



**Conference Call  
April 1, 2015**

*This presentation contains 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, regarding management’s beliefs, estimates, projections, anticipations and assumptions with respect to, among other things, the Company’s financial results, future operations, business plans and investment strategies as well as industry and market conditions. These statements may be identified by words such as “anticipate,” “intend,” “expect,” “may,” “could,” “should,” “would,” “plan,” “estimate,” “seek,” “believe” and other expressions or words of similar meaning. We caution that forward looking statements are qualified by the existence of certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors that could cause the Company’s actual results to differ materially from these forward-looking statements may include, without limitation, our ability to implement our business strategy; the ability of Altisource Residential Corporation (“Residential”) to make distributions to its stockholders; the impact of changes to the supply of, value of and the returns on sub-performing and non-performing loans; Residential’s ability to successfully modify or otherwise resolve sub-performing and non-performing loans; Residential’s ability to convert loans to single-family rental properties generating attractive returns; our ability to predict costs; difficulties in identifying sub-performing and non-performing loans and single-family properties to acquire; our ability to effectively compete with competitors; Residential’s ability to apply the net proceeds from financings in target assets in a timely manner; changes in interest rates and the market value of the collateral underlying Residential’s sub-performing and nonperforming loan portfolios or acquired single-family properties; Residential’s ability to obtain and access financing arrangements on favorable terms, or at all; the failure of Altisource Portfolio Solutions S.A. to effectively perform its obligations under various agreements with Residential; the failure of Ocwen Financial Corporation to effectively perform its servicing obligations under its servicing agreement with Residential; Residential’s failure to qualify or maintain qualification as a REIT; Residential’s failure to maintain its exemption from registration under the Investment Company Act of 1940, as amended; the impact of adverse real estate, mortgage or housing markets; the impact of adverse legislative or regulatory tax changes and other risks and uncertainties detailed in the “Risk Factors” and other sections described from time to time in the Company’s current and future filings with the Securities and Exchange Commission. In addition, financial risks such as liquidity and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive.*

*The statements made in this presentation are current as of the date of this presentation only. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, whether as a result of new information, future events or otherwise.*

- Ashish Pandey, Executive Chairman
- George Ellison, Chief Executive Officer
- Robin Lowe, Chief Financial Officer

George Ellison joins us as CEO of AAMC and President of RESI

RESI added two new servicers and initiated servicing transfer

Increased the number of properties in rental portfolio to 653 as of February 28, 2015

New management agreement with RESI

- Initial term of 15 years from the date of the new agreement subject to achieving a minimum 7% return in any consecutive 2-year period.
- Agreement renewable for a further two additional five-year terms subject to performance conditions
- Summary of AAMC Fees under the new agreement:

