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# Orc Software AB

## 2011 Annual General Meeting

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Thomas Bill, CEO



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# ORC | Vision

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The leading provider of  
technology and services  
for the global financial  
industry



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# ORC | The Orc Group

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**ORC** Orc Group



**Orc Financial Technologies**



**Neonet Securities**



**CameronTec**

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# ORC | Orc Group: Located in major financial centers

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**~400**  
employees

**EMEA:**


Amsterdam  
Frankfurt  
London  
Milan  
Moscow  
Paris  
Stockholm

**Americas:**

Chicago  
New York  
New Jersey

**Asia Pacific:**

Hong Kong  
Sydney  
Tokyo



**600+** customer sites in more than **25** countries worldwide including leading banks, trading and market-making firms, exchanges, brokerage houses, institutional investors and hedge funds.

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# ORC | Orc Group: Diversified and financially sound

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## Orc Financial Technologies

~65% of revenue

Solid platform – stable, reliable, visible

Recurring revenue model through licensing & hosting



## Neonet Securities

~28% of revenue

Creates leverage

Transaction service fee



## CameronTec

~ 7% of revenue

Solid platform – stable, reliable, visible

Recurring revenue model through licensing

*Publicly traded on the Stockholm Stock Exchange since 2000*

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# ORC | Orc Financial Technologies

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## Orc Trading

- Market Making
- Volatility Trading
- High Frequency Trading

## Orc Brokerage

- Sponsored Market Access
- Direct Market Access



## Delivery Models

- Deployed Software
- Managed Services



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# ORC | CameronTec

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- CameronFIX, the financial industry's most widely utilized FIX infrastructure and connectivity solution
- CameronFIX is universally regarded as the reference standard for reliable, mature FIX engine applications
- CameronFIX is the only long-established FIX engine that delivers continuous, compelling version upgrades
- CameronTec provides worldwide sales and reliable support from its regional offices

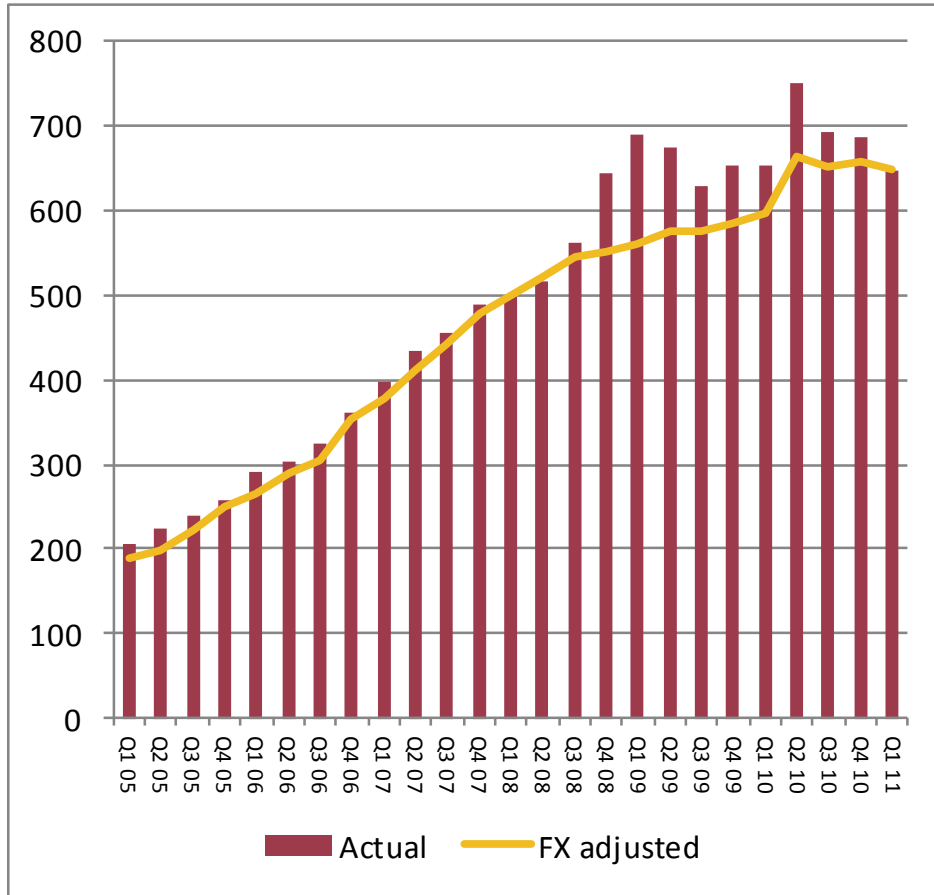
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# ORC | Neonet Securities

