

Third Quarter 2013 Supplementary Information

24 October 2013

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Forward-looking Statements

This presentation and the accompanying earnings release contains forward-looking statements. These statements may be identified by words such as “anticipate,” “intend,” “expect,” “may,” “could,” “should,” “would,” “plan,” “estimate,” “seek,” “believe” and similar expressions. We caution that forward-looking statements are qualified to certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ materially from these forward-looking statements may include, without limitation, general economic conditions, conditions in the markets in which Altisource is engaged, behavior of customers, suppliers and/or competitors, technological developments and regulatory rules. In addition, financial risks such as currency movements, liquidity and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. **Altisource disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.**

Quarterly Highlights

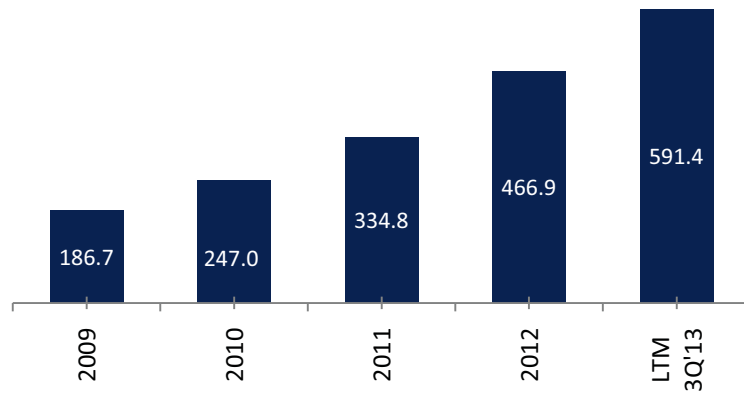
- Net Income Attributable to Altisource for the quarter was \$36.0 million or \$1.42 per diluted share, an increase of 33% and 31%, respectively, from the third quarter in 2012
- Earnings before interest expense (net of tax)[^] for the quarter was \$41.8 million, an increase of 55% from the third quarter in 2012
- Service Revenue for the quarter was \$180.4 million, an increase of 52% from the third quarter in 2012
- On August 21, Altisource announced the acquisition of Equator, LLC (“Equator”), a national leader in mortgage and real estate related SaaS solutions at a base price of \$70.0 million plus contingent earn out consideration of up to an additional \$80.0 million over three years, subject to Equator achieving annual performance targets
- Altisource Residential (“Residential”), the company we provide rental management services to under a 15-year services agreement, increased its loan and REO portfolio from 1,372 at June 30, 2013 to 6,234 on September 30, 2013 (including announced acquisitions closed in October 2013)
- Altisource acquired 266,300 shares of its common stock during the quarter at an average price of \$134.86 per share

Note:

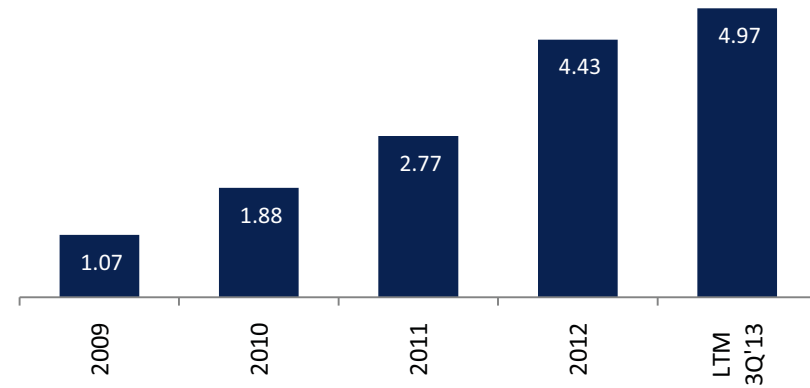
[^] Earnings before interest expense (net of tax) is a non-GAAP measure defined and reconciled in the Appendix

