DATE OF THE PROGRAM:

THIS PROGRAM SHALL BE IN EFFECT FOR THE FISCAL YEAR 2006.

APPROVALS:

____Date: 10-1-05
JOE ROTUNDA
Chief Executive Officer

____Date: 10-1-05
ROBERT KASENTER
Sr. Vice President, Administration

____Date: 10-1-05
CONNIE KONDIK
VP & General Counsel, Secretary to the Board
Confirming Compensation Committee Approval

2006 ICP DEPARTMENT OBJECTIVES

[***]

EXHIBIT 21.1

FORM 10-K FOR FISCAL YEAR ENDED SEPTEMBER 30, 2005

SUBSIDIARIES OF EZCORP, INC.

1. EZPAWN Colorado, Inc.
2. EZPAWN Arkansas, Inc.
3. EZPAWN Oklahoma, Inc.
4. EZPAWN Tennessee, Inc.
5. EZPAWN Alabama, Inc.
6. EZMONEY Management, Inc. (2) (4)
7. EZPAWN Florida, Inc.
8. EZPAWN Indiana, Inc.
9. EZMONEY Holdings, Inc. (3) (4) (5)
10. EZPAWN Nevada, Inc.
11. EZPAWN Louisiana, Inc.
12. EZPAWN Holdings, Inc. (1)
13. Texas EZPAWN Management, Inc. (1)
14. EZCORP International, Inc.
15. Payday Loan Management, Inc. (5)
16. EZMONEY Colorado, Inc.
17. EZMONEY Wisconsin, Inc.
18. EZMONEY Utah, Inc.

(1) EZPAWN Texas, Inc. transferred all its assets to Texas EZPAWN, L.P., a Texas limited partnership, of which EZPAWN Holdings, Inc., formerly EZPAWN Texas, Inc. is the limited partner, and Texas EZPAWN Management, Inc. is the sole general partner and holds a certificate of authority to conduct business in Texas.

(2) EZMONEY Management, Inc. formerly known as EZPAWN Kansas, Inc. (3) EZMONEY Holdings, Inc. formerly known as EZPAWN South Carolina, Inc.

(4) EZMONEY Management, Inc. is the general partner of Texas PRA Management, L.P. and EZMONEY Holdings, Inc. is the limited partner of Texas PRA Management, L.P.

(5) Payday Loan Management, Inc. is the general partner of Texas EZMONEY, L.P. and EZMONEY Holdings, Inc. is the limited partner of Texas EZMONEY, L.P.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-63082) pertaining to the 1991 EZCORP, Inc. Stock Incentive Plan, the Registration Statement (Form S-8 No. 33-63078) pertaining to the EZCORP, Inc. 401(k) Plan, the Registration Statement (Form S-8 No. 333-108847) pertaining to the 1998 EZCORP, Inc. Stock Incentive Plan, and the Registration Statement (Form S-8 No. 333-122116) pertaining to the EZCORP, Inc. 2003 Incentive Plan of our reports dated November 18, 2005, relating to the consolidated financial statements, the schedule, and the effectiveness of internal control over financial reporting, of EZCORP, Inc. and subsidiaries included in the Annual Report (Form 10-K) for the year ended September 30, 2005.

/s/ BDO Seidman, LLP

Dallas, Texas
December 13, 2005

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-63082) pertaining to the 1991 EZCORP, Inc. Stock Incentive Plan, the Registration Statement (Form S-8 No. 33-63078) pertaining to the EZCORP, Inc. 401(k) Plan, the Registration Statement (Form S-8 No. 333-108847) pertaining to the 1998 EZCORP, Inc. Stock Incentive Plan, and the Registration Statement (Form S-8 No. 333-122116) pertaining to the EZCORP, Inc. 2003 Incentive Plan of our report dated December 7, 2004, relating to the consolidated financial statements and schedule of EZCORP, Inc. and subsidiaries included in the Annual Report (Form 10-K) for the year ended September 30, 2005.

/s/ Ernst & Young LLP

Austin, Texas
December 9, 2005

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph L. Rotunda, certify that:

1. I have reviewed this Annual Report on Form 10-K of EZCORP, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 13, 2005

/s/ Joseph L. Rotunda

Joseph L. Rotunda
President, Chief Executive Officer
& Director

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dan N. Tonissen, certify that:

1. I have reviewed this Annual Report on Form 10-K of EZCORP, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 13, 2005

/s/ Dan N. Tonissen

Dan N. Tonissen
Senior Vice President,
Chief Financial Officer & Director

EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 10-K for the Period Ended September 30, 2005 (the "Report") by EZCORP, Inc. ("Registrant"), the undersigned hereby certifies that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Registrant.

Date: December 13, 2005

/s/ Joseph L. Rotunda

Joseph L. Rotunda
President, Chief Executive Officer
& Director

EXHIBIT 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 10-K for the Period Ended September 30, 2005 (the "Report") by EZCORP, Inc. ("Registrant"), the undersigned hereby certifies that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Registrant.

Date: December 13, 2005

/s/ Dan N. Tonissen

Dan N. Tonissen
Senior Vice President,
Chief Financial Officer & Director