*Tiered Fee Structure*

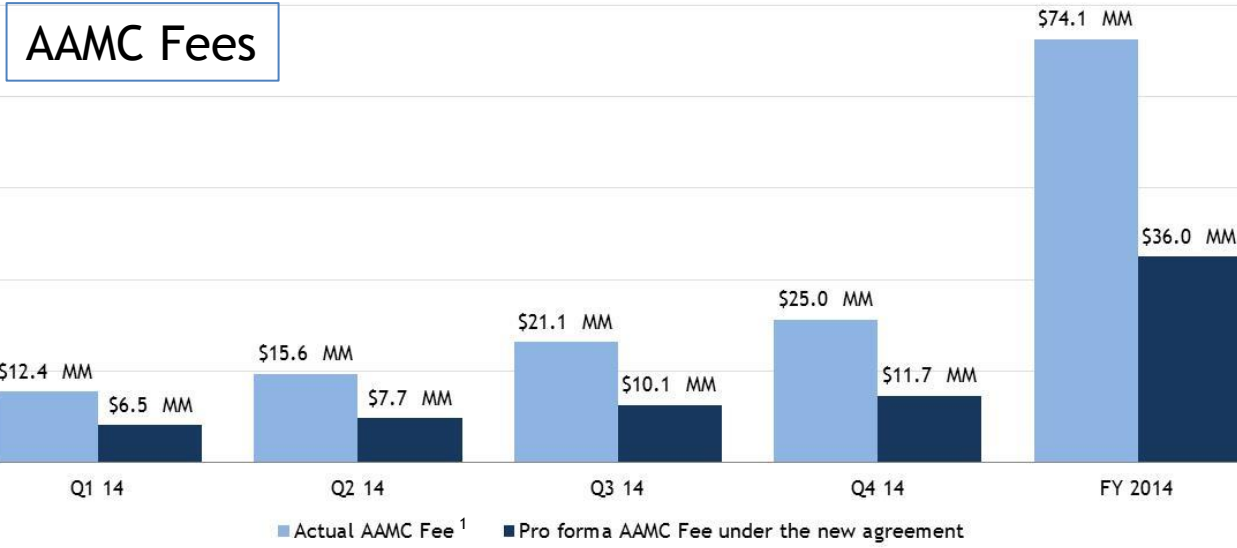
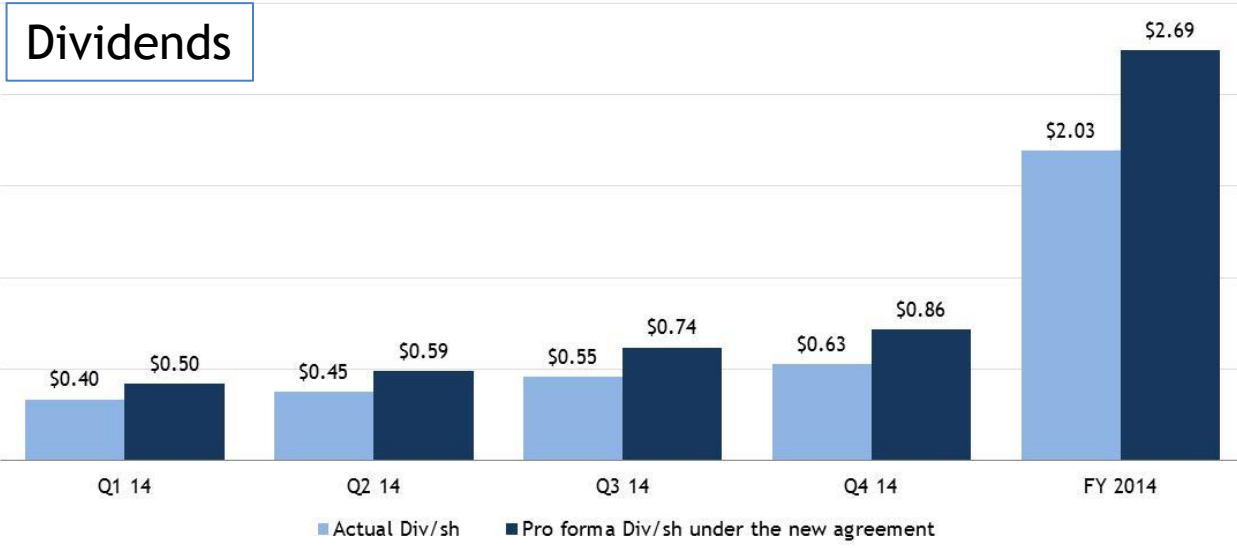
AAMC Fees	Rented homes < 2,500	2,500 <= Rented homes < 4,500	Rented Homes >= 4,500
Base Management Fee	1.5%	1.75%	2.0%
Conversion Fee	1.5%		
Incentive Fee	20.0%	22.5%	25.0%

X  
X  
X

Applicable Fee Base
RESI's capital
Market value of homes leased for the first time during a quarter
Amount by which the return on capital exceeds a hurdle return rate. Hurdle rate can range from 7% and 8.25% depending on the 10 Year Treasury rate

- No reimbursement to AAMC for compensation related expenses of AAMC employees

# Pro Forma Dividends and AAMC Fees Comparison - 2014



2014 dividend under the revised management agreement is estimated to be 33% higher.  
 2014 AAMC fees under the revised managed agreement is estimated to be 51% lower.