Shareholder Value Creation

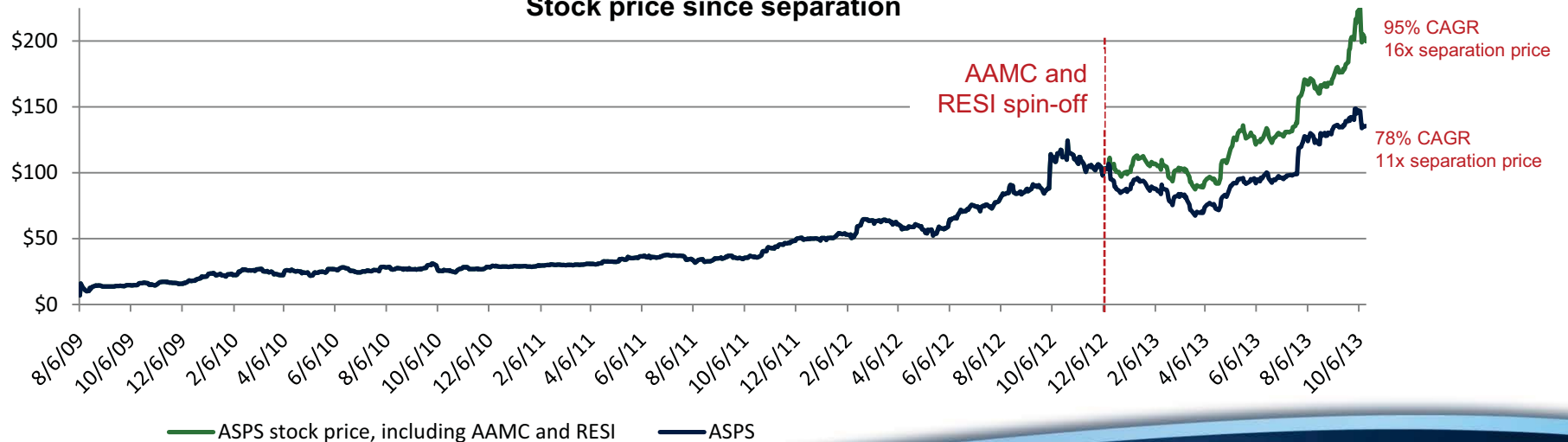
Service Revenue (\$ million)



Diluted Earnings Per Share (\$)



Stock price since separation



Stock are prices through October 14, 2013

Equator Acquisition

We are acquiring Equator, LLC for \$70 million at closing and up to \$80 million in earn out. Earn out may be achieved based on Equator's financial performance over the next three years. The acquisition is subject to customary closing conditions

- **Equator Overview**

- An industry leading marketplace and transaction solutions provider for the mortgage and real estate industries; established in 2003

- **Executive Team**

- Christopher L. Saitta, co-Founder and Chief Executive Officer with 20 years experience including: eBay and Equator
- John A. Vella, Chief Operating Officer with 30 years experience including: FDIC, Freddie Mac, Household Auto, Bear Stearns – EMC Mortgage, GMAC Mortgage and Equator

- **Combined Entity**

- Provides services and technology to 5 of the top 6 U.S. mortgage servicers and government sponsored enterprises
- Expands software suite across full real estate lifecycle
- Broadens global software talent

Marketplaces

Vision

To be the premier real estate and mortgage marketplace offering both content and distribution to the marketplace participants

Mission

To offer homeowners, buyers, sellers, agents, mortgage originators and servicers trusted and efficient marketplaces to conduct real estate and mortgage transactions and improve outcomes for market participants

Real Estate Marketplace

- ✓ Home Sales
- ✓ Home Rentals
- ✓ Home Maintenance

Mortgage Marketplace

- ✓ Mortgage Originations
- ✓ Mortgage Servicing

Market Sizes

Real Estate Marketplace

✓ Home Sales¹

- 5.4 million homes sold in the United States in the 12 months ended July 2013 for an aggregate sales price of \$1.3 trillion

