



Orc Software AB – Interim Report January 1 – September 30, 2002

- Revenue for January-September 2002 increased by 35 percent to SEK 204 (151) million.
- Operating income for January-September 2002 increased by 42 percent to SEK 88 (62) million, resulting in an operating margin of 43.0 (40.9) percent.
- Revenue for July-September 2002 increased by 27 percent to SEK 70 (55) million with an operating income of SEK 27 (24) million, giving an operating margin of 37.9 (42.7) percent.
- Significant increase in the number of client sites.
- Orc Software chooses not to communicate any financial objectives. Instead Orc Software intends to guide the short-term outlook. In the short term, the Board of Directors believes that revenue and the operating margin for the last quarter will be in line with the outcome for the third quarter 2002.
- Earnings per share for January-September 2002 amounted to SEK 4.85 (3.26).

Financial Objectives

In consequence of considerable uncertainty relating to market trends, Orc Software chooses not to communicate any financial objectives and the company intends to guide the short-term outlook. Notwithstanding this, the company's strategy to continue to invest in growth still holds.

Factors that point towards continuing solid growth include the new alliance with Reuters, a healthy increase of clients and positive reception of the new products launched in 2002. In addition, Orc Software considers that the underlying global trends, namely an increase in global trading, the transfer from manual to electronic trading and more instruments traded electronically, continue to affect the market in a positive direction. This will drive the demand for the type of system that Orc Software provides.

In the short term, the Board of Directors believes that revenue and the operating margin for the last quarter will be in line with the outcome for the third quarter 2002.

Orc Software develops and markets standardized and turnkey software systems for pricing, trading and risk management in real time in international financial, commodities and energy markets. The company is a leading international software vendor with clients in 19 countries. The Orc Software share is listed on Stockholmsbörsen's O-list.

Markets

The negative trends in the global financial markets continued with increased pace in the third quarter 2002. The global stock market declines are among the biggest in history and this extremely harsh climate has caused many companies with their main source of income in equities and derivatives markets to be hit by profitability problems. This restricts growth for investments in IT for equities and derivatives trading, at least in the short and medium term.

However, there are a number of positive signals:

- The climate for cost-saving IT investments is still good and the new product lines recently launched by Orc Software are specially adapted for cost rationalisations in broker operations.
- Many of Orc Software's competitors continue to have a weak financial position at the present time. This gives Orc Software competitive advantages and great scope to take market shares in more mature markets, for example in Europe, which will be possible to convert into absolute growth terms when the economic situation turns around.
- As previously stated, Orc Software has its strongest market position in the segments less sensitive to economic fluctuations, Market Making and Proprietary Trading on equities and derivatives markets. This target group has not been hit as hard by the market decline. In many cases the decline has, on the contrary, proved profitable for this client group. The same pattern can also be seen in the hedge funds, where increased demand is becoming evident, for example in the USA.
- There are also differences in market development in geographical areas. For example, there are currently promising business opportunities in South Korea, Hong Kong and the USA. This means that Orc Software can draw advantage from its global coverage and steer resources towards the markets which currently have greatest potential.

Significant Events During the Period

International Expansion

In the third quarter 2002 Orc Software opened a sales and support office in Tokyo. Banks and stock exchanges in the Japanese market are facing major changes. Large complicated computer systems are being replaced by more cost-effective systems, which offers good potential for Orc Software. As previously announced, Orc Software is also planning to open a sales and support office in Seoul, South Korea, during the fourth quarter 2002. Sales and support in Canada, which until now has been handled by the offices in Montreal and Toronto, will from now on be handled with exclusively by the Toronto office, which is being strengthened. After the opening of the office in Seoul, Orc Software will have a total of 15 offices in 14 countries.

New Clients

As a sub-contractor to OM, Orc Software has had the US derivatives exchange International Securities Exchange, ISE, as a client. In turn, ISE has licensed Orc technology to its clients. Orc Software now signs agreements directly with these clients. Initially, revenue from these clients is lower than the original agreement with ISE, but direct client relationships will increase the possibility to provide better service and as a result a greater opportunity to influence and increase sales to these clients in the medium to long term.

During the period, 11 major ISE clients elected to sign direct agreements with Orc Software.

