

ORC

YEAR-END REPORT

JANUARY 1 – DECEMBER 31, 2011



STRONG POSITION IN A CHALLENGING MARKET

The drop in revenue for technology operations during 2011 compared to the prior year is mainly explained by the Swedish krona's strengthening against the US dollar and the euro. Neonet is a disappointment, above all due to shrinking market volumes.

- The **annualized contract value (ACV)** at year-end 2011 was SEK 656.5m (686.4), a decrease of SEK 29.9m, or 4.4%, compared to year-end 2010. In Q4 2011, ACV fell by SEK 25.0m.
- The **transaction net** in 2011 was SEK 76.1m (85.2) and the **transaction margin** was 36% (37). In Q4 2011 the transaction net was SEK 14.5m (30.1) and the transaction margin was 36% (39).
- On December 19, 2011, Cidron Delfi Intressenter AB made a public tender offer to the shareholders in Orc Group AB in exchange for cash consideration of SEK 86 per share. The Board of Orc unanimously recommended that Orc's shareholders accept the offer. The acceptance period for the offer expires on January 27, 2012.
- Due to the public tender offer from Cidron Delfi Intressenter AB, the Board has decided to postpone the proposal of a dividend for 2011.
- In Q4 2011, Orc Group reviewed the value of intangible assets and recognized an impairment loss of SEK 165.0m on intangible assets attributable to transaction operations in Neonet.

OCTOBER – DECEMBER 2011

- Operating revenue of SEK 218.0m (268.1)
- Revenue growth of -19%
- Operating income, including impairment losses of SEK 165.0m, of -152.9m (19.2*)
- Operating margin of -70% (7*)
- Income after tax of SEK -161.9m (17.9*)
- Basic earnings per share of SEK -6.89 (0.80*)

JANUARY – DECEMBER 2011

- Operating revenue of SEK 923.1m (976.7)
- Revenue growth of -5%
- Operating income, including impairment losses of SEK 165.0m, of SEK -73.9m (71.5*)
- Operating margin of -8% (7*)
- Income after tax of SEK -103.5m (41.8*)
- Basic earnings per share of SEK -4.40 (1.97*)

The Neonet Group is consolidated as of April 1, 2010. The actual transaction date was April 7, 2010.
*The comparative figures have been restated. See section "Accounting policies, IFRS 3 Business Combinations".

CEO THOMAS BILL COMMENTS:

"The technology operations – Orc and CameronTec – weathered the ongoing turbulence in the global financial markets comparatively well during 2011 and both business areas have expanded their market shares. The combination of our competitive solutions and strong market positions have enabled the technology business to fare relatively well when a number of banks and brokers experienced a continued sharp drop in revenue and were forced to downsize their operations. On the whole, churn in 2011 was on par with 2010.

The annualized contract value – ACV – showed weaker development in Q4 than in the third quarter of the year. This is mainly explained by a soft market in Europe and especially the Nordic region.

The acquisition of Neonet in the spring of 2010 has been a disappointment. Development in our transaction services business has deviated significantly from our calculations, mainly due to lower volumes. As a result, in Q4 2011 we chose to recognize an impairment loss of SEK 165m on intangible assets.

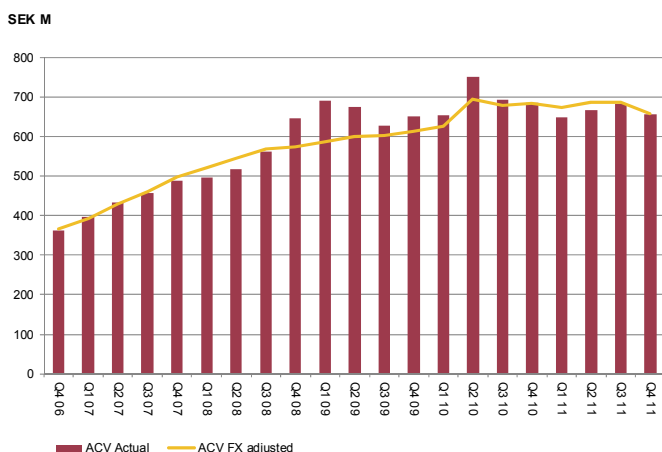
However, the current unrest in the global financial markets is also creating opportunities. More and more participants in the financial market are finding

it difficult to carry the costs for IT development on their own, and this also applies to customers of Orc Group's execution services business area Neonet. The launch of Execution Service Provider (ESP), a unique combination of execution services and technology solutions, is creating new opportunities for banks and brokers to improve their customer offerings at the same time that the service results in significant cost savings. The first ESP contracts were signed in Q4 2011.

Another positive factor is that we will soon be launching several new and improved products and services that are nearing the end of the development phase. However, it is still uncertain whether the goal to achieve a minimum operating margin of 20% in a weak market can be reached already in 2012.

All in all, Orc Group is well positioned in a market that is undergoing dramatic changes. In Q4 2011 we identified potential savings and in view of the earnings trend, particularly in Neonet, we will intensify our efforts to enhance efficiency in the year ahead."

ANNUALIZED CONTRACT VALUE (ACV)¹



The annualized contract value (ACV) at year-end 2011 was SEK 656.5m (686.4), a decrease of 4.4% compared to year-end 2010. The change is mainly due to lower sales in the EMEA region. The level of churn in 2011 was on par with the prior year. Since the start of the financial crisis in 2008, the churn on a yearly basis has been on a level of around 20-25%.

In Q4 2011 ACV fell by SEK 25.0m, mainly as a result of increased churn in the EMEA region compared to earlier quarters in 2011.

Calculated at the exchange rates prevailing in December 2010, ACV fell by SEK 28.6m, or 4.2%, in 2011.

GEOGRAPHICAL BREAKDOWN OF ACV

SEK M	31 Dec 2011	30 Sept 2011	31 Dec 2010	Change			
				Q-over-Q	Y-over-Q	Y-over-Y	Y-over-Y
EMEA	382.0	409.0	403.4	-27.0	-6.6%	-21.4	-5.3%
Americas	127.2	124.0	135.7	3.2	2.6%	-8.5	-6.3%
APAC	147.3	148.5	147.3	-1.2	-0.8%	0.0	0.0%
Total	656.5	681.5	686.4	-25.0	-3.7%	-29.9	-4.4%

ACV in the EMEA region during 2011 declined compared to the prior year due to lower sales and somewhat higher churn. Q4 2011 saw sales on par with the previous quarter but higher churn, which is largely attributable to economic uncertainty in the Eurozone. The euro's weakening against the Swedish krona also contributed to the decrease.

In the Americas, ACV in 2011 fell compared to 2010 as a result of somewhat lower sales. In local currency, however, sales were unchanged. In Q4 2011 ACV improved in the Americas region, mainly thanks to strengthening of the US dollar against the krona.