✓ Home Rentals²

- 21.3 million single family rental homes³ in the United States

✓ Home Maintenance²

- 76.1 million owner-occupied homes in the United States
- \$396 per year per owner occupied home spent on home maintenance (excluding home improvement) (median amount)

¹ Source: National Association of Realtors®

² Source: U.S. Census Bureau

³ Represents housing with 1 – 4 units

⁴ Source: Mortgage Bankers Association (September 2013) and internal estimates

Mortgage Marketplace

✓ Mortgage Originations

- An estimated 7.0 million loans⁴ will be originated in the United States in 2013 with unpaid principal balances of \$1.6 trillion⁴
- Between 15 and 20 transactions are ordered in connection with an originated loan⁵

✓ Mortgage Servicing

- 48.6 million⁶ mortgage loans outstanding in the United States with \$9.9 trillion⁷ of unpaid principal balances

⁵ Source: Internal estimates

⁶ Source: Moody's CreditForecast.com (March 2013)

⁷ Source: Federal Reserve

Marketplace Example

Equator offers BPM solutions and a marketplace



Hubzu is a marketplace to sell real estate on-line



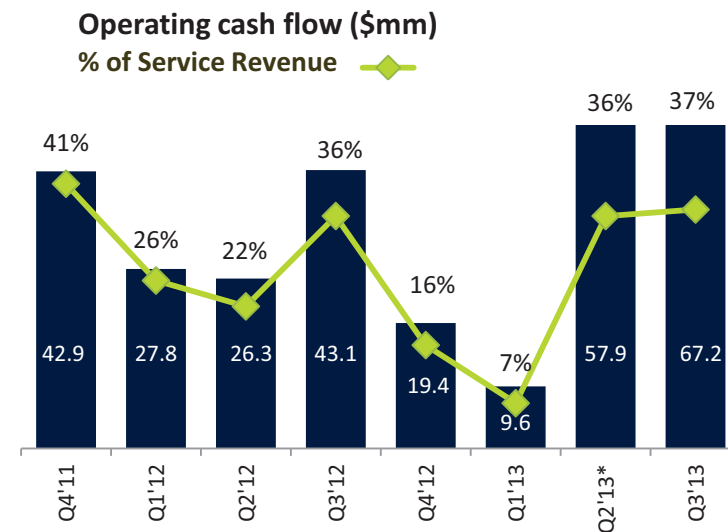
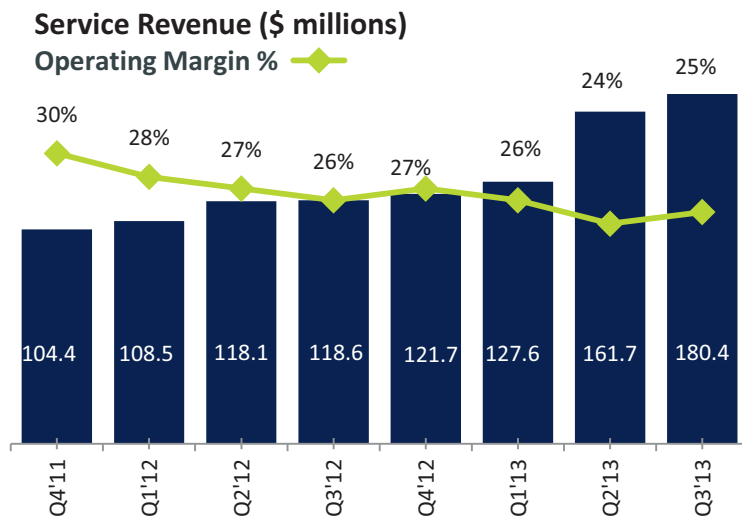
Third Quarter 2013 Financial Results

\$ millions (except EPS)	YTD 2013	B/(W) YTD 2012	Q3 2013	B/(W) Q3 2012	B/(W) Q2 2013
Revenue	\$ 545.8	28%	\$ 210.8	46%	13%
Service Revenue	\$ 469.6	36%	\$ 180.4	52%	12%
Pretax Income*	\$ 103.8	12%	\$ 38.6	25%	12%
Net Income – Altisource	\$ 94.5	18%	\$ 36.0	33%	16%
Earnings Per Share – Diluted	\$ 3.77	17%	\$ 1.42	31%	14%