The third quarter was also characterised by a large number of new client sites in Finland, Austria, the USA, Australia and Hong Kong. In addition to the direct client agreements with ISE clients, Orc Software also won a new client in the hedge fund segment in the USA.

During the period, TradingLab, one of Italy's leading investment banks and a leading bank in the market for warrants and structured products, signed an agreement regarding licensing of new technology from Orc Software to support TradingLab's trading and risk management activities. TradingLab is already using the Orc System for trading on several European exchanges and taking the new order into account TradingLab becomes one of Orc Software's five largest clients. Furthermore, TradingLab has decided to extend their contract until 2006.

The total number of client sites¹ in the third quarter increased by 14, comprised of 22 new and 8 lost client sites. Of the new sites, 11 are the above-mentioned ISE clients. One of the lost contracts is due to the fact that ISE is no longer counted as a client and others are cancelled contracts that were communicated in the first half of 2002. The lost contracts are mainly attributable to mergers, clients having ceased trading and in some cases centralisation of the clients' European trading operations to London which may or may not affect the number of users. Consequently, the net change in the number of client sites amounted to +4 excluding ISE. In the third quarter, there was only one cancellation, which will have a financial effect and will be excluded from the statistics during the fourth quarter 2002.

Strengthened Sales Organisation

To ensure continuing rapid global growth, the sales organisation was strengthened during the period. In conjunction with this, Per Andersson was appointed global head of sales. Per Andersson was previously head of Orc Software's operations in North America.

Reuters Alliance Proceeds According to Plan

The roll-out of Reuters and Orc Software's joint product offering through Reuters distribution channels is proceeding according to plan. The response from the market place is positive and the first installations are planned to take place during Q4 2002.

The alliance is of great strategic importance for both companies. Dedicated persons in Reuters and Orc Software work together to ensure that sales, installation and support resources are in place to meet the demand from the market place. So far the focus has been primarily on the European markets, but there is also an active interest in Asia for what the alliance can offer in the order management space.

From a financial perspective, the alliance with Reuters is not expected to have any significant effect before 2003.

Orc ExNet

Orc Software's subsidiary Orc ExNet has continued to increase its Asian offering and can now also offer trading on the Korea Stock Exchange via Good Morning Securities. Good Morning Securities will use Orc-technology both for its broker operations and to route orders from other Orc Software-clients to the Korea Stock Exchange.

¹ The number of client sites includes the sites which at the end of the period pay a licence fee.

As of September 30, 2002, via its co-operation partners Good Morning Securities, Indosuez WI Carr, Lexit Capital, NeoNet and Samsung, Orc ExNet has 22 market connections in place. The following ExNet connections were developed during the period:

- Korea Stock Exchange (Good Morning Securities)
- Italian Stock Exchange (NeoNet)

In addition, Orc ExNet has established its own IP network, enabling Orc Software's clients to gain access in a cost-effective and simple way to all the alliance partners with which they want to trade.

Market Connections

As of September 30, 2002, the Orc System was connected to 42 exchanges. During July-September 2002 the following market connections were added:

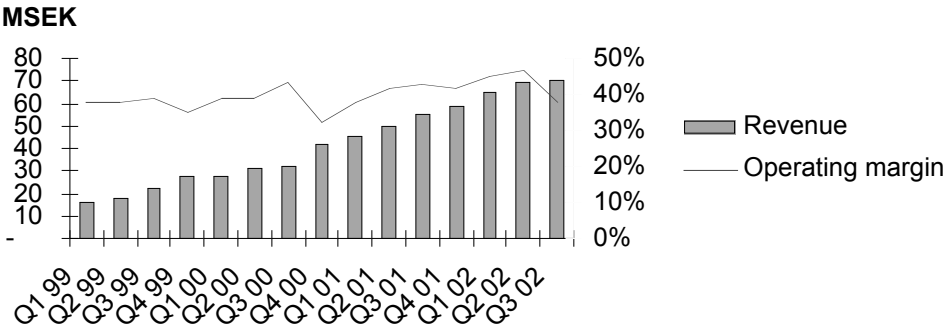
- Euwax, Germany
- Irish Stock Exchange (ISE Xetra), Ireland
- London Stock Exchange (RSP), Great Britain
- Toronto Stock Exchange, Canada

Product Development

In the third quarter of 2002 a new version of the Orc System was produced, Orc. 3.0. The new version includes features such as improvements to the user interface and volatility manager, increased possibility of exchange rate simulation and new market connections. Maintenance of a large number of existing market connections was also carried out.