1. Includes expense reimbursement and incentive fees

## Income Statement

\$ in thousands, except per share data	Residential (GAAP)	NewSource Stand-alone (Non-GAAP)	AAMC Stand-alone (Non-GAAP)	Consolidating Entries	AAMC Consolidated (GAAP)
<b>Revenues:</b>					
Rental revenues	\$ 845	\$ -	\$ -	\$ -	\$ 845
Net unrealized gain on mortgage loans	91,924	-	-	-	91,924
Net realized gain on mortgage loans	21,899	-	-	-	21,899
Net realized gain on re-performing mortgage loans	2,469	-	-	-	2,469
Net realized gain on real estate	4,938	-	-	-	4,938
Interest income	136	156	-	(156)	136
Incentive management Fee	-	-	23,820	(23,820)	-
Expense reimbursements	-	-	1,431	(1,431)	-
<b>Total revenues</b>	<b>122,211</b>	<b>156</b>	<b>25,251</b>	<b>(25,407)</b>	<b>122,211</b>
<b>Expenses:</b>					
Residential property operating expenses	12,468	-	-	-	12,468
Real estate depreciation and amortization	603	-	-	-	603
Real estate selling costs and impairment	13,013	-	-	-	13,013
Mortgage loan servicing costs	18,593	-	-	-	18,593
Interest expense	11,460	-	-	(165)	11,295
General and administrative	1,382	3,787	(856)	-	4,313
Related party general and administrative	25,401	210	528	(25,251)	888
<b>Total expenses</b>	<b>82,920</b>	<b>3,997</b>	<b>(328)</b>	<b>(25,416)</b>	<b>61,173</b>
<b>Other income</b>	<b>2,160</b>	<b>3,030</b>	<b>5</b>	<b>(2,160)</b>	<b>3,035</b>
<b>Income before income taxes</b>	<b>41,451</b>	<b>(811)</b>	<b>25,584</b>	<b>(2,151)</b>	<b>64,073</b>
<b>Income tax expense</b>	<b>(31)</b>	<b>-</b>	<b>699</b>	<b>-</b>	<b>668</b>
<b>Net income</b>	<b>41,482</b>	<b>(811)</b>	<b>24,885</b>	<b>(2,151)</b>	<b>63,405</b>
<b>Net income attributable to noncontrolling interest in consolidated affiliate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,482)</b>	<b>(41,482)</b>
<b>Net income attributable to common stockholders</b>	<b>\$ 41,482</b>	<b>\$ (811)</b>	<b>\$ 24,885</b>	<b>\$ (43,633)</b>	<b>\$ 21,923</b>
<b>Earnings per basic share</b>					<b>\$ 9.99</b>
<b>Earnings per diluted share</b>					<b>\$ 7.92</b>

Net income attributable to stockholders was \$24.9 million or \$7.92 per share for the three months ended December 31, 2014.

## Income Statement

\$ in thousands, except per share data	Residential (GAAP)	NewSource Stand-alone (Non-GAAP)	AAMC Stand-alone (Non-GAAP)	Consolidating Entries	AAMC Consolidated (GAAP)
<b>Revenues:</b>					
Rental revenues	\$ 1,564	\$ -	\$ -	\$ -	\$ 1,564
Net unrealized gain on mortgage loans	350,822	-	-	-	350,822
Net realized gain on mortgage loans	55,766	-	-	-	55,766
Net realized gain on re-performing mortgage loans	2,771	-	-	-	2,771
Net realized gain on real estate	9,482	-	-	-	9,482
Interest income	2,893	156	-	(156)	2,893
Incentive management Fee	-	-	67,949	(67,949)	-
Expense reimbursements	-	-	7,011	(7,011)	-
<b>Total revenues</b>	<b>423,298</b>	<b>156</b>	<b>74,960</b>	<b>(75,116)</b>	<b>423,298</b>
<b>Expenses:</b>					
Residential property operating expenses	26,018	-	-	-	26,018
Real estate depreciation and amortization	1,067	-	-	-	1,067
Real estate selling costs and impairment	21,788	-	-	-	21,788
Mortgage loan servicing costs	68,181	-	-	-	68,181
Interest expense	35,812	-	-	(165)	35,647
General and administrative	7,047	4,168	8,676	-	19,891
Related party general and administrative	77,030	941	2,474	(74,960)	5,485
<b>Total expenses</b>	<b>236,943</b>	<b>5,109</b>	<b>11,150</b>	<b>(75,125)</b>	<b>178,077</b>
<b>Other income</b>	<b>2,543</b>	<b>5,015</b>	<b>9</b>	<b>(2,160)</b>	<b>5,407</b>
<b>Income before income taxes</b>	<b>188,898</b>	<b>62</b>	<b>63,819</b>	<b>(2,151)</b>	<b>250,628</b>
<b>Income tax expense</b>	<b>45</b>	<b>-</b>	<b>2,051</b>	<b>-</b>	<b>2,096</b>
<b>Net income</b>	<b>188,853</b>	<b>62</b>	<b>61,768</b>	<b>(2,151)</b>	<b>248,532</b>
<b>Net income attributable to noncontrolling interest in consolidated affiliate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(188,853)</b>	<b>(188,853)</b>
<b>Net income attributable to common stockholders</b>	<b>\$ 188,853</b>	<b>\$ 62</b>	<b>\$ 61,768</b>	<b>\$ (191,004)</b>	<b>\$ 59,679</b>
<b>Earnings per basic share</b>					<b>\$ 26.31</b>
<b>Earnings per diluted share</b>					<b>\$ 21.07</b>