* Pretax Income includes \$3.1 million and \$0.9 million of income attributable to non-controlling interests for YTD 2013 and Q3 2013, respectively (\$4.2 million and \$1.1 million for YTD 2012 and Q3 2012, respectively)

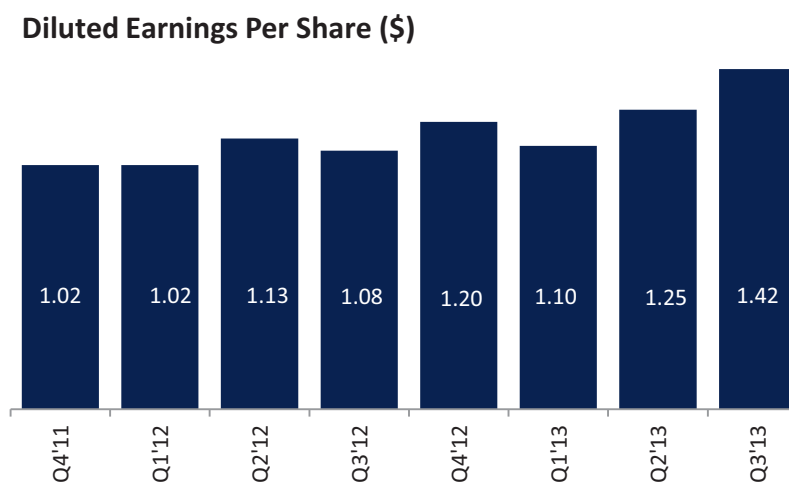
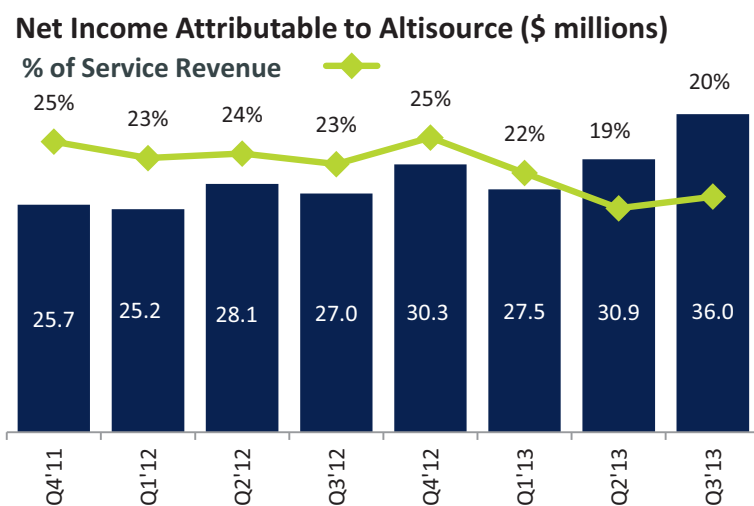
Note: Numbers may not recalculate because of rounding

Historical Performance



* Includes \$25.0 million of receivables collected on April 1, 2013

Historical Performance



Shares Available Under May 2012 Program

In May 2012, we were authorized to purchase up to 3.5 million shares of our common stock in the open market.

	Stock Repurchase Program	Treasury Stock	Stock Options	Common stock outstanding
As of December 31, 2012	3,496,998	1,985,985	3,058,309	23,426,763
Stock repurchased	(845,491)	845,491		(845,491)
Stock options granted, net of forfeitures			(42,248)	N/A
Stock options exercised		(279,531)	(279,531)	279,531
Restricted stock vested		(5,205)		5,205
As of September 30, 2013	2,651,507	2,546,740	2,736,530	22,866,008

Altisource's ability to repurchase shares is limited to the following amounts as of September 30, 2013:

- Luxembourg law: \$38.3 million
- Senior Secured Term Loan: \$107.0 million
- Shareholder authorization: 2.7 million shares

Growth Initiatives

Marketplace: Real Estate

- Expanding Hubzu to other institutions and the non-distressed home sale market
- Providing asset management services to the single family rental market
- Supporting Ocwen's growth

Marketplace: Mortgage

- Growing our origination related services through our access to over 12% of the U.S. origination market through Lenders One and Ocwen
- Supporting Ocwen's growth
- Developing NextGen REALServicing® technology

Distribution and Transaction Solutions

- Developing NextGen REALDoc®, REALTrans®, REALRemit® technologies, among others
- Deploying platform business process outsourcing offerings leveraging our next generation software with traditional BPO services
- Expanding mortgage charge-off collection practice

Equator Transaction

Complementary acquisition that enhances Altisource's Real Estate and Mortgage Marketplaces and related transaction solutions

- **Proven core business**

- Strong revenue growth
- Established marquee client base
- Proven technology platform
- Experienced management team

- **Revenue expansion opportunities**

- Offering Altisource's Mortgage Services through the Equator marketplace, with an initial focus on Hubzu
- Offering Altisource's complementary technology solutions to Equator's customers
- Leveraging Equator's large real estate agent network to drive more non-distressed listings to Hubzu

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Operating Metrics

	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13
Default Related Services:								
Service revenue per delinquent loan per quarter								
Non-GSE (in thousands)	**	**	\$ 374	\$ 362	\$ 346	\$ 354	\$ 371	\$ 395
GSE (in thousands)	**	**	\$ 118	\$ 151	\$ 197	\$ 160	\$ 240	\$ 189
Average number of delinquent loans serviced by Ocwen on REALServicing								
Non-GSE (in thousands)	**	**	214	215	225	235	285	303
GSE (in thousands)	**	**	15	20	20	19	12	11
Provisional loan count on REALServicing as at the end of the period								
Non-GSE (in thousands)	**	**	703	697	691	963	948	1,279
GSE (in thousands)	**	**	87	87	90	84	56	83
Originations Related Services:								
Service revenue (in millions)								
Mortgage Services	\$ 6.6	\$ 7.6	\$ 7.6	\$ 9.4	\$ 10.5	\$ 9.9	\$ 10.1	\$ 8.7
Technology Services	\$ 0.4	\$ 0.5	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 1.0	\$ 0.8
Customers with a signed service agreement	80	99	108	128	158	165	180	190
Lenders One Membership	214	223	232	241	241	252	249	250
Estimated U.S. origination market share for Lenders One members *	9.1%	9.2%	10.3%	11.2%	10.7%	11.7%	11.9%	12.6%
Hubzu:								
Service revenue (in millions)	\$ 9.6	\$ 10.7	\$ 14.8	\$ 14.8	\$ 12.9	\$ 14.6	\$ 17.7	\$ 16.8
Number of REO sold	6,263	6,759	7,273	6,154	5,016	5,530	6,554	6,127

* Estimated 2013 U.S. residential mortgage originations based on Mortgage Bankers Association forecast; reported herein on a 1 quarter trailing basis

** Not previously provided

Operating Metrics

	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13
Technology Services:								
Service Revenue per loan per quarter	\$ 9	\$ 10	\$ 10	\$ 9	\$ 12	\$ 12	\$ 13	\$ 11
Average number of loans serviced by Ocwen on REALServicing (in thousands)	664	664	745	804	809	864	1,042	1,237
Residential Asset Business:								
Altisource Residential's current portfolio								
Loans							1,332	5,020
REO							40	114
Days delinquent - % of portfolio:								
Current							7%	3%
30 - 59							2%	1%
60 - 89							2%	1%
90 +							34%	19%
Foreclosure							52%	74%
REO							3%	2%
Financial Services Segment:								
Service revenue (in millions)	\$ 16.2	\$ 17.8	\$ 16.1	\$ 15.3	\$ 14.9	\$ 16.1	\$ 23.0	\$ 27.2
Operating margin	10.1%	10.4%	6.1%	3.2%	7.1%	9.1%	25.0%	28.2%