Sales and churn for 2011 in local currency were on par with the prior year. In Q4 2011 the APAC region showed a moderate increase in sales over the previous quarter and was also positively affected by strengthening of the dollar against the krona, although ACV fell somewhat as an effect of higher churn.

ORC

Orc develops and provides the tools needed to run profitable trading and brokerage businesses. Orc's solutions are available as deployed software or managed services.

¹ The annualized contract value (ACV) for Orc and CameronTec is defined as the annualized value of existing customer contracts excluding transaction-related revenue, translated at the average exchange rates in the last month of the period. New contracts are included from the date on which billing is expected to begin and cancelled contracts are included until the date on which the contract expires. The majority of the existing customer contracts have a term of 12 months.

MARKET DEVELOPMENT

Events in 2011 were marked by continued turbulence in the global financial markets, regulatory complexity and rising price pressure as a result of falling profitability among Orc's customers. Widespread uncertainty and a stronger focus on costs have caused customers to cut back on new investments and this has impacted Orc's new sales, above all in Europe. Stricter cost control is also having consequences for prices and contract terms and conditions, and is creating a greater interest among major customers in signing more long-term contracts.

In a longer perspective, the current unrest and changes in the financial markets will create opportunities. Orc's assessment is that buy-side firms will increasingly trade across a wider range of asset classes and options. External suppliers that can offer services to address the customers' regulatory challenges have good potential for success. There is also a growing interest in cost-effective outsourced solutions.

Orc has handled the dramatic changes in the global financial markets relatively well and is ideally positioned to exploit future opportunities.

In Q4 2011, development of new sales and churn in all regions was largely in line with the third quarter. However, one exception was churn in the EMEA region, particularly the Nordic countries, which was higher than in earlier quarters of 2011. Most of this increased churn is attributable to customers downsizing their operations rather than Orc losing business to the competitors.

In the Americas region, Orc has been successful with sustained growth in derivatives trading through Orc Market Maker, which has emerged as one of the company's most important products during the year. In Q4 2011 the first customer deployment for the Orc Hosted solution in the USA was carried out. Business in Brazil is showing continued favorable development for both add-on and new sales. Orc is now preparing to open an office in the country and is carrying out targeted development activities to adapt the solutions to local conditions.

In the APAC region, preparations are being made for the launch of Orc Market Maker, which adds new and eagerly awaited functionality. The launch is scheduled for Q1 2012. In Japan, Orc has strengthened its organization and moved into a new office in December. In Q4 2011 two customers started to use Orc Liquidator for trading on Japanese markets. In India, efforts are underway to adapt Orc's solutions to the leading trading venues in collaboration with the local partner E2E Infotech. The deployment of the first customers, active in market making with options on the Bombay Stock Exchange, is expected to take place during Q1 2012.

CAMERONTEC

CameronTec is the financial industry's leading provider of FIX infrastructure and connectivity solutions.

MARKET DEVELOPMENT

The market conditions for CameronTec remained favorable during 2011. The dominance of the so-called FIX standard in the market for trading in financial instruments has increased in recent years. More and more leading banks and other major players are choosing external suppliers that offer the FIX standard rather than investing in non-standardized solutions or developing their own systems. This applies to both established markets and newer markets like Africa, Brazil, Central Europe and India.

In 2011 CameronTec consolidated its leading position in the global market for FIX solutions. The launch of the new product Catalys, which ties together FIX nodes into an ecosystem where high flexibility is combined with a totally integrated FIX environment, places CameronTec at the leading edge of technological development based on the FIX protocol.

In Q4 2011, business developed well in all regions. The addition of new customers, combined with strong add-on sales and a relatively low level of churn, has generated sustained robust growth. A few of the new customers have been added through OEM agreements and sales through distributors.

NEONET

Neonet offers professional market participants flexible, independent and transparent execution services. Neonet conducts no proprietary trading, analytics or financing activities.

Neonet is part of Orc Group since April 1, 2010.

MARKET DEVELOPMENT

In 2011 Neonet was strongly impacted by a continued steep drop in trading volumes. In response to unrest in the global financial markets, institutional investors have increasingly moved money from the equity markets to other type of investments. Persistent widespread economic uncertainty, above all in Europe, is exerting powerful pressure on banks and brokerage firms to cut their costs.

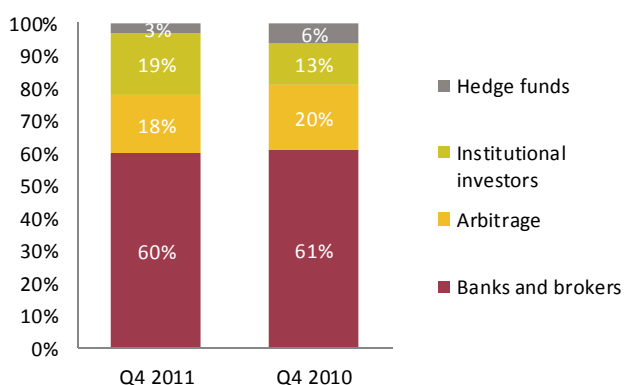
The question of a new regulatory framework for the financial markets is affecting Neonet and its customers to a large extent. In Q4 2011 the European Commission presented its finished proposal for a new directive (MiFID II), for further discussion and approval. This process is expected to be completed in 2013 at the earliest. Among other things, MiFID II introduces stricter controls on algorithmic and high-frequency trading.

Neonet's assessment is that the existing economic climate and upcoming regulatory changes are favorable for outsourcing of execution services, since they offer market participants a way to realize cost savings while at the same time improving their execution quality and complying with MiFID requirements. During the year, Neonet carried out a number of structural changes to adapt its operations and capitalize on the new market landscape.

In the autumn of 2011 Neonet launched ESP (Execution Service Provider), a new and cost-effective service package that has been developed for banks and brokerage firms in which Neonet offers execution services with Smart Order Routing in a combination of the customers' own and Neonet's exchange memberships. In Q4 2011 Neonet signed agreements for ESP services with the first two customers.

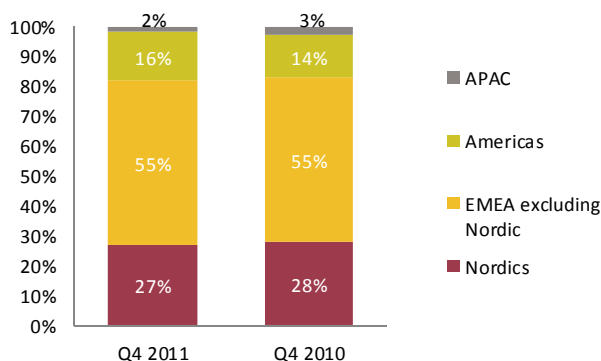
In Q4 2011 the markets where Neonet is active were characterized by continued low transaction volumes, although these appear to have stabilized somewhat following an extended downward trend. However, Neonet lost significantly more trading volumes than the overall market during the quarter, partly because Neonet ended its collaboration with a major customer. One positive trend for Neonet is that players in the US are now showing a greater eagerness to trade in European securities as a result of falling exchange rates.