Revenue²

Quarterly Revenue and Operating Margin



January-September 2002

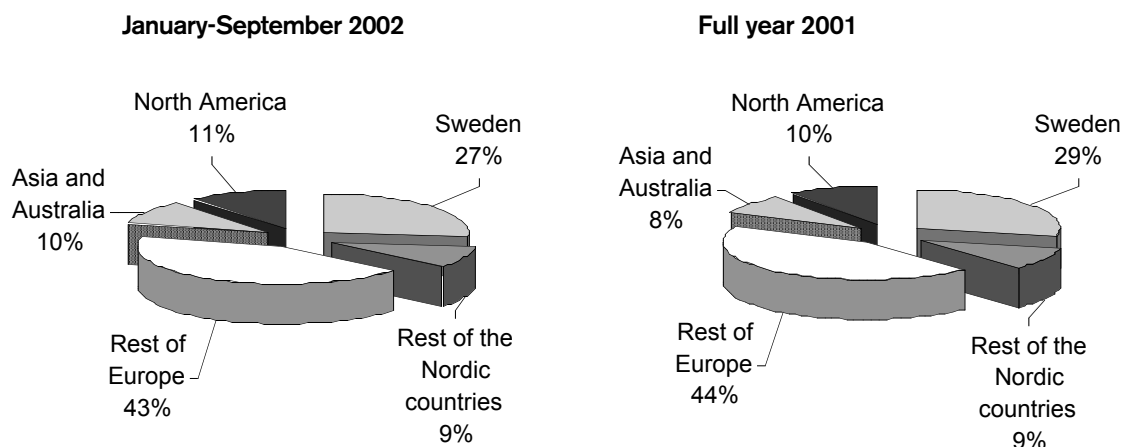
During January-September 2002 the group's revenue increased by 35 percent to SEK 204 million (151 in the corresponding period 2001). Around 91 (95) percent of the revenue was made up of systems revenue.

Other operating revenue increased somewhat to SEK 9.5 (7.1) million and was mainly made up of hardware sales and consulting income.

² Revenue and operating margin for 2001 and 2002 are reported after taking into account an increase in revenue of SEK 9.4 million subsequent to the capitalization of development expenses, in accordance with the Swedish Financial Accounting Standards Council's recommendation no. 15 (RR15).

During the period January-September 2002, revenue from clients located outside Sweden represented 73 (70) percent of total revenue. At the end of September 2002, the company had clients in a total of 19 (18) countries.

Revenue per Geographic Market



The number of client sites at the end of September 2002 amounted to 161 (140). Average revenue per client site³ amounted during the period to SEK 1.6 (1.4) million.

July-September 2002

During July-September 2002 the group's revenue increased by 27 percent to SEK 70 (55) million. Revenue increased by 2 percent compared with the previous quarter.

Sales successes were noted particularly in Austria, Switzerland and Italy, the latter mainly due to the extended co-operation with TradingLab. In North America sales decreased compared with the previous quarter, as a result of reduced non-recurrent revenue and reduced revenue from ISE clients.

In the Nordic countries the business climate continued to be severe and an increased number of cancellations of user licences was noted, particularly in the Swedish market. However, this is not an unequivocal picture, as revenues from some clients increased.

Orc ExNet experienced growth in both the number of clients and revenue during the period. However, as the growth took place from quite low levels, the total financial effect for the group was limited.

Earnings

January-September 2002

Operating income increased during January-September 2002 by 42 percent to SEK 88 (62) million, representing an operating margin of 43.0 (40.9) percent. If there had been no capitalization of development expenses, the operating income would have amounted to SEK 78.5 million, with an operating margin of 40.2 percent.

The effect of foreign exchange fluctuations, calculated as a change in the respective average exchange rates between the January-September 2001 and January-September

³ Calculated as total systems revenue divided by the average number of client sites during the period, expressed as an annualized figure.

2002, amounted to SEK -1.5 (+5.8) million. Foreign exchange hedging resulted in an effect on operating level of SEK +4.3 (-2.8) million.

