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

(Mark One)
[x]QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1999

OR

[ ]TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from ______________ to ______________

Commission File Number 0-19424

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)

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

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__

APPLICABLE ONLY TO CORPORATE ISSUERS:

The only class of voting securities of the registrant issued and outstanding is the Class B Voting Common Stock, par value $.01 per share, 100% 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.

As of March 31, 1999, 10,811,553 shares of the registrant's Class A Non-Voting Common Stock, par value $.01 per share and 1,190,057 shares of the registrant's Class B Voting Common Stock, par value $.01 per share were outstanding.

EZCORP, INC.
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PART I

Item 1. Financial Statements

EZCORP, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

	March 31, 1999 (unaudited)	March 31, 1998 (unaudited)	September 30, 1998
	(In thousands)		
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 2,717	$ 974	$ 1,328
Pawn loans	42,786	34,475	49,632
Service charge receivable	12,807	10,161	14,843
Inventory, net	47,750	36,638	44,011
Deferred tax asset	1,882	1,364	1,882
Income tax recoverable	-	-	840
Prepaids and other assets	3,868	2,946	3,170
Total current assets	111,810	86,558	115,706
Investment in unconsolidated affiliate	13,065	10,362	10,909
Property and equipment, net	52,749	34,333	43,666
Other assets:			
Goodwill, net	13,957	13,804	13,605
Deferred tax asset	-	1,730	-
Notes receivable, related parties	3,000	3,000	3,000
Other assets, net	4,591	1,537	3,025
Total assets	$199,172	$151,324	$189,911
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Current liabilities:			
Current maturities of long-term debt	$ 10	$ 9	$ 10
Accounts payable and other accrued expenses	9,148	5,939	8,874
Customer layaway deposits	2,617	2,259	2,174
Income taxes payable	1,391	-	-
Total current liabilities	13,166	8,207	11,058
Long-term debt, less current maturities	51,118	17,128	48,123
Deferred tax liability	24	-	24
Other long-term liabilities	127	172	152
Total long-term liabilities	51,269	17,300	48,299
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, par value $.01 a share - Authorized 5,000,000 shares; none issued and outstanding	-	-	-
Class A Non-voting Common stock, par value $.01 a share - Authorized 40,000,000 shares; 10,820,586 shares issued and 10,811,553 shares outstanding at March 31, 1999; 10,820,574 shares issued and 10,811,541 shares outstanding at March 31, 1998 and September 30, 1998	108	108	108
Class B Voting Common stock, par value $.01 a share - Authorized 1,198,990 shares in 1999; 1,190,057 shares issued and outstanding at March 31, 1999, September 30, 1998 and March 31, 1998	12	12	12
Additional paid-in capital	114,398	114,398	114,398
Retained earnings	21,060	12,063	16,830
	135,578	126,581	131,348
Treasury stock (9,033 shares in			

1999 and 1998)	(35)	(35)	(35)
Receivables from stockholders	(729)	(729)	(729)
Accumulated foreign currency translation adjustment	(77)	-	(30)
Total stockholders' equity	134,737	125,817	130,554
Total liabilities and stockholders' equity	$199,172	$151,324	$189,911

See Notes to Interim Condensed Consolidated Financial Statements (unaudited).

EZCORP, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	1999	1998	1999	1998
	(In thousands, except per share amounts)			
Revenues:				
Sales	$ 36,325	$ 30,624	$ 70,759	$ 61,550
Pawn service charges	23,542	19,007	49,373	39,994
Other	216	49	366	80
Total revenues	60,083	49,680	120,498	101,624
Cost of goods sold	31,101	25,369	60,122	51,449
Net revenues	28,982	24,311	60,376	50,175
Operating expenses:				
Operations	20,064	15,818	40,252	32,507
Administrative	2,597	3,143	6,945	6,497
Depreciation and amortization	2,196	1,824	4,481	3,622
Total operating expenses	24,857	20,785	51,678	42,626
Operating income	4,125	3,526	8,698	7,549
Interest expense	819	241	1,665	621
Equity in net income of unconsolidated affiliate	(163)	-	(273)	-
Income before income taxes	3,469	3,285	7,306	6,928
Income tax expense	1,318	1,248	2,776	2,632
Net income	$ 2,151	$ 2,037	$ 4,530	$ 4,296
Basic and diluted earnings per share	$ 0.18	$ 0.17	$ 0.38	$ 0.36
Cash dividends per common share	$ 0.0125	$ -	$ 0.0250	$ -
Weighted average shares outstanding				
Basic	12,001,598	11,997,817	12,001,598	11,996,813
Diluted	12,007,408	12,011,217	12,008,378	12,011,446