Operating Metrics

Notes:

Default related Service revenue:

1. Service revenue per loan is measured for the quarter
2. Average loans serviced for Q3'13 is provisional and subject to change
3. Service revenue generated from certain services are not recorded separately for non-GSE and GSE loans. For these services, Service revenue has been allocated between non-GSE and GSE loans based on estimates
4. Default related Service revenue per delinquent loan per quarter excludes Service revenue generated from loans not on REALServicing® of \$917,000, \$1,523,000 and \$3,740,000 in Q1'13, Q2'13 and Q3'13 respectively

Originations related Service revenue:

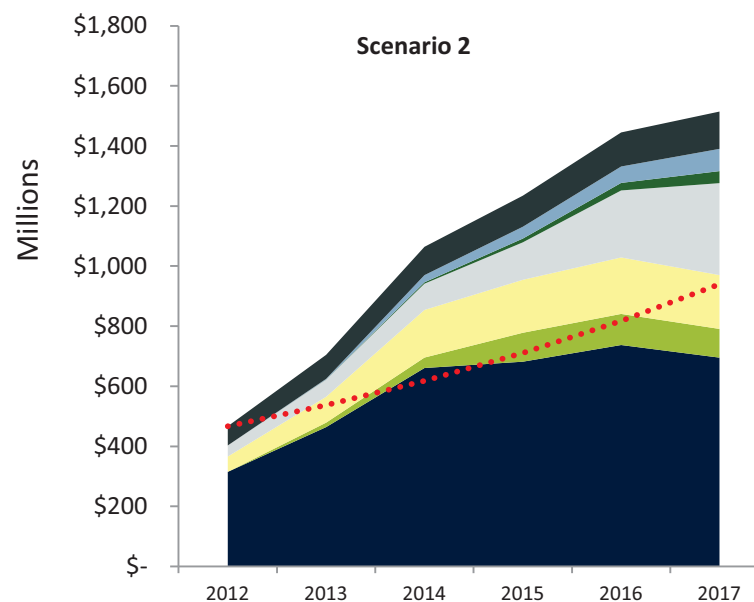
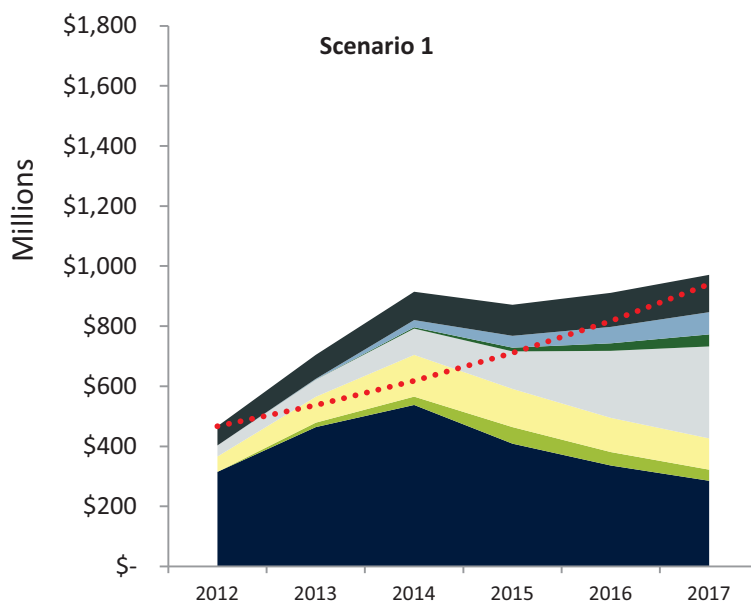
5. Ocwen obtained originations capabilities in connection with its December 2012 acquisition of Homeward Residential and April 2013 acquisition of Liberty Home Equity Solutions

Technology Service revenue:

6. Service revenue per loan is measured for the quarter
7. Average loans serviced for Q3'13 is provisional and subject to change