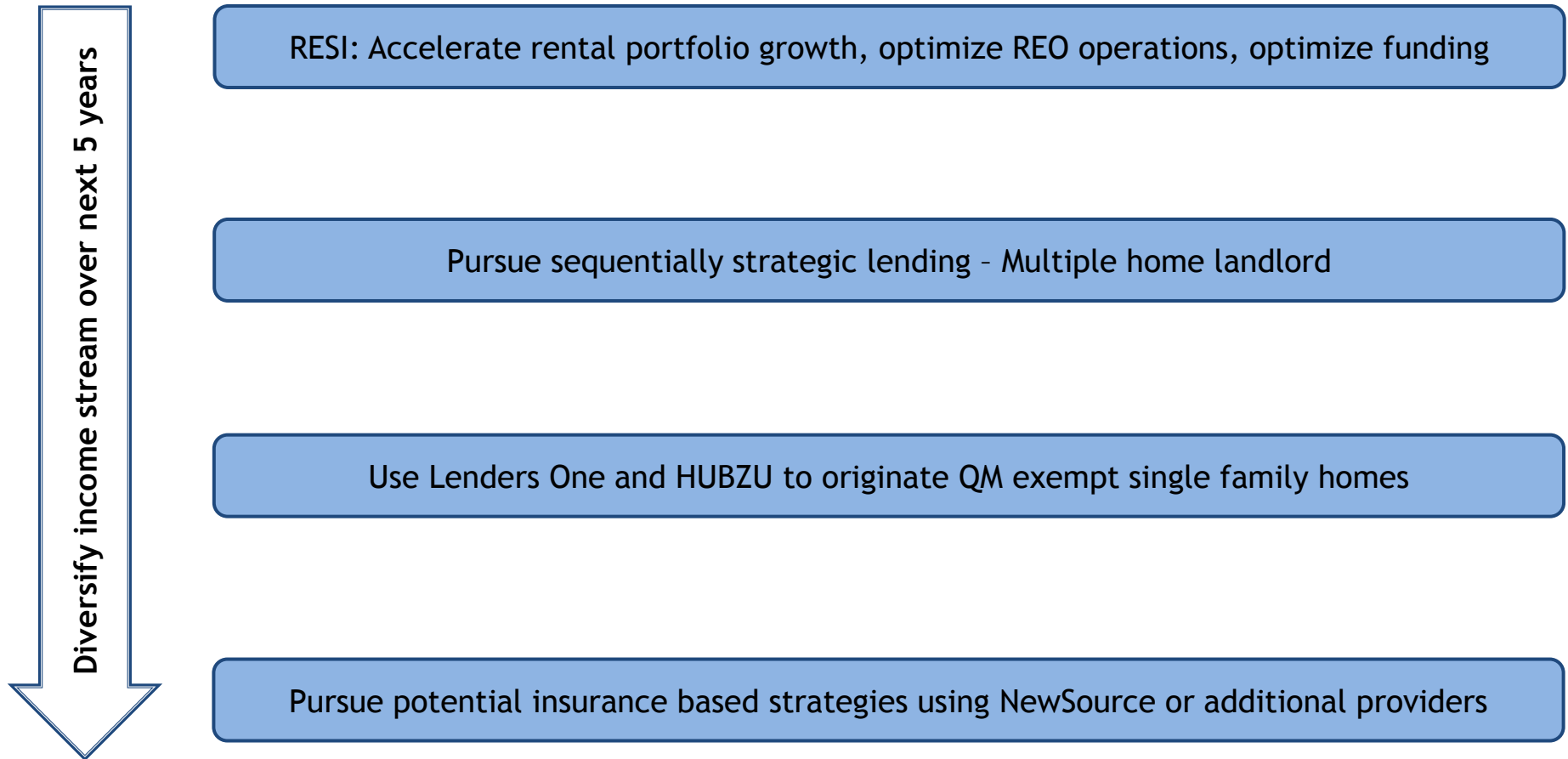
Net income attributable to stockholders was \$61.8 million or \$21.07 per share for the twelve months ended December 31, 2014.