TRANSACTION REVENUE BY CUSTOMER GROUP



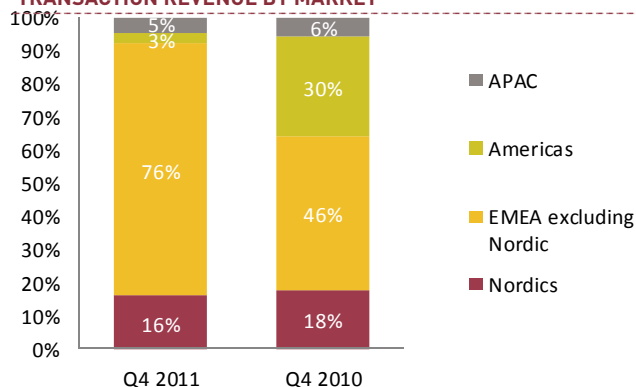
Banks and brokerage firms still account for the highest share of revenue. Compared to Q4 2010, institutions increased their share of Neonet's transaction revenue while the share for arbitrage customers and hedge funds decreased.

GEOGRAPHICAL BREAKDOWN OF TRANSACTION REVENUE



Neonet has customers in more than 20 countries. The share of transaction revenue generated by customers in the Americas has increased in relation to Asian and Nordic customers.

TRANSACTION REVENUE BY MARKET



The breakdown of transaction revenue by market shows that the share of revenue generated in the European markets was up substantially compared to the same quarter of last year. The share of revenue generated in other markets decreased, mainly as a consequence of the decision to close the trading desk in New York and wind up trading on the markets in APAC.

TRANSACTION NET AND TRANSACTION MARGIN

SEK M	Q4 2011	Q3 2011	Q4 2010
Transaction net	14.5	16.4	30.1
Transaction margin	36%	32%	39%

The transaction net is defined as transaction revenue less transaction expenses. The transaction margin is defined as the transaction net as a percentage of transaction revenue.

The transaction net in Q4 2011 weakened in relation to both Q4 2010 and Q3 2011 as a result of shrinking volumes.

Compared to the previous quarter, the transaction margin has risen. This is due, among other things, to the fact that a larger share of sales comes from customers with relatively higher margins.

Compared to the same quarter of last year, the transaction margin has fallen, partly because the decreased volumes mean that Neonet receives lower volume discounts from banks and trading venues.

OPERATING REVENUE

SEK thousands	Jan-Dec 2011	Jan-Dec 2010	Change	
Orc	623,721	665,802	-42,081	-6%
Neonet	228,015	243,260	-15,245	-6%
CameronTec	71,344	67,612	3,732	6%
Total	923,080	976,674	-53,594	-5%

Sales in 2011 declined by 5% compared to 2010. The drop in revenue for technology operations is mainly attributable to strengthening of the Swedish krona against the US dollar and the euro.

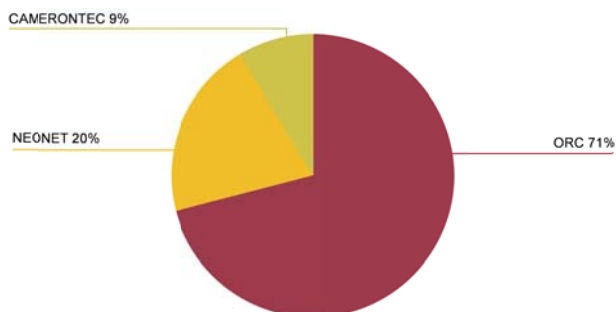
For Neonet, the decreased trading volumes in the market had a powerful negative impact on revenue compared to 2010. In a comparison with the prior year, it should be taken into account that Neonet was consolidated from Q2 2010.

SEK thousands	Q4 2011	Q4 2010	Change	
Orc	154,656	167,687	-13,031	-8%
Neonet	44,553	81,313	-36,760	-45%
CameronTec	18,832	19,061	-229	-1%
Total	218,041	268,061	-50,020	-19%

Sales in Q4 2011 were down by 19% compared to the same period of last year. This is mainly explained by the fact that Neonet's revenue has fallen by close to half, primarily owing to dramatically reduced trading volumes. The decrease in revenue for technology operations is essentially due to strengthening of the Swedish krona against the US dollar and the euro.

Revenue fell by 5% compared to the previous quarter, which is almost exclusively attributable to lower transaction revenue in Neonet.

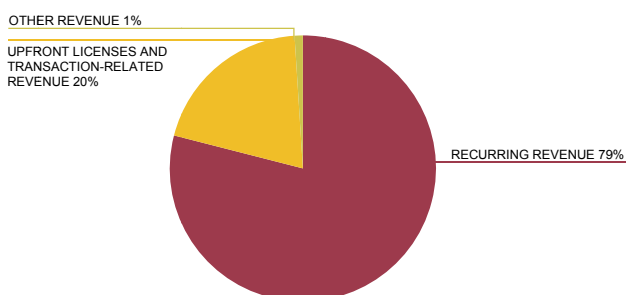
BREAKDOWN OF OPERATING REVENUE BY SEGMENT Q4 2011



Recurring revenue accounted for 79% (69) of operating revenue for Q4 2011. The increased share of recurring revenue is mainly due to a decrease in transaction revenue.

In Orc and CameronTec, recurring revenue accounted for 99% (99) of operating revenue.

BREAKDOWN OF OPERATING REVENUE BY TYPE Q4 2011



OPERATING EXPENSES

SEK thousands	Jan-Dec 2011	Jan-Dec 2010	Change	
Orc	-463,718	-524,897	61,179	-12%
Neonet	-275,892	-284,827	8,935	-3%
CameronTec	-45,752	-47,789	2,037	-4%
Group-wide	-211,600	-47,657	-163,943	n/a
Total	-996,962	-905,170	-91,792	10%

Adjusted for an impairment loss of SEK 165.0m on intangible assets, operating expenses in 2011 decreased by SEK 73.2m compared to 2010.

Neonet's expenses fell by SEK 8.9m despite the fact that Neonet was not consolidated until April 2010. This is mainly explained by significantly decreased transaction expenses as a result of falling trading volumes, but also by lower overheads thanks to realized synergies and other cost-cutting measures.

Expenses in technology operations were down by SEK 63.2m compared to 2010. Around half of the decrease is explained by the previous year's non-recurring costs related to the acquisition of Neonet. In addition, expenses were reduced by the Swedish krona's strengthening primarily against the US dollar and the euro.