As of September 30, 2002, future flows equivalent to SEK 171 (115) million had been hedged, consisting of USD 12 (11) million and Euro 4 (0) million secured against Swedish kronor at an average forward rate of 10.32 (10.45) and 9.38 with a total average remaining duration of around 8 (7) months.

July-September 2002

During July-September 2002, operating income increased by 13 percent to SEK 27 (24) million, corresponding to an operating margin of 37.9 (42.7) percent. If there had been no capitalization of development expenses, the operating income would have amounted to SEK 23 million, with an operating margin of 34.9 percent.

The increase in costs during the third quarter is a result of an aggressive investment in sales and distribution which has not yet had full effect on revenues. During the quarter Orc Software established a sales and support office in Japan. The company also used external resources to improve the sales process further and to provide assistance to the part of the organisation that is involved in the co-operation with Reuters. The increased sales efforts also resulted in higher travel costs. Orc Software also made significant investments in product development related to automated trading.

The lower operating margin can be attributed to increased hardware sales, which generally have a lower margin than systems revenue.

Operating Expenses⁴

During January-September 2002 operating expenses increased by 30 percent to SEK 116 (89) million. During July-September 2002 operating expenses increased by 19 percent to SEK 44 (37) million compared with April-June 2002.

During January-September 2002 personnel costs increased by 24 percent to SEK 62 (50) million. During the same period the average number of employees increased by 32 percent. Compared with the previous quarter, these expenses increased by 5 percent.

Cost of premises increased by 67 percent to SEK 10 (6) million in the period January-September 2000, due to the establishment of new offices in St Petersburg, Hong Kong, Zurich, Toronto, Montreal, Vienna and Tokyo. Compared with the previous quarter, the cost increased by 28 percent, mainly as a result of the new office in Japan, increased expenses in the USA and some overlapping rental costs connected with the relocation of the main office in Stockholm in September.

Telecommunication expenses increased by 21 percent compared with the corresponding period last year, as a result of growing operations and reduced by 7 percent compared with the previous quarter. The decrease is mainly due to the fact that non-recurring expenses for the development of market connections vary from quarter to quarter.

Consulting fees continued to decrease compared with the same period last year. This is due to the fact that internal development resources were increased, particularly in Russia,

⁴ As a consequence of Orc Software's working methods, where there exists considerable overlapping between sales and development work, Orc Software reports its results in accordance with the principle for an income statement presented by type of cost.

which reduced the need for external development resources. Compared with the outcome for the previous quarter, these expenses increased, which can be explained by increased activity in the automated trading area.

Other external expenses increased by 62 percent to SEK 21 (13) and by 6 percent compared with the previous quarter, mainly due to growing operations and increased focus on sales and distribution. Travelling expenses increased, amounting to SEK 6 million during January-September 2002.

Depreciation and amortization increased by 62 percent to SEK 7.8 (4.8) million and by 14 percent compared with the previous quarter, a result of the increased number of offices and employees and amortization of intangible fixed assets.

Purchase cost of goods sold increased compared with both the corresponding period the previous year and the previous quarter, as a result of an increase in hardware sales, particularly compared with the previous quarter.

Equity/Assets Ratio and Earning Capacity

The equity/assets ratio amounted at the end of September 2002 to 68 (67) percent compared with 65 percent at the end of June 2002. During January-September 2002 return on capital employed amounted to 60 (55) percent, and return on equity amounted to 46 (40) percent.

Cash Flow and Investments

The group's cash flow before changes in working capital and investments amounted in January-September 2002 to SEK 80 (52) million.

The change in working capital amounted to SEK -3 (-24) million. Operating capital amounted to SEK -25 (-32) million.

Between January-September 2002 the group's investments amounted to SEK 18 (9) million, consisting of computer and office equipment, which amounted to SEK 7 million and capitalization of expenses for development work of SEK 9 million.

During January-September 2002 the group's cash flow after investments increased to SEK 65 (67) million.

The group did not have any interest-bearing liabilities during the period. Liquid funds and short-term investments amounted to SEK 255 (207) million.

The ratio between cash flow before financial items and tax, and the operating income before depreciation and amortization, amounted to 0.8 (1.3) for January-September 2002.

Taxation

The tax rate during January-September 2002 amounted to 24 (27) percent. Tax expenses are calculated after estimated tax for parent company and respective subsidiaries.