# AAMC 2014 Financial Results (cont'd)

## Balance Sheet

\$ in thousands	Residential (GAAP)	NewSource Stand-alone (Non-GAAP)	AAMC Stand-alone (Non-GAAP)	Consolidating Entries	AAMC Consolidated (GAAP)
<b>Assets:</b>					
Real estate held for use:					
Land	\$ 14,424	\$ -	\$ -	\$ -	\$ 14,424
Rental residential properties, net	60,908	-	-	-	60,908
Real estate owned	457,045	-	-	-	457,045
Total real estate held for use, net	<b>532,377</b>	-	-	-	<b>532,377</b>
Real estate assets held for sale	92,230	-	-	-	92,230
Mortgage loans	1,959,044	-	-	-	1,959,044
Mortgage loans held for sale	12,535	-	-	-	12,535
Cash and cash equivalents	66,166	6,026	44,590	-	116,782
Restricted cash	13,282	-	-	-	13,282
Accounts receivable	10,313	919	1	(165)	11,068
Related party receivables	17,491	14,991	28,512	(43,503)	17,491
Investment in affiliate	18,000	-	2,000	(20,000)	-
Deferred leasing and financing costs, net	4,251	-	-	-	4,251
Prepaid expenses and other assets	373	3	1,262	-	1,638
<b>Total assets</b>	<b>2,726,062</b>	<b>21,939</b>	<b>76,365</b>	<b>(63,668)</b>	<b>2,760,698</b>
<b>Liabilities:</b>					
Repurchase agreements	1,015,000	-	-	-	1,015,000
Other secured borrowings	339,082	-	-	(15,000)	324,082
Accounts payable and accrued liabilities	11,678	3,173	2,040	(165)	16,726
Related party payables	33,391	941	349	(28,512)	6,169
<b>Total liabilities</b>	<b>1,399,151</b>	<b>4,114</b>	<b>2,389</b>	<b>(43,677)</b>	<b>1,361,977</b>
<b>Commitments and contingencies</b>	-	-	-	-	-
<b>Preferred stock</b>	-	-	<b>248,927</b>	-	<b>248,927</b>
<b>Equity:</b>					
Common stock	572	-	25	(572)	25
Additional paid-in-capital	1,227,091	20,000	14,152	(1,247,091)	14,152
Retained earnings/(accumulated deficit)	99,248	(2,175)	56,340	(99,239)	54,174
Treasury stock	-	-	(245,468)	-	(245,468)
Total stockholders' equity (deficit)	1,326,911	17,825	(174,951)	(1,346,902)	(177,117)
Noncontrolling interest in consolidated affiliate	-	-	-	1,326,911	1,326,911
<b>Total equity (deficit)</b>	<b>1,326,911</b>	<b>17,825</b>	<b>(174,951)</b>	<b>(19,991)</b>	<b>1,149,794</b>
<b>Total liabilities and equity</b>	<b>\$ 2,726,062</b>	<b>\$ 21,939</b>	<b>\$ 76,365</b>	<b>\$ (63,668)</b>	<b>\$ 2,760,698</b>



## Appendix

# Revised Management Agreement with RESI: Q4 2014 Illustration

\$s in MM

Invested Capital	\$1,267
ROE	20%

## Waterfall

	Distribution Amount prior to any AAMC Fee	\$60.8
A	(-) Management Fee to AAMC	(\$4.8)
B	(-) Conversion Fee to AAMC	(\$0.2)
	(=) Amount available for distribution	\$55.8
C	(-) 7% Hurdle Rate to RESI	(\$22.2)
	(=) Base on which Incentive Fee is calculated	\$33.7
D	(-) 20% Incentive Fee to AAMC	(\$6.7)
E	(=) Base to RESI	\$26.9

