

Altisource Portfolio Solutions S.A.

Form 10-Q

July 26, 2012

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended June 30, 2012

OR

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

Commission File Number 1-34354

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

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(Exact name of Registrant as specified in its Charter)

Luxembourg

(State or other jurisdiction of incorporation or organization)

Not applicable

(I.R.S. Employer Identification No.)

291, route d Arlon

L-1150 Luxembourg

Grand Duchy of Luxembourg

(Address of principal executive offices) (Zip Code)

+352 2469 7900

Registrant's telephone number

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

As of July 15, 2012, there were 23,319,098 outstanding shares of the registrant's shares of beneficial interest (excluding 2,093,650 shares held as treasury stock).

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ALTISOURCE PORTFOLIO SOLUTIONS S.A.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	June 30, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 45,159	\$ 32,125
Accounts receivable, net	70,321	52,005
Prepaid expenses and other current assets	5,745	5,002
Deferred tax assets, net	2,730	1,133
Total current assets	123,955	90,265
Premises and equipment, net	41,162	25,600
Deferred tax assets, net	4,460	4,373
Intangible assets, net	60,634	64,950
Goodwill	14,915	14,915
Investment in equity affiliate	13,891	14,470
Other assets	8,710	9,586
Total assets	\$ 267,727	\$ 224,159
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 50,740	\$ 44,867
Capital lease obligations - current	518	634
Other current liabilities	10,228	9,939
Total current liabilities	61,486	55,440
Capital lease obligations - non-current		202
Other non-current liabilities	2,502	2,574
Commitment and contingencies (Note 15)		
Equity:		
Common stock (\$1.00 par value; 100,000 shares authorized; 25,413 issued and 23,319 outstanding as of June 30, 2012; 25,413 issued and 23,405 outstanding as of December 31, 2011)	25,413	25,413
Additional paid-in-capital	84,121	83,229
Retained earnings	175,074	126,161
Treasury stock, at cost (2,094 shares as of June 30, 2012 and 2,008 shares as of December 31, 2011)	(82,414)	(72,048)

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Altisource equity	202,194	162,755
Non-controlling interests	1,545	3,188
Total equity	203,739	165,943
Total liabilities and equity	\$ 267,727	\$ 224,159

See accompanying notes to condensed consolidated financial statements.

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ALTISOURCE PORTFOLIO SOLUTIONS S.A.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Revenue	\$ 144,205	\$ 93,268	\$ 283,271	\$ 181,938
Cost of revenue	92,738	63,097	184,498	118,046
Gross profit	51,467	30,171	98,773	63,892
Selling, general and administrative expenses	19,018	13,904	36,033	30,158