See Notes to Interim Condensed Consolidated Financial Statements (unaudited).

EZCORP, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended March 31, 1999	1998
	(In thousands)	
OPERATING ACTIVITIES:		
Net income	$ 4,530	$ 4,296
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,481	3,622
Deferred income taxes	-	525
Loss/(gain) on sale of assets	88	(106)
Income from investment in unconsolidated affiliate	(273)	-
Changes in operating assets and liabilities:		
Service charge receivable	2,036	3,092
Inventories	(3,597)	2,787
Prepaid expenses and other assets	(1,927)	(1,025)
Accounts payable and accrued expenses	274	(1,719)
Customer layaway deposits	439	336
Other long term liabilities	(25)	172
Income taxes recoverable	840	-
Income taxes payable	1,391	(819)
Net cash provided by operating activities	8,257	11,161
INVESTING ACTIVITIES:		
Pawn loans forfeited and transferred to inventories	38,881	30,395
Pawn loans made	(97,761)	(80,400)
Pawn loans repaid	65,953	58,787
Net decrease in loans	7,073	8,782
Additions to property, plant, and equipment	(13,205)	(5,082)
Acquisitions, net of cash acquired	(1,501)	(2,552)
Investment in unconsolidated affiliate	(1,930)	(10,362)
Sale of assets	-	203
Net cash used in investing activities	(9,563)	(9,011)
FINANCING ACTIVITIES:		
Payment of dividends	(300)	-
Proceeds from bank borrowings	18,000	17,000
Payments on borrowings	(15,005)	(19,005)
Net cash used by financing activities	2,695	(2,005)
Increase in cash and cash equivalents	1,389	145
Cash and cash equivalents at beginning of period	1,328	829
Cash and cash equivalents at end of period	$ 2,717	$ 974
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Foreign currency translation adjustment	$ (47)	$ -
Issuance of common stock to 401(k) Plan	$ -	$ 60

See Notes to Interim Condensed Consolidated Financial Statements (unaudited).

EZCORP, Inc. and Subsidiaries
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
March 31, 1999

Note A - Basis of Presentation The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring entries) considered necessary for a fair presentation have been included. The accompanying financial statements should be read with the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 1998.

The Company's business is subject to seasonal variations, and operating results for the three- and six-month periods ended March 31, 1999 are not necessarily indicative of the results of operations for the full fiscal year.

Note B - Accounting Principles and Practices

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.

The Company provides inventory reserves for shrinkage and cost in excess of market value. The Company estimates these reserves using analysis of sales trends, inventory aging, sales margins and shrinkage on inventory. The inventory reserves were $6.9 million, $6.8 million, and $7.0 million at March 31, 1999, September 30, 1998 and March 31, 1998, respectively.

Property and equipment is shown net of accumulated depreciation of $33.4 million, $29.5 million and $26.0 million at March 31, 1999 and September 30, 1998, and March 31, 1998, respectively.

Note C - Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31,		Six Months Ended March 31,	
	1999	1998	1999	1998
	(In thousands)		(In thousands)	
Numerator				
Numerator for basic and diluted earnings per share - net income	$ 2,151	$ 2,037	$ 4,530	$ 4,296
Denominator				
Denominator for basic earnings per share - weighted average shares	12,002	11,998	12,002	11,997
Effect of dilutive securities:				
Employee stock options	-	2	-	3
Warrants	5	11	6	11
Dilutive potential common shares	5	13	6	14
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	12,007	12,011	12,008	12,011
Basic earnings per share	$ 0.18	$ 0.17	$ 0.38	$ 0.36
Diluted earnings per share	$ 0.18	$ 0.17	$ 0.38	$ 0.36

For the three months ended March 31, 1999, options to purchase 1,655,992 weighted average shares of common stock at an average price of $11.23 per share were outstanding. For the six months ended March 31, 1999, options to purchase 1,459,771 weighted average shares of common stock at an average price of $11.40 per share were outstanding. These options were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares and, therefore, the effect would be anti-dilutive.