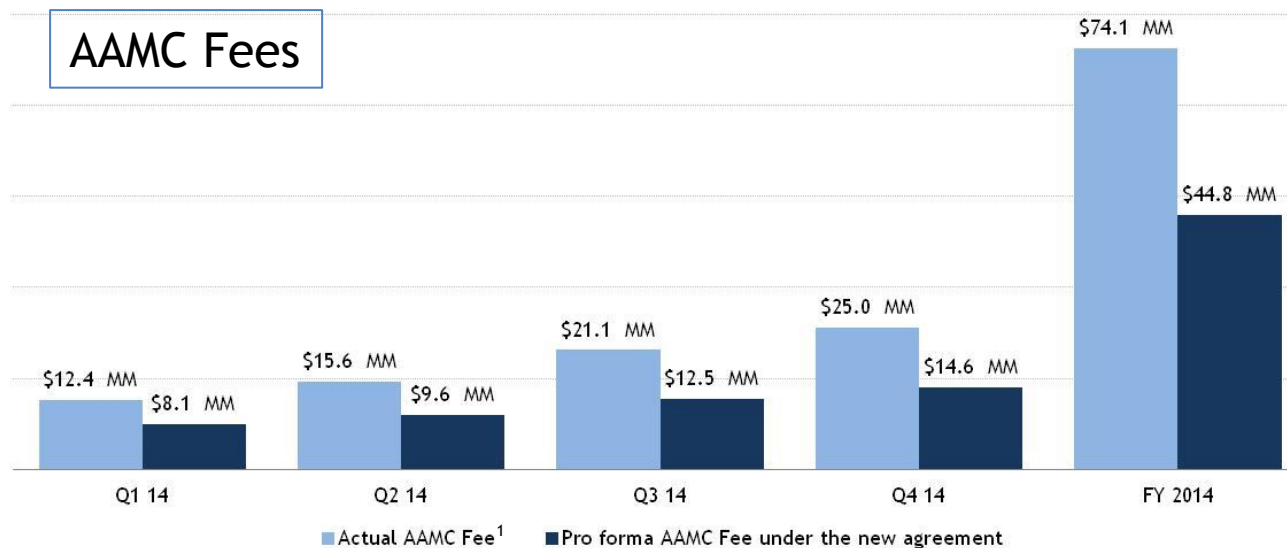
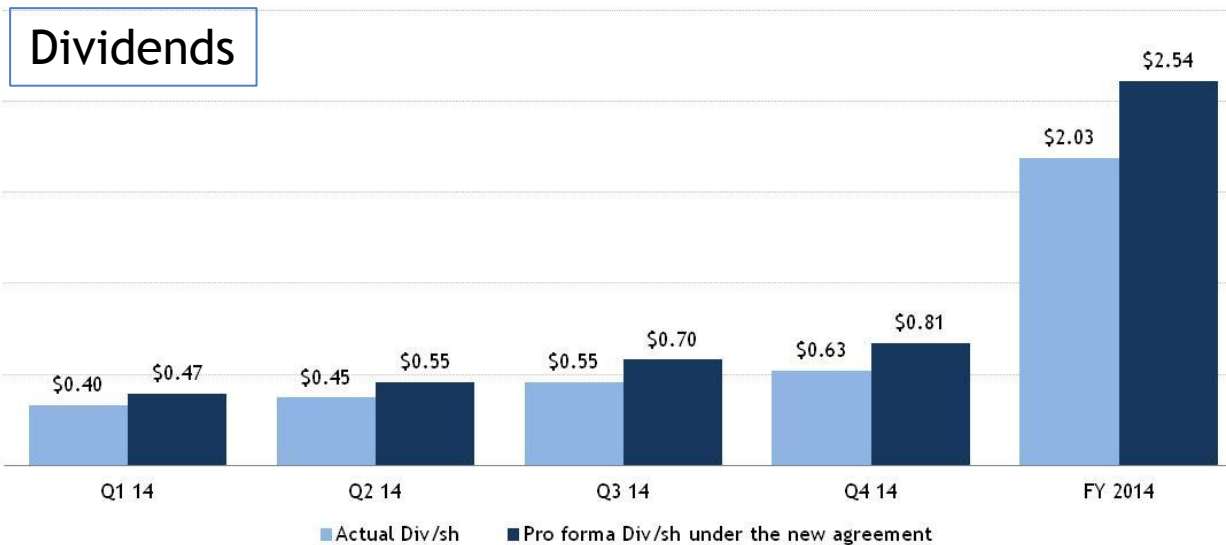
## Output

RESI Distribution (C + E)	\$49.1
AAMC Fees (A + B + D)	\$11.7
Total Distribution Amount	\$60.8
% to RESI	81%
% to AAMC	19%

# Pro Forma Dividends and AAMC Fees Comparison - 2014

Assumes:

- 1) Base Fee of 2%, and
- 2) Incentive Fee share of 25%



2014 dividend under the revised management agreement is estimated to be 25% higher.  
 2014 AAMC fees under the revised managed agreement is estimated to be 39% lower.

1. Includes expense reimbursement and incentive fees

About Altisource Asset Management	AAMC is an asset management company that provides portfolio management and corporate governance services to institutional investors.	Exchange	NYSE MKT
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