In Q2 2011 Orc Group received close to SEK 10m from a settlement regarding a disputed receivable existing in Neonet at the time of the merger. The received amount has had a positive effect on operating expenses and is reported in the group-wide segment, which otherwise consists of amortization and impairment of intangible assets attributable to acquisitions.

Broken down by cost type, transaction expenses decreased by SEK 11.5m, personnel expenses by SEK 26.5m and external expenses by SEK 19.3m. Work performed by the company for its own use and capitalized rose by SEK 17.3m compared to 2010.

Work performed by the company for its own use and capitalized is attributable to identified development costs for a stronger focus on development of new products.

Amortization/depreciation increased by SEK 18.7m, partly due to amortization of intangible assets attributable to the acquisition of Neonet.

Non-recurring costs in 2011 were charged to income in a net amount of SEK 5.1m and included costs of close to SEK 7m for restructuring in Neonet's operations. Non-recurring costs in 2010 amounted to SEK 58.0m and were wholly attributable to the merger with Neonet.

SEK thousands	Q4 2011	Q4 2010	Change	
Orc	-123,329	-125,003	1,674	-1%
Neonet	-57,956	-95,617	37,661	-39%
CameronTec	-13,867	-13,175	-692	5%
Group-wide	-175,792	-15,102	-160,690	n/a
Total	-370,944	-248,897	-122,047	49%

Adjusted for the impairment loss of SEK 165.0m on intangible assets, operating expenses decreased by SEK 43.0m in Q4 2011 compared to the same quarter of last year.

Neonet's decrease in expenses is mainly explained by lower transaction expenses.

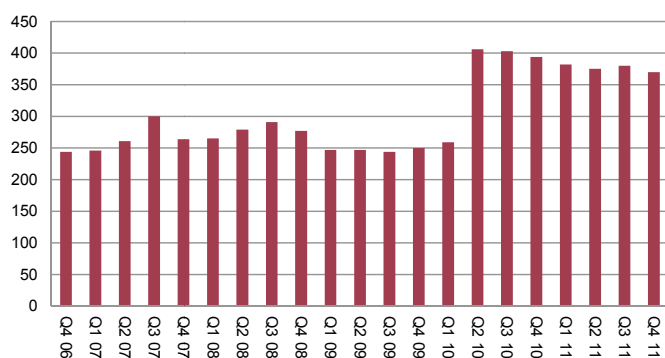
In Q4 2011 the Group was charged with non-recurring costs of SEK 2.0m related to the public tender offer from Cidron Intressenter AB. If the offer is completed, this will give rise to additional expenses for contracted advisors. In addition, a correction of amortization of intangible assets recognized in earlier periods had a positive impact on operating expenses of SEK 3.9m. In Q4 2010 Orc Group was charged with total non-recurring costs of SEK 13.0m attributable to the merger with Neonet.

Broken down by cost type, transaction expenses decreased by SEK 20.8m, personnel expenses by SEK 11.9m and external expenses by SEK 10.1m. Amortization/depreciation fell by SEK 4.1m, mainly due to a correction in amortization of intangible assets recognized in earlier periods.

Total expenses in Q4 2011, excluding transaction expenses and non-recurring items, increased compared to the previous quarter. This is mainly due to a positive seasonal effect on third quarter expenses arising from utilization of the vacation reserve, lower consulting fees and the change in foreign exchange differences recognized in the income statement for each quarter. In addition, CameronTec's expenses for Q4 2011 rose compared to Q3 2011 due to the fact that Cameron hired sales representatives to further improve growth in 2012 and was charged with certain provisions to reserves in connection with preparation of the annual accounts.



NUMBER OF EMPLOYEES



The number of employees at December 31, 2011, was 370 (394), a decrease of 10 compared to September 30, 2011. The number of employees rose by 134 through the merger with Neonet, which explains the increase in Q2 2010.



EARNINGS

SEK thousands	Jan-Dec 2011	Jan-Dec 2010	Change	
Operating income	-73,882	71,504	-145,386	n/a
Operating margin	-8%	7%	-15 %-points	
Income for the period	-103,524	41,761	-145,285	n/a

Operating income for 2011 was SEK -73.9m (71.5). Operating income for 2010 was charged with an impairment loss of SEK 165.0m on intangible assets. At the same time, operating income for the year was negatively affected by net non-recurring costs of SEK 5.1m. Non-recurring costs in 2010 amounted to SEK 58.0m and were wholly attributable to the merger with Neonet.

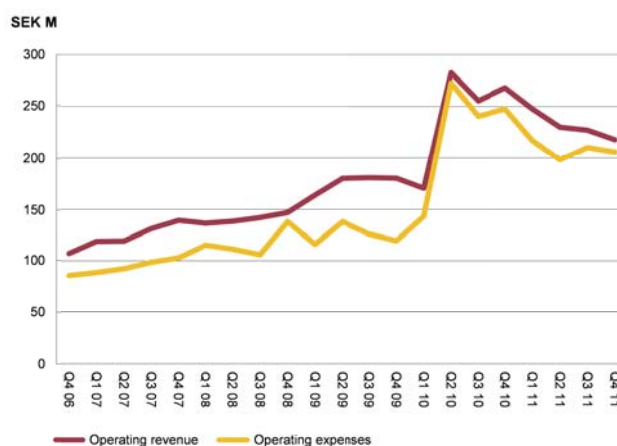
Net financial items improved by SEK 3.3m, while the income tax expense increased by SEK 3.2m. Income for the year amounted therefore to SEK -103.5m (41.8), a decrease of SEK 145.3m.

SEK thousands	Q4 2011	Q4 2010	Change	
Operating income	-152,903	19,164	-172,067	n/a
Operating margin	-70%	7%	-77 %-points	
Income for the period	-161,896	17,939	-179,835	n/a

Operating income for Q4 2011 was SEK -152.9m (19.2). Operating profit for Q4 2011 was charged with an impairment loss of SEK 165.0m on intangible assets. At the same time, non-recurring items of around SEK 1.9m had a positive impact on income for the quarter. Non-recurring costs for Q4 2010 amounted to SEK 13.0m and were wholly attributable to the merger with Neonet.

Income for the period was SEK -161.9m (17.9), a decrease of SEK 179.8m.

DEVELOPMENT OF OPERATING REVENUE AND EXPENSES



The increase in both operating revenue and operating expenses starting in Q2 2010 is attributable to the merger with Neonet.

Both operating revenue and operating expenses, adjusted for an impairment loss of SEK 165.0m on intangible assets, decreased in Q4 2011.