Employees

At the end of September 2002, Orc Software had 137 (100) employees. The average number of employees during January-September 2002 was 120 (91). During the period July-September 2002, new employees were recruited primarily in Stockholm but also in several of the other offices. New appointments were made mainly in sales and support. The number of women amounted at the end of September to 24 (19), and the number of men 113 (81).

The Parent Company

The parent company's revenue increased during January-September 2002 by 17 percent to SEK 139 (119) million. Income after financial items increased to SEK 78 (61) million. Liquid funds amounted at the end of the period to SEK 235 (199) million, of which SEK 204 (158) million consisted of short-term investments.

Accounting Principles

This interim report has been prepared in accordance with the Swedish Accounting Standards Council's recommendation on interim reporting (RR 20). The same accounting principles have been used as in the last annual accounts, with the following additions:

In 2002 new recommendations on consolidated accounting (RR 1:00), intangible fixed assets (RR 15), provisions (RR 16), write-downs (RR 17), loan expenses (RR 21) and closely-related parties (RR 23) came into force.

Of the new recommendations, only RR 15 has involved any considerable change to previously applied accounting principles. The effects of RR 15 are shown in this report.

Income Statement

SEK thousands	Jan-Sept 2002	Jan-Sept 2001	Jul-Sept 2002	Jul-Sept 2001	Jan-Dec 2001
Operating revenue					
Systems revenue	185 565	142 417	61 549	51 100	196 037
Work performed by the company for its own use and capitalized	9 405	1 042	3 200	639	1 700
Other operating revenue	9 469	7 126	5 376	3 556	11 980
Total revenue	204 439	150 585	70 125	55 295	209 717
Operating expenses					
Purchase cost of goods sold	-5 165	-4 046	-3 949	-1 899	-5 729
External expenses					
Cost of premises	-10 528	-6 359	-4 050	-2 357	-9 366
Telecommunication expenses	-5 653	-4 681	-1 904	-1 779	-6 620
Consulting fees	-4 710	-6 161	-2 399	-2 203	-7 162
Other external expenses	-20 780	-13 052	-7 667	-3 987	-17 746
Personnel costs	-61 989	-49 941	-20 753	-17 673	-69 936
Depreciation and amortization	-7 752	-4 771	-2 849	-1 800	-6 900
Total expenses	-116 577	-89 011	-43 571	-31 698	-123 459
Operating income	87 862	61 574	26 554	23 597	86 258
Financial items					
Profit/loss from participation in associated companies	-166	-	238	-	-133
Financial income	6 615	4 711	2 353	1 950	7 273
Financial expenses	-22	-40	-2	-19	-58
Financial items	6 427	4 671	2 589	1 931	7 082
Income after financial items	94 289	66 245	29 143	25 528	93 340
Tax on net income for the period	-22 453	-17 829	-5 298	-6 659	-28 400
Minority's part of the income for the period	194	-	-5	-	123
Net income for the period	72 030	48 416	23 840	18 869	65 063
Earnings per share ⁵ , SEK	4.85	3.26	1.61	1.27	4.38
Number of shares, end of period, thousands	14 850	14 850	14 850	14 850	14 850
Average number of shares, thousands	14 850	14 850	14 850	14 850	14 850

⁵ Orc Software does not have any convertible loans or warrants.

Balance Sheet

SEK thousands	Sept 30, 2002	Sept 30, 2001	Dec 31, 2001
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development expenditure	10 538	1 043	1 700
Goodwill	403	-	478
Other intangible fixed assets ⁶	3 092	-	3 648
Tangible assets			
Equipment	16 855	16 824	16 478
Financial assets			
Shares in associated companies	2 225	3 745	902
Total fixed assets	33 113	21 612	23 206
Current assets			
Current receivables			
Accounts receivable	41 904	27 107	38 938
Other receivables	4 354	4 818	3 776
Prepaid expenses and accrued income	6 186	2 061	2 864
Short-term investments	202 572	157 778	172 984
Cash and bank balances	52 276	49 163	51 305
Total current assets	307 292	240 927	269 867
TOTAL ASSETS	340 405	262 539	293 073
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1 485	1 485	1 485
Restricted reserves	119 635	105 257	119 615
Non-restricted equity			
Non-restricted reserves	37 129	20 197	5 644
Net income for the period	72 030	48 416	65 063
Total equity	230 279	175 355	191 807
Minority interest	431	-	625
Provisions			
Deferred tax liability	12 415	6 922	12 415
Total provisions	12 415	6 922	12 415
Current liabilities			
Accounts payable	4 058	2 999	3 051
Tax liabilities	19 080	14 203	14 232
Other liabilities	4 770	4 474	7 109
Accrued expenses and prepaid income	69 372	58 586	63 834
Total current liabilities	97 280	80 262	88 226
TOTAL EQUITY AND LIABILITIES	340 405	262 539	293 073
Pledged assets	None	None	None
Contingent liabilities	None	None	None

⁶ This item pertains to Orc ExNet.