For the three months ended March 31, 1998, options to purchase 629,519 weighted average shares of common stock at an average price of $13.35 per share were outstanding. For the six months ended March 31, 1998, options to purchase 592,088 weighted average shares of common stock at an average price of $13.46 per share were outstanding. These options were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares and, therefore, the effect would be anti-dilutive.

Note D - Investment in Unconsolidated Affiliate

On October 16, 1998, the Company acquired an additional 1,896,666 newly issued common shares of Albemarle & Bond Holdings, plc ("A&B"), for approximately $2 million. Following this purchase the Company owns 13,276,666 common shares of A&B, or approximately of 29.9% of the total outstanding shares.

The Company accounts for its investment in A&B using the equity method. A&B reports its results to the public every six months and the most recently reported period ended December 31, 1998. The six months ended March 31, 1999 include the Company's percentage of A&B's earnings for July through December 1998.

Note E - Litigation

From time to time, the Company is involved in litigation relating to claims arising from its normal business operations. Currently, the Company is a defendant in several lawsuits. Some of these lawsuits involve claims for substantial amounts. While the ultimate outcome of these lawsuits cannot be ascertained, after consultation with counsel, the Company believes the resolution of these suits will not have a material adverse effect on the Company's financial condition. There can be no assurance, however, that this will be the case.

Note F - Comprehensive Income

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," which is effective for fiscal years beginning after December 15, 1997. 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 shareholders' equity. Comprehensive income for the three and six months ended March 31, 1999 was approximately $2,038,000 and 4,483,000, respectively. The difference between comprehensive income and net income is comprised of the effect of currency translation adjustments and hedging activity in accordance with Financial Accounting Standards Board Statement No. 52, "Foreign Currency Translation." The accumulated balance of foreign currency and hedging activity, excluded from net income, is presented in the Condensed Consolidated Balance Sheets as "Accumulated Foreign Currency Translation Adjustment."

Item 2.Management's Discussion and Analysis of Financial Condition and Results of Operations

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

Second Quarter Ended March 31, 1999 vs. Second Quarter Ended March 31, 1998

The following table sets forth selected, unaudited, consolidated financial data with respect to the Company for the Three-months ended March 31, 1999 and 1998.

	Three Months Ended March 31,(a) 1999	1998	% or Point Change(b)
Net Revenues:			
Sales	$36,325	$30,624	18.6%
Pawn service charges	23,542	19,007	23.9%
Other	216	49	340.8%
Total revenues	60,083	49,680	20.9%
Cost goods sold	31,101	25,369	22.6%
Net revenues	$28,982	$24,311	19.2%
Other Data:			
Gross profit as a percent of sales	14.4%	17.2%	(2.8) pts.
Average annual inventory turnover	2.5x	2.6x	(0.1) x
Average inventory balance per location as of the end of the quarter	$150	$140	7.1%
Average loan balance per location as of the end of the quarter	$135	$132	2.3%
Average yield on loan portfolio	210%	211%	(1.0) pt.
Average redemption rate	77%	80%	(3.0) pts.
Expenses as a Percent of Total Revenues:			
Operating	33.4%	31.8%	1.6 pts.
Administrative	4.3%	6.3%	(2.0) pts.
Depreciation and amortization	3.7%	3.7%	- pt.
Interest, net	1.4%	0.5%	0.9 pt.
Locations in Operation:			
Beginning of period	304	250	
Acquired	2	-	
Established	12	12	
Sold, combined or closed	-	-	
End of period	318	262	
Average locations in operation during the period(c)	311.0	256.0	

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a In thousands, except percentages, inventory turnover and store count.

b In comparing the period differences between dollar amounts or store counts, a percentage change is used. In comparing the period differences between two percentages, a percentage point (pt.) change is used.

c Average locations in operation during the period is calculated based on the average of the stores operating at the beginning and end of such period.