FOREIGN EXCHANGE EFFECTS

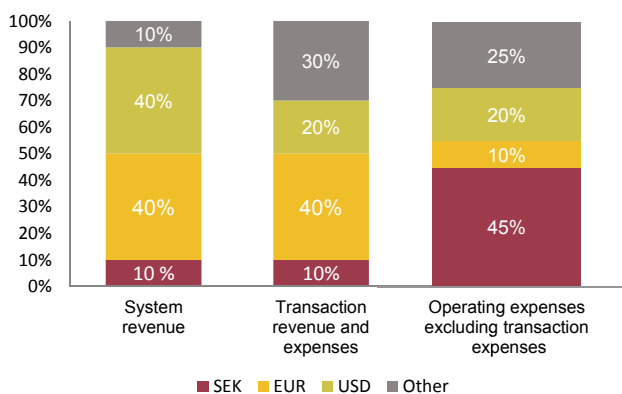
Movements in foreign exchange rates affect Orc Group in several ways.

Assets and liabilities in foreign currency are revalued at every balance sheet date. Furthermore, certain balance sheet items in foreign currency are revalued on an ongoing basis, for example when a trade receivable is settled. Value gains/losses arising from revaluation of balance sheet items (mainly trade receivables) are recognized net as a separate item in the income statement and in Q4 2011 gave rise to an effect of SEK -1.7m (0.9). Orc Group's policy is not to hedge operating cash flows in foreign currency.

Revaluation differences in other balance sheet items in foreign currency, such as short-term investments, are recognized in net financial items.

Operating revenue and expenses are also affected by movements in foreign exchange rates, which have a direct impact on both the revenue or expense item.

CURRENCY COMPOSITION OF OPERATING REVENUE AND EXPENSES



EXCHANGE RATE TABLE

Exchange rates	USD	EUR
System revenue Q4 2010*	7.4468	9.4989
System revenue Q4 2011*	6.3973	9.1341
System revenue Q1 2012*	6.6565	9.1157
Expenses Q4 2011 (average for Jan-Dec)	6.4969	9.0335
Balance sheet items 4 2011 (final at Dec 31)	6.9234	8.9447
ACV Q4 2011 (average for Dec)	6.8455	9.0219

* Refers to the billing exchange rate for approximately 85% of system revenue for the quarter, i.e. from customers that are billed quarterly in advance under existing contracts.
Source: Central Bank of Sweden



CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow for 2011 amounted to SEK -76.6m (-87.7). Cash flow from operating activities rose by SEK 44.5m, mainly as a result of decreased operating receivables. Cash flow from investing activities fell by SEK 131.0m. The comparison year 2010 included a positive effect of SEK 138.7m that consisted of cash and cash equivalents in Neonet on the acquisition date less the cash portion of the acquisition. Cash flow from financing activities improved by SEK 97.6m mainly as a result of loans raised. In 2011 dividends were paid in an amount of SEK 164.5m (154.7), equal to SEK 7 (10) per share.

Orc Group AB has entered into an agreement with a bank for a Revolving Credit Facility for a maximum of EUR 22.2m. The loan agreement is subject to customary covenants. Through utilization of the facility, Orc Group AB took up a short-term loan of SEK 100.0m during the second quarter with a maturity of six months. In Q4 2011 the loan was extended by an additional six months. The purpose of the credit facility is to secure planned long-term investments for expansion of service-based solutions. In addition, Orc Group AB has a granted, unutilized, bank overdraft facility of SEK 40.0m.

Following compulsory redemption of the 1.7% of the votes and capital that were outstanding after the acquisition of Neonet, Orc Group AB now owns 100% of Neonet AB. In July 2011 the outstanding shares were acquired for SEK 23.7m in accordance with the arbitration ruling announced on May 23, 2011.

Orc Group pursues a cautious investment strategy and invests its cash and cash equivalents in either treasury bills, bank accounts, certificates of deposit or similar. In Neonet's operations there are assets in custody and bank accounts that have been pledged on behalf of the banks that have been engaged to handle settlement and which represent Neonet in dealing with clearing institutes. The pledged assets and funds do not restrict the right of disposition over the reported cash and cash equivalents. Such pledged assets amounted to SEK 185.6m (224.7) at the end of the period.

Of the Group's non-current liabilities of SEK 180.1m (166.4), SEK 178.7m (165.4) consists of deferred tax.

The equity/assets ratio at December 31, 2011, was 70% (75).

IMPAIRMENT TESTING OF INTANGIBLE ASSETS

In Q4 2011, in connection with preparation of the annual accounts, Orc Group reviewed the value of goodwill and other intangible assets attributable to acquisitions. Orc Group has carried out impairment testing of Orc's cash-generating units, which are the same as the identified segments Orc, CameronTec and Neonet. Estimated value in use has been compared to the carrying amount of goodwill and other intangible assets attributable to

acquisitions. In cases where value in use is lower than the carrying amount, impairment is indicated.

The development for transaction services attributable to the acquisition of the Neonet group in the spring of 2010 has deviated significantly from Orc Group's calculations. The losses in Neonet's operations and uncertainty about the future financial outcome of the measures being taken to attain profitability have led to an estimated value in use that is lower than the carrying amount. Orc Group has therefore decided to recognize an impairment loss of SEK 165.0m on the cash-generating unit Neonet. Goodwill will be written down by SEK 133.0m and other intangible assets by SEK 32.0m. Following the impairment loss, Orc Group's assessment is that the remaining carrying amount, a net value of SEK 78.5m for intangible assets, is consistent with the estimated value in use for Neonet.

For Orc and CameronTec, the estimated value in use exceeds the carrying amounts, for which reason impairment is not indicated.

PARENT COMPANY

During the year, the Parent Company changed name to Orc Group AB. The new name was registered with the Swedish Companies Registration Office on May 18, 2011.

Sales in the Parent Company for 2011 amounted to SEK 624.2m (628.4), of which SEK 1.9m (0.5) consisted of sales to group companies.

Operating income totaled SEK -84.6m (119.3) and income after tax was SEK -111.0m (66.0). The Parent Company's amortization/depreciation and impairment were charged with impairment losses of SEK 168.4 (-) on shares in subsidiaries. Net financial items include group contributions paid of SEK 49.3m (-).

Investments in tangible and intangible assets during the year amounted to SEK 51.3m (10.9). The Parent Company's cash and cash equivalents at December 31, 2011, totaled SEK 87.8m (91.5). The SEK 100m loan that was taken up during the year is recognized among current liabilities. The single largest item in current liabilities is made up of accrued income from advance invoicing, which amounted to SEK 133.7m (142.8) at the end of the period. Non-restricted equity in the Parent Company at the end of the period was SEK 1,274.7m (1,563.4).

The Parent Company has not had any significant transactions with related parties, other than transactions with group companies. All transactions with related parties are carried out on market-based terms.

See also the income statement and balance sheet of the Parent Company.

OUTLOOK FOR 2012

The management's assessment is that Orc Group's technology operations, consisting of Orc and CameronTec, weathered the ongoing turbulence in the global financial markets comparatively well during 2011. Neonet showed unfavorable development in 2011, partly as a result of declining market volumes. The technology operations and Neonet have recently launched, and in the near future plan to launch, additional attractive new products and services.