Specification of the Group's Goodwill

The goodwill arose in conjunction with the establishment of Orc ExNet and is being amortized over a period of 60 months.

SEK thousands	
Acquisition value less accumulated amortization at the beginning of the period	478
Goodwill arisen during the period	-
Amortization for the period	-75
Acquisition value less accumulated amortization at the end of the period	403

Specification of Equity

Jan-Sept 2002	Share Capital	Restricted Reserves	Non-restricted Equity	Total
Opening balance January 1, 2002	1 485	119 615	70 707	191 807
Dividend for 2001	-	-	-32 670	-32 670
Translation difference	-	-	-888	-888
Transfer to statutory reserve in accordance with distribution of earnings	-	20	-20	0
Net income for the period	-	-	72 030	72 030
Closing balance September 30, 2002	1 485	119 635	109 159	230 279

Jan-Sept 2001	Share Capital	Restricted Reserves	Non-restricted Equity	Total
Opening balance January 1, 2001	1 485	105 237	40 587	147 309
Dividend for 2000	-	-	-20 790	-20 790
Translation difference	-	-	420	420
Transfer to statutory reserve in accordance with distribution of earnings	-	20	-20	0
Net income for the period	-	-	48 416	48 416
Closing balance September 30, 2001	1 485	105 257	68 613	175 355

Jul-Sept 2002	Share Capital	Restricted Reserves	Non-restricted Equity	Total
Opening balance July 1, 2002	1 485	119 402	85 365	206 252
Translation difference	-	-	187	187
Other adjustments	-	233	-233	0
Net income for the period	-	-	23 840	23 840
Closing balance September 30, 2002	1 485	119 635	109 159	230 279

Jul-Sept 2001	Share Capital	Restricted Reserves	Non-restricted Equity	Total
Opening balance July 1, 2001	1 485	105 257	49 489	156 231
Translation difference	-	-	255	255
Net income for the period	-	-	18 869	18 869
Closing balance September 30, 2001	1 485	105 257	68 613	175 355

Cash Flow Statement

SEK thousands	Jan-Sept 2002	Jan-Sept 2001	2001
Operating activities			
Operating income	87 862	61 574	86 258
Adjustment for items not included in cash flow	1 021	-451	1 358
Depreciation and amortization	7 752	4 771	6 900
Financial items	6 022	4 251	6 784
Income tax paid	-22 453	-17 829	-22 884
Cash flow from operating activities before changes in working capital	80 204	52 316	78 416
Changes in working capital			
Changes in operating assets	-7 024	-4 167	-15 786
Changes in operating liabilities	9 616	28 514	36 477
Total change in working capital	2 592	24 347	20 691
Cash flow from operating activities	82 796	76 663	99 107
Investment activities			
Investments in intangible fixed assets	-9 404	-	-1 664
Investments in tangible fixed assets	-7 131	-7 240	-9 363
Investments in financial fixed assets	-1 490	-2 078	-3 594
Sale of tangible fixed assets	84	-	520
Cash flow from investment activities	-17 941	-9 318	-14 101
Financing activities			
Dividends	-32 670	-20 790	-20 790
Cash flow from financing activities	-32 670	-20 790	-20 790
Change in liquid funds	32 185	46 555	64 216
Opening liquid funds	224 289	159 116	159 116
Translation difference/Exchange differences in liquid funds	-1 626	1 270	957
Closing liquid funds	254 848	206 941	224 289