Six Months Ended March 31, 1999 vs. Six Months Ended March 31, 1998

The following table sets forth selected, unaudited, consolidated financial data with respect to the Company for the Six-months ended March 31, 1999 and 1998.

	Six Months Ended March 31,(a) 1999	1998	% or Point Change(b)
Net Revenues:			
Sales	$ 70,759	$ 61,550	15.0%
Pawn service charges	49,373	39,994	23.5%
Other	366	80	357.5%
Total revenues	120,498	101,624	18.6%
Cost of goods sold	60,122	51,449	16.9%
Net revenues	$ 60,376	$ 50,175	20.3%
Other Data:			
Gross profit as a percent of sales	15.0%	16.4%	(1.4) pts.
Average annual inventory turnover	2.5x	2.6x	(0.1) pts.
Average inventory balance per location as of the end of the quarter	$150	$140	7.1%
Average loan balance per location as of the end of the quarter	$135	$132	2.3%
Average yield on loan portfolio	210%	208%	2.0 pts.
Average redemption rate	76%	78%	(2.0) pts.
Expenses as a Percent of Total Revenues:			
Operating	33.4%	32.0%	1.4 pts.
Administrative	5.8%	6.4%	(0.6) pts.
Depreciation and amortization	3.7%	3.6%	0.1 pt.
Interest, net	1.4%	0.6%	0.8 pt.
Locations in Operation:			
Beginning of period	286	249	
Acquired	29	2	
Established	3	12	
Sold, combined or closed	-	(1)	
End of period	318	262	
Average locations in operation during the period(c)	302.0	255.5	

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a In thousands, except percentages, inventory turnover and store count.

b In comparing the period differences between dollar amounts or store counts, a percentage change is used. In comparing the period differences between two percentages, a percentage point (pt.) change is used.

c Average locations in operation during the period is calculated based on the average of the stores operating at the beginning and end of such period.

Results of Operations

The following discussion compares results for the Three- and Six-month periods ended March 31, 1999("Fiscal 1999 Periods") to the Three- and Six-month periods ended March 31, 1998 ("Fiscal 1998 Periods"). The discussion should be read in conjunction with the accompanying financial statements and related notes.

Early in the Company's 1998 fiscal year, the Company began to expand rapidly primarily through newly established stores. The Company expects these newly established stores to be unprofitable for the first three to four quarters that they are open as they develop their loan and sales customer base. Despite this unprofitable startup period, the Company believes that newly established stores will provide a better return on invested capital when compared to most acquisitions. During the Three-month Fiscal 1999 Period, the Company opened 12 newly established stores and acquired two stores. During the 12 months ended March 31, 1999, the Company opened 51 newly established stores and acquired five stores.

The Company's primary activity is the making of small, non-recourse loans secured by tangible personal property. The income earned on this activity is pawn service charge revenue. For the Three-month Fiscal 1999 Period, pawn service charge revenue increased $4.5 million from the Three-month Fiscal 1998 Period to $23.5 million. This resulted from an increase in same store pawn service charge revenue ($3.0 million) and the pawn service charge revenue from new stores not open the full three-month period ($1.5 million). Average same store pawn loan balances were 17 percent above the prior year. The annualized yield on the average pawn loan balance decreased one percentage point from the Three-month Fiscal 1998 Period to 210 percent.

For the Six-month Fiscal 1999 Period, pawn service charge revenue increased $9.4 million from the Six-month Fiscal 1998 Period to $49.4 million. This resulted from an increase in same store pawn service charge revenue ($6.5 million) and the pawn service charge revenue from new stores not open the full six-month period ($2.9 million). At March 31, 1999, average same store pawn loan balances were 15 percent above the prior year. The annualized yield on the average pawn loan balance increased two percentage points from the Six-month Fiscal 1998 Period to 210 percent. Variations in the annualized loan yield, as we saw between these periods, are due generally to a mix shift in the loan portfolio between loans with different loan yields.