All in all, Orc Group is well positioned in a market that is undergoing major changes. However, it remains uncertain whether the target to achieve a minimum operating margin of 20% in a weak market can be reached already in 2012.

Potential cost savings were identified in Q4 2011 and view of the earnings trend, particularly in Neonet, our efforts to enhance efficiency will be further intensified during 2012.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, which is in compliance with Swedish law through the application of the Swedish Financial Reporting Board's recommendations

RFR 1, Supplementary Accounting Rules for Groups, and RFR 2, Accounting for Legal Entities, in the Parent Company. For both the Group and the Parent Company, the accounting policies are the same as those applied in the latest annual report unless otherwise stated below.

IFRS 3 Business Combinations

The values of acquired assets and liabilities in Neonet were finalized in the second quarter, since the changed assumptions about the values existing on the acquisition date have now been confirmed, and the resulting changes have been recognized. As a consequence of this, the values for acquired intangible assets have risen by SEK 32.5m and the value of goodwill has decreased by a corresponding amount after adjustment for deferred tax. As a consequence of the revaluation, amortization of intangible assets has increased.

In accordance with the requirements in paragraph 49 of IFRS 3 Business Combinations, the changes have been made as if they had been known on the acquisition date. The comparative figures have therefore been restated as of April 1, 2010.

The Group's intangible assets attributable to acquisitions

Dec 31, 2011			
Acquired operations, SEK thousand	Technology	Transaction Services	Total
<i>Neonet</i>			
- Goodwill	730,495	-	730,495
- Intangible assets	271,608	106,500	378,108
Total	1,002,103	106,500	1,108,603
<i>CameronTec</i>			
- Goodwill	167,241	-	167,241
- Intangible assets**	42,183	-	42,183
Total	209,424	-	209,424
<i>Other</i>			
- Goodwill	298	-	298
- Intangible assets	-	-	-
Total	298	-	298
Total	1,211,825	106,500*	1,318,325

* After deduction of deferred tax of SEK 28,010 thousand the net value of intangible assets attributable to acquisitions, pertaining to Neonet's transaction operations, amounts to SEK 78,490 thousand.

** After correction by SEK 3,908 thousand of amortization recognized in previous periods.

NEW AND REVISED ACCOUNTING POLICIES IN 2011

IFRS 8 Operating Segments

After the merger with Neonet, Orc Group has changed its internal reporting and the way in which the chief operating decision-maker evaluates operating income. For 2010 the identified segments were Technology and Transaction Services. Technology consisted mainly of system revenue and expenses related to system sales, such as personnel expenses for sales staff, etc. Transaction Services included variable revenue and expenses that are directly attributable to equity transactions and costs for departments that are closely associated with execution and settlement of transactions. Other parts of the Group were regarded as group-wide.

As a result of the integration between Orc Group and Neonet, as of 2011 Orc Group's internal reporting and the way in which the chief operating decision-maker evaluates operating income are structured according to the identified segments Orc, Neonet and CameronTec. Orc includes development, sales and support of products under the Orc brand name and directly related revenue and expenses. Neonet includes execution services under the Neonet brand name and directly related revenue and expenses. CameronTec includes development, sales and support of products under the Cameron brand name and directly related revenue and expenses.

Group-wide expenses for functions such as management and support have been allocated to the identified segments through the use of allocation keys. Amortization of intangible assets attributable to acquisitions has not been allocated to the identified segments but is recognized under the heading "group-wide".

Capitalization of development costs in the Parent Company

As of 2011, development costs are no longer capitalized in the accounts of the Parent Company but are still capitalized in the consolidated financial statements in accordance with IAS 38. Due to this change of policy, costs attributable to development projects in the Parent Company are now expensed as incurred. The application of this new accounting standard has affected the Parent Company's opening balance of equity at January 1, 2011, which has decreased by SEK 59,025.

Reporting of group contributions

With effect from 2011 the Parent Company reports group contributions received and paid within financial income and financial expense.

CHANGED ACCOUNTING STANDARDS

The IASB has published a number of changes and improvements in standards that are effective for financial periods beginning or after January 1, 2011. The following standards are currently applicable to Orc Group, but the changes have not had any impact on the Group's profit or financial position: IAS 24 Related Party Disclosures, IFRS 7 Financial Instruments: Disclosures and IAS 1: Presentation of Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

Below is a brief description of how the accounting policies are applied to a few key items in Orc Group's income statement and balance sheet. For more detailed information about Orc Group's significant accounting policies, see the most recently published annual report. The acquisition of Neonet has not led to any significant adjustments in Neonet's carrying amounts in connection with inclusion in Orc's consolidated accounts.

System revenue

Revenue is generated mainly through the sale of software licenses, which are billed quarterly in advance. Revenue is then recognized over the quarter to which the billing refers, but at the exchange rates ruling on the billing date.

New customers are not billed until Orc Group has received a signed contract and the customer has performed an acceptance test and approved the software.

Transaction revenue and expenses

Transaction revenue and expenses are recognized on the same date as the completion of the underlying transactions, i.e. on the settlement date.

Goodwill

Because the useful life of goodwill is indefinite, the carrying amount of goodwill should be tested for impairment at least annually. Orc Group determines the value of goodwill based on forecasted future cash flows in the company's cash-generating units over the next five years. The value of goodwill is reviewed yearly, which takes place in the fourth quarter.

Capitalized development costs

Orc Group capitalizes only development costs attributable to projects that can be separately identified, result in either new products or significant improvements in existing products and can be expected to generate economic benefits. A reasonable share of indirect costs is included in the capitalized values and an adaptation to this principle was made in the Group during the year in order to apply uniform principles. Capitalized projects are amortized on a straight-line basis over their estimated useful lives from the date on which the asset is ready to sell.

Intangible assets

Orc Group's intangible assets other than goodwill or capitalized development costs are amortized over a period of 3–15 years depending on the nature and estimated useful life of the asset. Orc Group performs regular controls when there is an indication that the value of an asset has declined in order to ensure that the amortization period for the asset corresponds to its estimated useful life and that there is no need to recognize an impairment loss.

SIGNIFICANT RISKS AND UNCERTAINTIES

The most significant risks in Orc's and CameronTec's operations lie in the company's ability to predict market needs and adapt its technical solution to these, the ability to attract and retain skilled employees, risks related to the IT infrastructure, currency risks and the risk for bad debt losses.

The ongoing uncertainty in the international financial markets is associated with a risk for continued cancellations of existing customer contracts, lower sales of new customer contracts and increased credit risks. Another significant risk factor to be taken into account is the risk for reduced liquidity in the international derivatives markets, which would most likely have a negative impact on Orc Group's customers and could therefore also affect staff reductions, new sales and credit risks.