Key Ratios

	Jan-Sept 2002	Jan-Sept 2001	Jul-Sept 2002	Jul-Sept 2001	2001
Operating margin, %	43.0	40.9	37.9	42.7	41.1
Return on equity, %	46	40	44	46	38
Return on capital employed, %	60	55	53	62	55
Asset turnover ratio	1.3	1.2	1.3	1.3	1.2
Equity/assets ratio, %	68	67	68	67	65
Average number of employees	120	91	131	96	94
Earnings per share, SEK	4.85	3.26	1.61	1.27	4.38
Equity per share, SEK	15.51	11.81	15.51	11.81	12.92
Share price at end of the period, SEK	56.50	78	56.50	78	147
Number of shares at end of period, thousands	14 850	14 850	14 850	14 850	14 850

Quarterly Figures

Income Statement

SEK thousands	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Q1 2002	Q2 2002	Q3 2002
Operating revenue							
Systems revenue	42 161	49 156	51 100	53 620	60 167	63 849	61 549
Work performed by the company for own use and capitalized	-	404	639	658	3 422	2 783	3 200
Other operating revenue	2 993	577	3 556	4 854	1 638	2 455	5 376
Total revenue	45 154	50 137	55 295	59 132	65 227	69 087	70 125
Operating expenses							
External expenses	-11 211	-10 863	-12 225	-12 323	-12 057	-14 810	-19 969
Personnel costs	-15 373	-16 895	-17 674	-19 995	-21 521	-19 715	-20 753
Depreciation and amortization	-1 400	-1 572	-1 799	-2 129	-2 361	-2 492	-2 849
Total expenses	-27 984	-29 330	-31 698	-34 447	-35 939	-37 017	-43 571
Operating income	17 170	20 807	23 596	24 685	29 288	32 070	26 554
Net financial items	1 283	1 457	1 931	2 410	1 766	2 020	2 589
Tax on income for the period	-4 673	-6 497	-6 659	-10 571	-8 576	-8 578	-5 298
Minority's part of the income for the period	-	-	-	123	99	100	-5
Net income for the period	13 780	15 767	18 869	16 647	22 577	25 612	23 840

Balance Sheet

SEK thousands	Mar 2001	June 2001	Sept 2001	Dec 2001	Mar 2002	June 2002	Sept 2002
Fixed assets	17 201	18 071	21 612	23 206	26 468	30 166	33 113
Current assets							
Accounts receivable	51 181	28 268	27 107	38 938	34 973	33 946	41 904
Other receivables	6 747	7 150	6 879	6 640	10 627	11 065	10 540
Cash and bank balances and short-term investments	150 224	182 183	206 941	224 289	251 758	241 757	254 848
Total current assets	208 152	217 601	240 927	269 867	297 358	286 768	307 292
TOTAL ASSETS	225 353	235 672	262 539	293 073	323 826	316 934	340 405
Equity	140 284	156 231	175 355	191 807	213 674	206 252	230 279
Minority interest	-	-	-	625	526	426	431
Provisions for deferred tax liability	6 922	6 922	6 922	12 415	12 415	12 415	12 415
Current non interest-bearing liabilities	78 147	72 519	80 262	88 226	97 211	97 841	97 280
TOTAL EQUITY AND LIABILITIES	225 353	235 672	262 539	293 073	323 826	316 934	340 405

Upcoming Financial Events

23 January 2003 Year-end Report
March 2003 Annual Report

Stockholm, October 10, 2002

The Board of Directors

This interim report has not been examined by Orc Software's auditors.

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Definitions

Operating margin

Operating income as a percentage of revenue.

Return on capital employed

Operating income plus financial income as a percentage of average capital employed.

Return on equity

Net income for the period as a percentage of average shareholders' equity.

Equity/assets ratio

Shareholders' equity as a percentage of total assets.

Capital employed

Total assets minus non-interest bearing debt, including deferred tax liability in untaxed reserves.

Shareholders' equity

Shareholders' equity at the end of the period.

Operating capital

Total assets minus non-interest bearing debt, including deferred tax liability in untaxed reserves, as well as cash and bank balances and short-term investments.

Working Capital

Operating assets less operating liabilities.

Asset turnover ratio

Revenue divided by average capital employed.

Investments in fixed assets

Investments in fixed assets, after any disposals.

Average number of employees

Average number of employees for the period, based on headcounts at the beginning of the period and at the end of each quarter.

Earnings per share

Net income for the period divided by the average number of shares.

Equity per share

Shareholders' equity at the end of the period divided by the number of shares at the end of the period.