A secondary, but related, activity of the Company is the sale of merchandise, primarily collateral forfeited from its lending activity. For the Three-month Fiscal 1999 Period, sales increased approximately $5.7 million from the Three-month Fiscal 1998 Period to approximately $36.3 million. This resulted from an increase in same store merchandise sales ($2.0 million), new store sales ($2.9 million), and an increase in jewelry scrapping and wholesale activity ($0.8 million). Same store sales for the Three-month Fiscal 1999 Period increased six percent from the Three-month Fiscal 1998 Period. Inventory turnover, at 2.5 times, was slightly lower in the Three-month Fiscal 1999 Period compared to the Three-month Fiscal 1998 Period largely due to new stores which typically have slower inventory turnover.

For the Six-month Fiscal 1999 Period, sales increased approximately $9.2 million from the Six-month Fiscal 1998 Period to approximately $70.8 million. This resulted from an increase in same store merchandise sales ($3.2 million), new store sales ($5.6 million), and an increase in jewelry scrapping and wholesale activity ($0.4 million). Same store sales for the Six-month Fiscal 1999 Period increased five percent from the Six-month Fiscal 1998 Period. Inventory turnover, at 2.5 times, was slightly lower in the Six-month Fiscal 1999 Period compared to the Six-month Fiscal 1998 Period largely due to new stores.

The Company's gross margin level (gross profit as a percentage of merchandise sales) results from, among other factors, the composition, quality and age of its inventory. At March 31, 1999, and 1998, respectively, the Company's inventories consisted of approximately 59 and 66 percent jewelry (e.g. ladies' and men's rings, chains, bracelets, etc.) and 41 and 35 percent general merchandise (e.g., televisions, VCRs, tools, sporting goods, musical instruments, firearms, etc.). At March 31, 1999 and 1998, respectively, 86 percent and 87 percent of the jewelry was less than twelve months old based on the Company's date of acquisition (date of forfeiture for collateral or date of purchase) as was approximately 95 percent of the general merchandise inventory for each period.

For the Three-month Fiscal 1999 Period, gross profits as a percentage of sales decreased 2.8 percentage points from the Three-month Fiscal 1998 Period to 14.4 percent. This decrease results from lower gross margins on merchandise sales (1.7 percentage points), an increase in inventory shrinkage when measured as a percentage of merchandise sales (up 1.0 percentage point to approximately 2.2 percent) and lower gross margins on wholesale and scrap jewelry sales (0.1 percentage point).

For the Six-month Fiscal 1999 Period, gross profits as a percentage of sales decreased 1.4 percentage points from the Six-month Fiscal 1998 Period to 15.0 percent. This decrease results from lower margins on merchandise sales (1.5 percentage points), and increase in inventory shrinkage when measured as a percentage of merchandise sales (up 0.5 percentage point to approximately 1.7 percent) offset by higher margins on wholesale and scrap jewelry sales (0.6 percentage point).

In the Three-month Fiscal 1999 Period, operating expenses as a percentage of total revenues increased 1.6 percentage points from the Three-month Fiscal 1998 Period to 33.4 percent. This increase results primarily from new stores which typically experience higher levels of operating expense relative to revenues. Administrative expenses decreased 2.0 percentage points in the Three-month Fiscal 1999 Period to 4.3 percent. This decrease results from the higher levels of revenues and lower levels of expenses in the Three-month Fiscal 1999 Period.

In the Six-month Fiscal 1999 Period, operating expenses as a percentage of total revenues increased 1.4 percentage points from the Six-month Fiscal 1998 Period to 33.4 percent. This increase results primarily from new stores which typically experience higher levels of operating expense relative to revenues. Administrative expenses decreased 0.6 of a percentage point in the Six-month Fiscal 1999 Period to 5.8 percent. This decrease results from the higher levels of revenues relative to these expenses in the Six-month Fiscal 1999 Period.

Depreciation and amortization expense as a percent of total revenues remained unchanged in the Three-month Fiscal 1999 Period and increased by 0.1 of a percentage point from the Six-month Fiscal 1998 Period to 3.7 percent. Interest expense increased by 0.9 and 0.8 of a percentage point, respectively, from the Fiscal 1998 Periods largely due to increased average debt balances.