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- Comprehensive transaction services with smart functionality such as trading algorithms and smart order routing
- Can offer market leading solutions from Orc Financial Technologies
- Offers trading on 40 markets and counting in US, Europe and Asia
- 24 hours service trading desk in the US and Europe
- Trade via the trading desks, Neonet Trader, Orc Trader or virtually any trading application supporting the FIX protocol
- Integrated settlement services

# ORC | Annualized Contract Value (ACV)



- Recurring system revenue in Orc Financial Technologies and CameronTec
- Amounts to SEK 648 m at end of Q1 2011
  - > Contracted revenue for the coming twelve months
  - > Equals **82%** on Operating expenses, FY 2010\*
- Down 1% compared to end of Q1 2010
  - > Up 8% FX adjusted\*\*

\*) Excluding NRI, FX rev and Amortization on acquired intangibles

\*\* ) March 2010 average rates

# ORC | Segment Report

SEKm	Orc Financial Technologies	CameronTec	Neonet	Group items*	Orc Group
<b>Operating revenue</b>	<b>161</b>	<b>16</b>	<b>70</b>		<b>248</b>
Cost of goods sold	-7	-1			-8
Transaction expenses			-40		-40
External expenses	-42	-4	-17		-64
Personnel expenses	-71	-8	-15		-95
Capitalized development expenses	15	3			18
Depreciation and amortization	-7		-2	-14	-24
Foreign exchange differences	-5	-1			-5
<b>OPEX</b>	<b>-118</b>	<b>-11</b>	<b>-74</b>	<b>-14</b>	<b>-217</b>
<b>EBIT</b>	<b>43</b>	<b>6</b>	<b>-4</b>	<b>-14</b>	<b>31</b>
Financial items	1		-1		
<b>EBT</b>	<b>44</b>	<b>6</b>	<b>-5</b>	<b>-14</b>	<b>31</b>
<b>EBITDA</b>	<b>50</b>	<b>6</b>	<b>-2</b>		<b>54</b>
EBIT Margin	27%	34%	-6%	n/a	12%
EBITDA Margin	31%	35%	-3%	n/a	22%

\*) Group items are amortization on acquisition related intangibles

# ORC | Balance Sheet

SEK million	Mar 31, 2011	Mar 31, 2010	Change	Comments
Goodwill	1 055	167	888	Increase related to Neonet
Other fixed assets	827	120	707	Increase related to Neonet and Capitalized development
Current financial assets	67	0	67	Increase related to Neonet
Current receivables	196	140	55	Increase mainly related to Neonet
Cash and equivalents	209	356	-147	Dividend SEK 155 m
	<b>2 354</b>	<b>784</b>	<b>1 570</b>	
Equity	1 749	475	1 274	Increase related to Neonet
Long-term liabilities	170	55	115	Increase related to Neonet (Deferred tax)
Current financial liabilities	53		53	Increase related to Neonet
Current liabilities	382	254	128	Increase mainly related to Neonet
	<b>2 354</b>	<b>784</b>	<b>1 570</b>	
Equity/Assets ratio	74%	61%	14%	

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# ORC | Outlook

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- When the Neonet transaction was announced we set the 2012 goal to have an operating margin of at least 20% in a weak market and a 35%+ operating margin in a strong market
- With current FX rates and continued low transaction volumes in Neonet, it is uncertain if we can reach this goal already in 2012



# ORC

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[www.orcsoftware.com](http://www.orcsoftware.com)

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