For a more detailed description of Orc Group's assessed risk and uncertainty factors, see the Directors' Report in the Group's annual report for 2010.

Neonet's operations are primarily exposed to limited credit risk, since the company engages only in trading on behalf of customers and never on its own account. The risk that arises in these operations is managed through proven risk models and policies, where each individual customer must undergo a credit assessment before being permitted to trade.

The day-to-day risks to which Neonet is exposed are measured, controlled and, where necessary, hedged in order to protect the company's assets and reputation. The way in which the management identifies, monitors and manages these risks is a central part of the company's operations.

INCENTIVE SCHEME FOR CAMERONTEC

The extraordinary general meeting of Orc Group AB on December 16, 2011, resolved to implement a long-term incentive scheme directed to the employees in the subsidiary CameronTec AB. The motive for the scheme is to recruit and retain competent employees by offering the employees the opportunity to share in CameronTec's value growth. Granting of stock options, acquisition of shares and earning of options will not be started until during 2012 and will not have any accounting-related consequences for 2011.

PUBLIC TENDER OFFER FOR ORC GROUP AB

On December 19, 2011, Cidron Delfi Intressenter AB made a public tender offer to the shareholders in Orc Group in exchange for cash consideration of SEK 86 per share. The Board of Orc unanimously recommended that Orc's shareholders accept the offer. The acceptance period for the offer runs until January 27, 2012.



CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK THOUSANDS	JAN-DEC 2011	JAN-DEC 2010	OCT-DEC 2011	OCT-DEC 2010
System revenue	690,282	726,382	175,325	185,869
Transaction revenue	212,062	232,630	40,846	77,211
Other revenue	20,736	17,662	1,870	4,981
Operating revenue	923,080	976,674	218,041	268,061
Cost of goods sold	-28,608	-32,294	-8,191	-8,252
Transaction expenses	-135,956	-147,408	-26,336	-47,097
External expenses	-255,007	-274,327	-68,846	-78,968
Personnel expenses	-375,572	-402,069	-94,367	-106,225
Work performed by the company for its own use and capitalized	67,715	50,461	17,152	17,751
Depreciation/amortization and impairment losses	-268,622	-84,889	-188,612	-27,015
Foreign exchange differences	-912	-14,644	-1,744	909
Operating expenses	-996,962	-905,170	-370,944	-248,897
Operating income	-73,882	71,504	-152,903	19,164
Net financial items	2,736	-528	1,169	-307
Income after financial items	-71,146	70,976	-151,734	18,857
Income tax expense	-32,378	-29,215	-10,162	-918
Income for the period	-103,524	41,761	-161,896	17,939
Translation differences	555	-6,515	115	-488
Other comprehensive income	555	-6,515	115	-488
Comprehensive income for the period	-102,969	35,246	-161,781	17,451
Income for the period attributable to owners of the Parent Company	-103,524	41,761	-161,896	17,939
Comprehensive income for the period attributable to owners of the Parent Company	-102,969	35,246	-161,781	17,451
Basic earnings per share for the period, SEK	-4.40	1.97	-6.89	0.80
Diluted earnings per share for the period, SEK	-4.40	1.96	-6.89	0.80

CONSOLIDATED BALANCE SHEET

SEK THOUSANDS	DEC 31 2011	DEC 31 2010
ASSETS		
Goodwill	898,034	1,031,034
Other intangible assets	586,075	628,255
Other non-current assets	233,148	223,176
Current financial assets attributable to transaction services	25,807	16,973
Other current receivables	186,853	175,423
Cash in hand and at bank	152,209	226,315
Total assets	2,082,126	2,301,176
EQUITY AND LIABILITIES		
Equity	1,462,712	1,715,097
Non-current liabilities	180,073	166,413
Current financial liabilities attributable to transaction services	23,352	34,419
Other current liabilities	415,989	385,247
Total equity and liabilities	2,082,126	2,301,176

A detailed presentation of the income statements and balance sheets for the past few quarters is available at www.orc-group.com

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK THOUSANDS	JAN-DEC 2011	JAN-DEC 2010	OCT-DEC 2011	OCT-DEC 2010
Opening balance	1,715,097	450,180	1,624,493	1,697,646
Income for the period	-103,524	41,761	-161,896	17,939
Other comprehensive income	555	-6,515	115	-488
New share issue attributable to the employees' exercise of stock options	15,065	7,652	-	-
New share issue attributable to acquisition of company	-	1,376,569	-	-
Dividend	-164,537	-154,684	-	-
Change due to employee stock options	56	134	-	-
Closing balance	1,462,712	1,715,097	1,462,712	1,715,097
Equity attributable to owners of the Parent Company	1,462,712	1,715,097	1,462,712	1,715,097

CONSOLIDATED CASH FLOW STATEMENT

	JAN-DEC 2011	JAN-DEC 2010
SEK THOUSANDS		
Cash flow from operating activities before changes in working capital	149,314	127,201
Changes in working capital	-64,300	-86,689
Cash flow from operating activities	85,014	40,512
Investments in operations	-	138,732
Cash flow from investing activities	-112,165	-119,945
Cash flow from financing activities	-49,416	-147,032
Cash flow for the period	-76,567	-87,733
Cash and cash equivalents at beginning of period	226,315	314,953
Exchange differences in cash and cash equivalents	2,461	-905
Cash and cash equivalents at end of period	152,209	226,315

SEGMENT REPORTING

JANUARY - DECEMBER 2011

SEK THOUSANDS	Orc	Neonet	CameronTec	Group-wide **	Total
Operating revenue*	623,721	228,015	71,344	-	923,080
Operating expenses	-463,718	-275,892	-45,752	-211,600	-996,962
Operating income	160,003	-47,877	25,592	-211,600	-73,882
Net financial items	-	-	-	2,736	2,736
Income after financial items	160,003	-47,877	25,592	-208,864	-71,146

JANUARY - DECEMBER 2010

SEK THOUSANDS	Orc	Neonet	CameronTec	Group-wide **	Total
Operating revenue*	665,802	243,260	67,612	-	976,674
Operating expenses	-524,897	-284,827	-47,789	-47,657	-905,170
Operating income	140,905	-41,567	19,823	-47,657	71,504
Net financial items	-	-	-	-528	-528
Income after financial items	140,905	-41,567	19,823	-48,185	70,976

* All revenue is from external customers.

** Group-wide refers to amortization and impairment of intangible assets attributable to acquisitions. The period from January to December 2011 includes a recovered receivable of SEK 9,977 and a correction of amortization of other intangible assets recognized in previous periods amounting to SEK 3,908. Both items have had a positive impact on operating expenses.