Liquidity and Capital Resources

Net cash provided by operating activities for the Fiscal 1999 Period was $8.3 million as compared to $11.2 million provided in the Fiscal 1998 Period. Increases in inventories, primarily related to new stores, were partially offset by improved operating results and other working capital changes. Net cash used by investing activities was $9.6 million for the Fiscal 1999 Period compared to $9.0 million used in the Fiscal 1998 Period. The change is due to smaller decreases in pawn loan balances in the Fiscal 1999 Period compared to the Fiscal 1998 Period, higher levels of capital expenditures and acquisitions in the Fiscal 1999 Period compared to the Fiscal 1998 Period and the investment in the unconsolidated affiliate, Albemarle & Bond Holdings, plc in the Fiscal 1998 Period.

In the Fiscal 1999 Period, the Company invested approximately $13.2 million to open twenty-nine newly established stores, to acquire three stores, to upgrade or replace existing equipment and computer systems, and for improvements at existing stores. The Company funded these expenditures largely from cash flow provided by operating activities. The Company plans to open approximately 60 stores during fiscal 1999, including the 32 stores already opened. The Company anticipates that cash flow from operations and funds available under its existing bank line of credit should be adequate to fund these capital expenditures and expected pawn loan growth during the coming year. There can be no assurance, however, that the Company's cash flow and line of credit will provide adequate funds for these capital expenditures.

On December 10, 1998, the Company completed a new $110,000,000 syndicated credit facility. The new credit facility is unsecured and matures December 3, 2001. Terms of the credit agreement require, among other things, that the Company meet certain financial covenants. The outstanding balance under the facility bears interest, payable monthly, at the agent bank's Prime Rate or Eurodollar rate plus 87.5 to 137.5 basis points, depending on certain performance criteria. In addition, annually the Company pays an unused commitment fee equal to a fixed rate of 25 basis points of the unused amount of the total commitment. At March 31, 1999, the Company had $51 million outstanding on the line of credit.

Seasonality

Historically, pawn service charge revenues are highest in the fourth fiscal quarter (July, August and September) due to higher loan demand during the summer months and merchandise sales are highest in the first and second fiscal quarters (October through March) due to the holiday season and tax refunds.

The Year 2000 Issue

The Company, like many companies, faces the Year 2000 Issue. This is a result of computer programs being written using two digits rather than four (for example, "99" for 1999) to define the applicable year. Any of the Company's programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things a temporary inability to process transactions or engage in similar normal business activities.

The Company's plan to resolve the Year 2000 Issue involves the following four phases: assessment, remediation, testing, and implementation. To date, the Company has fully completed its assessment of all systems that could be affected by the Year 2000. The completed assessment indicated that the information technology system which would be affected is the Company's store level point of sale system. For this exposure, the Company is 100 percent complete on the assessment, remediation and testing phases and 70 percent complete with regard to the implementation phase. It was 100 percent complete with respect to software reprogramming, replacement and testing by April 1999. It expects to be 100 percent complete with implementation by June 1999. In addition, the Company has gathered information about the Year 2000 compliance status regarding relationships it has with various third parties and continues to monitor their compliance. To date, the Company is not aware of any third party with a Year 2000 Issue that would materially impact the Company's results of operations, liquidity, or capital resources. However, the Company has no means of ensuring that all third parties will be Year 2000 ready.

The Company will utilize internal resources to reprogram, test, and implement the software and operating equipment for Year 2000 modifications. The total cost of the Year 2000 project is estimated to be less than $100,000 and is being funded through operating cash flows. These costs are being expensed as incurred.

The Company's management believes it has an effective program in place to resolve the Year 2000 Issue. As noted above, the Company has not completed all necessary phases of this program. In the event the Company does not complete all phases, the Company may not be able to process customer transactions which could have a material impact on the operations of the Company. In addition, disruptions in the economy generally resulting from Year 2000 Issues could also materially adversely affect the Company. The amount of potential liability and lost revenue cannot be reasonably estimated at this time.