Service Revenue Scenarios

Creating a stable, long-term revenue stream for Altisource as delinquency rates decline. The scenarios are for illustrative purposes only, are not updated every quarter and do not represent a forecast



Note: The above scenarios do not assume any reinvestment of the cash generated from the businesses

Service Revenue Scenarios: Assumptions

Portfolio acquisition assumptions	Scenario 1		Scenario 2			
Annual non-GSE portfolio acquisitions by Ocwen in 2014, 2015 and 2016 (no non-GSE portfolio acquisitions in 2017)	None		\$100 billion			
Assumptions applicable to all scenarios	2013	2014	2015	2016	2017	Actual 2013 YTD
Default related						
Non-GSE delinquency rate ^{1, 2}	28.3%	23.6%	20.2%	19.2%	18.9%	28.9%
GSE delinquency rate ^{1, 2} on legacy portfolios acquired by Ocwen through March 31, 2013	19.8%	17.1%	13.7%	12.7%	13.1%	19.4%
GSE delinquency rate ¹ on new portfolios acquired or originated by Ocwen subsequent to March 31, 2013	0%	0%	0%	0%	0%	0%
Originations related						
U.S. loan originations (\$bn) ³	1,410	1,061	900	1,100	1,300	1,345
Lenders One and Ocwen share of U.S. loan origination market	11.4%	13.3%	13.7%	15.2%	15.2%	12.5%
Origination related services revenue expressed as basis points of loans originated by Lenders One members and Ocwen	3.5	6.2	10.2	13.4	15.5	1.9
Technology Services						
Number of performing GSE loans on REALServicing® (related to Ocwen PMSR acquisitions or new originations occurring subsequent to March 31, 2013) that generates Technology Services revenue only ⁴	-	386,320	409,329	479,023	581,009	-
Residential asset business - average rental homes under management	113	1,580	5,700	13,631	24,081	15
Hubzu – non-Ocwen properties sold	2,500	17,000	26,250	36,480	49,376	4
Financial Services - annual revenue growth rate	24.9%	18.0%	9.6%	9.7%	9.6%	34.9%

¹ Delinquency rate is calculated as the average % of total number of loans that are delinquent for more than 30 days, including loans in bankruptcy, foreclosure and REO

² Delinquency rates are projected to decline at the same rate as projected by Moody's CreditForecast.com

³ U.S. loan origination projections for 2013 and 2014 based on Mortgage Bankers Association March 22, 2013 forecast. U.S. loan origination projections from 2015 to 2017 based on Moody's Analytics. U.S. loan origination projection for Actual 2013 YTD is based on the Mortgage Bankers Association September 23, 2013 forecast

⁴ Consists of Ally Bank portfolio expected to be boarded in 2014 and loans originated by Ocwen's origination platform

Non-GAAP Measures

Earnings before interest expense (net of tax) is defined as earnings attributable to Altisource before interest, net of taxes. Earnings before interest expense (net of tax) attributable to Altisource is a non-GAAP measure used by our Chief Operating Decision Maker, existing shareholders and potential shareholders to measure the Company's performance

Reconciliation: (\$ millions)	Q3 2013	Q3 2012
Net income attributable to Altisource	\$36.0	\$27.0
Adjustments:		
Interest expense, net of interest income	6.2	0.0
Tax benefit from interest expense	(0.4)	0.0
Earnings before interest expense (net of tax)	\$41.8	\$27.0
Increase in Q3 2013 over Q3 2012	55%	

Investor Relations Information

About Altisource	We are a premier marketplace and transaction solutions provider for the real estate, mortgage and consumer debt industries offering both distribution and content. We leverage proprietary business process, vendor and electronic payment management software and behavioral science based analytics to improve outcomes for marketplace participants.	Exchange	NASDAQ Global Select
Contact Information	All Investor Relations inquiries should be sent to: shareholders@altisource.lu	Ticker	ASPS
		Headquarters	Luxembourg
		Employees	More than 7,600