OCTOBER - DECEMBER 2011

SEK THOUSANDS	Orc	Neonet	CameronTec	Group-wide **	Total
Operating revenue*	154,656	44,553	18,832	-	218,041
Operating expenses	-123,329	-57,956	-13,867	-175,792	-370,944
Operating income	31,327	-13,403	4,965	-175,792	-152,903
Net financial items	-	-	-	1,169	1,169
Income after financial items	31,327	-13,403	4,965	-174,623	-151,734

OCTOBER - DECEMBER 2010

SEK THOUSANDS	Orc	Neonet	CameronTec	Group-wide **	Total
Operating revenue*	167,687	81,313	19,061	-	268,061
Operating expenses	-125,003	-95,617	-13,175	-15,102	-248,897
Operating income	42,684	-14,304	5,886	-15,102	19,164
Net financial items	-	-	-	-307	-307
Income after financial items	42,684	-14,304	5,886	-15,409	18,857

* All revenue is from external customers.

** Group-wide refers to amortization and impairment of intangible assets attributable to acquisitions. The period from October to December 2011 includes a correction of amortization of other intangible assets recognized in previous periods amounting to SEK 3,908, which has had a positive impact on operating expenses.

See section on accounting policies for a description of each segment.

CONSOLIDATED KEY RATIOS

	JAN-DEC 2011	JAN-DEC 2010	OCT-DEC 2011	OCT-DEC 2010
Sales growth	-5.5%	38.6%	-18.7%	48.7%
Transaction margin	35.9%	36.6%	35.5%	39.0%
Operating margin	-8.0%	7.3%	-70.1%	7.1%
Average number of shares, basic, thousands	23,502	21,248	23,505	23,387
Average number of shares, diluted, thousands	23,502	21,271	23,505	23,387
Number of shares outstanding, thousands	23,505	23,387	23,505	23,387
Equity per share, SEK	62.23	73.34	62.23	73.34
Return on capital employed	-4.0%	6.7%	-36.1%	4.4%
Return on equity	-6.5%	3.9%	-42.0%	4.2%
Equity/assets ratio	70.3%	74.5%	70.3%	74.5%
Average number of employees	380	342	375	399
Number of employees at end of period	370	394	370	394

PARENT COMPANY INCOME STATEMENT

SEK THOUSANDS	JAN-DEC 2011	JAN-DEC** 2010	OCT-DEC 2011	OCT-DEC** 2010
System revenue	615,497	620,993	154,230	156,354
Other revenue	8,669	7,441	-527	1,317
Work performed by the company for its own use and capitalized	-	-	-	-
Operating revenue	624,166	628,434	153,703	157,671
Cost of goods sold	-24,962	-28,757	-5,982	-6,687
External expenses	-360,737	-327,838	-95,576	-89,133
Personnel expenses	-139,505	-135,928	-39,414	-43,713
Depreciation/amortization and impairment losses	-182,368	-6,844	-172,243	-2,029
Foreign exchange differences	-1,202	-9,807	-1,141	-240
Operating expenses	-708,774	-509,174	-314,356	-141,802
Operating income	-84,608	119,260	-160,653	15,869
Net financial items	-36,465	2,224	-45,764	1,662
Income after financial items	-121,073	121,484	-206,417	17,531
Appropriations	27,964	-31,188	27,964	-31,188
Income tax expense	-17,879	-24,282	2,807	4,207
Income for the period	-110,988	66,014	-175,646	-9,450

PARENT COMPANY BALANCE SHEET

SEK THOUSANDS	DEC 31 2011	DEC 31** 2010
ASSETS		
Intangible assets	24,979	-
Other non-current assets	1,589,664	1,747,816
Current receivables	143,653	235,307
Cash in hand and at bank	87,767	91,549
Total assets	1,846,063	2,074,672
LIABILITIES AND EQUITY		
Equity	1,314,456	1,574,916
Untaxed reserves	132,228	160,192
Provisions	1,510	916
Current liabilities	397,869	338,648
Total equity and liabilities	1,846,063	2,074,672

** The comparative figure has been restated due to a changed accounting policy in the Parent Company. See section "Accounting policies, Capitalization of development costs in the Parent Company"

ABOUT ORC GROUP

Orc Group is a leading provider of technology and services for the global financial industry. Orc Group delivers trading and market access solutions that are used by proprietary trading and market making firms, investment banks, hedge funds and brokerage houses worldwide.

Orc Group serves customers through three business units, each with distinctive offerings:

- **Orc** develops and provides the tools needed to run profitable trading and brokerage businesses.
- **Neonet** offers professional market participants flexible, independent and transparent execution services.
- **CameronTec** is the financial industry's leading provider of FIX infrastructure and connectivity solutions.

With market presence in all global financial centers, Orc Group provides sales and support services from its offices across the EMEA, Americas and Asia-Pacific regions.

Orc Group is publicly traded on NASDAQ OMX Stockholm (SSE: ORC).

For additional information visit www.orc-group.com

Orc Group has offices in:

Amsterdam, Chicago, Frankfurt, Hong Kong, London, Milan, Moscow, New Jersey, New York, Paris, Stockholm, Sydney and Tokyo.

STATUTORY DISCLOSURE

The information in this interim report is subject to the disclosure requirements of Orc Group AB under the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was released for publication on January 19, 2012, 8:00 a.m. CET.

CONTACT INFORMATION

CEO Thomas Bill

Phone: +46 8 506 477 35

CFO Tomas Ljunglöf

Phone: +46 8 506 477 24

A media and analyst meeting (in Swedish) will be held at 9:00 a.m. CET on January 19, 2012, at Orc Group's head office, Kungsgatan 36 in Stockholm. At 3:00 p.m. CET on the same date, a teleconference will also be held (in English).

For more information, see the invitation at www.orc-group.com, Investor Relations, Press releases.

FINANCIAL INFORMATION

Can be ordered from:

Orc Group, Investor Relations, Box 7742, SE-103 95 Stockholm

Phone: +46 8 506 477 00, Fax: +46 8 506 477 01

E-mail: ir@orc-group.com

All financial information is posted on www.orc-group.com immediately after publication.

FINANCIAL CALENDAR

April 20, 2012	Interim report for Q1
26 April 26, 2012	AGM in Stockholm
July 11, 2012	Interim report for Q2
October 18, 2012	Interim report for Q3

The annual report will be available to shareholders on Orc Group's website www.orc-group.com and at the company's head office, Kungsgatan 36, in Stockholm, starting in week beginning on March 26, 2012 (week 13).

Stockholm, January 19, 2012

Orc Group AB

The Board of Directors and CEO

This year-end report has not been examined by Orc Group's auditors.

Orc Group AB (publ) CIN 556313-4583
Kungsgatan 36 • Box 7742 • SE-103 95 Stockholm
Phone: +46 8 506 477 00 • Fax: +46 8 506 477 01
info@orc-group.com • www.orc-group.com

N.B. The English text is a translation of the Swedish text. In case of discrepancy between the Swedish and the English text the Swedish version shall prevail.