The Company currently has no contingency plans in place in the event it does not complete all phases of the Year 2000 program. The Company plans to evaluate the status of completion in May 1999, and determine at that time whether such a plan is necessary.

Qualitative and Quantitative Disclosures about Market Risk

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 and foreign currency exchange rates. The Company does not use derivative financial instruments.

The Company's earnings are affected by changes in interest rates due to the impact those changes have on its variable-rate debt instruments. The majority of the Company's long-term debt at March 31, 1999 is a variable-rate debt instrument. There have been no material changes relating to interest rates since the Company's most recent fiscal year, which ended on September 30, 1998.

The Company's earnings and financial position are affected by foreign exchange rate fluctuations related to the equity investment in Albemarle & Bond Holdings, plc ("A&B"). A&B's operation'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 manners, including potential economic recession in the U.K. resulting from a devalued pound. The impact on the Company's financial position and results of operations of a hypothetical change in the exchange rate between the U.S. dollar and the U.K. pound cannot be reasonably estimated. During Fiscal 1998, the U.K. pound weakened resulting in a cumulative translation adjustment loss of $30,000. During the second fiscal quarter ended March 31, 1999, the U.K. pound weakened resulting in a cumulative translation adjustment loss of $77,000. On March 31, 1999, the U.S. dollar closed at 1.6120 to 1.00 U.K. pound, a decrease from 1.6981 at September 30, 1998. No assurance can be given as to the future valuation of the U.K. pound and how further movements in the pound could effect future earnings or the financial position of the Company.

Forward-Looking Information

This Quarterly Report on Form 10-Q 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. All statements other than statement of historical information provided herein are forward-looking and may contain information about financial results, economic conditions, trends and known uncertainties. The Company cautions the reader that actual results could differ materially from those expected by the Company depending on the outcome of certain factors, including without limitation (i) fluctuations in the Company's inventory and loan balances, inventory turnover, average yield on loan portfolio, redemption rates, labor and employment matters, competition, operating risk, acquisition and expansion risk, liquidity and capital requirements and the effect of government and environmental regulations and (ii) adverse changes in the market for the Company's services. 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 obligations 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, or to reflect the occurrence of unanticipated events.

PART II

Item 1. Legal Proceedings

From time to time, the Company is involved in litigation relating to claims arising from its normal business operations. Currently, the Company is a defendant in several lawsuits. Some of these lawsuits involve claims for substantial amounts. While the ultimate outcome of these lawsuits cannot be ascertained, after consultation with counsel, the Company believes the resolution of these suits will not have a material adverse effect on the Company's financial condition. There can be no assurance, however, that this will be the case.

Item 2. Changes in Securities

Not Applicable

Item 3. Defaults Upon Senior Securities

Not Applicable

Item 4. Submission of Matters to a Vote of Security Holders

On March 1, 1999, the sole shareholder of the Class B Voting Common Stock approved Ernst & Young LLP to serve as the Company's auditors for the ensuing year and elected the following persons as directors of the Company:

Sterling B. Brinkley	Mark C. Pickup
Vincent A. Lambiase	Richard D. Sage
Dan N. Tonissen	John E. Cay, III
J. Jefferson Dean	Steve Price

The Company's Class B Voting Common Stock was the only class entitled to vote on these matters. The sole voting shareholder of the Company holds all 1,190,057 shares of outstanding Class B Voting Common Stock.

Item 5. Other Information

Not Applicable

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Number	Description	Incorporated by Reference to
Exhibit 27	Financial Data Schedule	Filed herewith

(b) Reports on Form 8-K
The Company has not filed any reports on Form 8-K for the quarter ended March 31, 1999.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EZCORP, INC.

(Registrant)

Date: May 14, 1999

By: /s/ DAN N. TONISSEN

(Signature)

Dan N. Tonissen
Senior Vice President and
Chief Financial Officer

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6-MOS
SEP-30-1999
MAR-31-1999
2717
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55593
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47750
111810
86164
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134617
199172
70759
120498
60122
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1665
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2776
4530
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4530
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