

Orc Software

January – December 2006

Thomas Bill, CEO

January 25, 2007



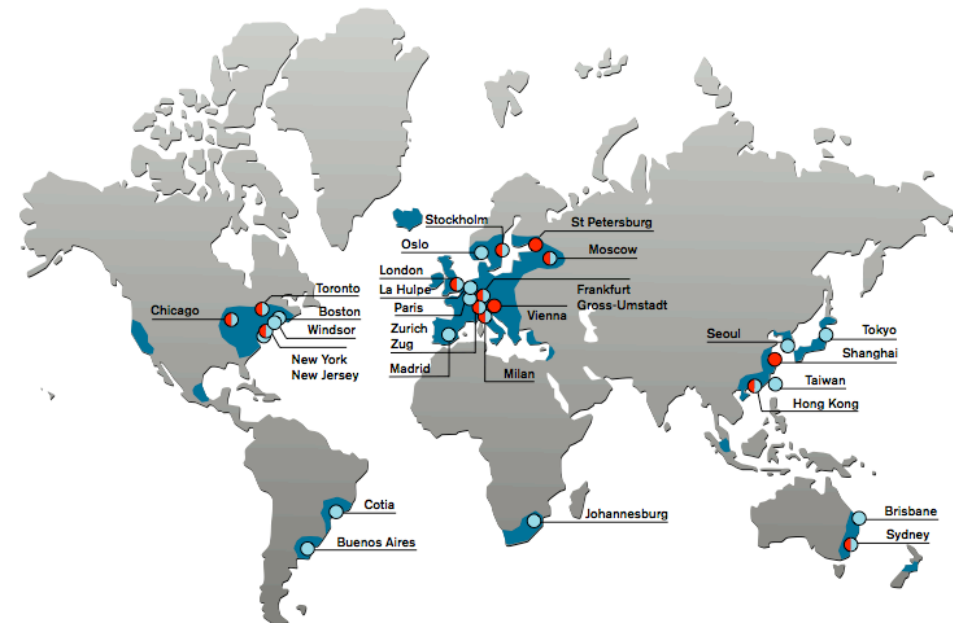
Agenda

- Company overview
- Market trends and Orc Software market solutions
- Orc Software Q4 2006
- Financials
- Future outlook



Orc Software in brief

- World leader in trading technology for the financial industry
- More than 600 customer sites
- Global company, founded in 1987, with local presence in every major financial centre, 244 employees
- Acquisition of Cameron Systems in 2006 - the no 1 provider of FIX Protocol solutions
- 24 channel partners worldwide
- Revenue 2006 of SEK 418 million

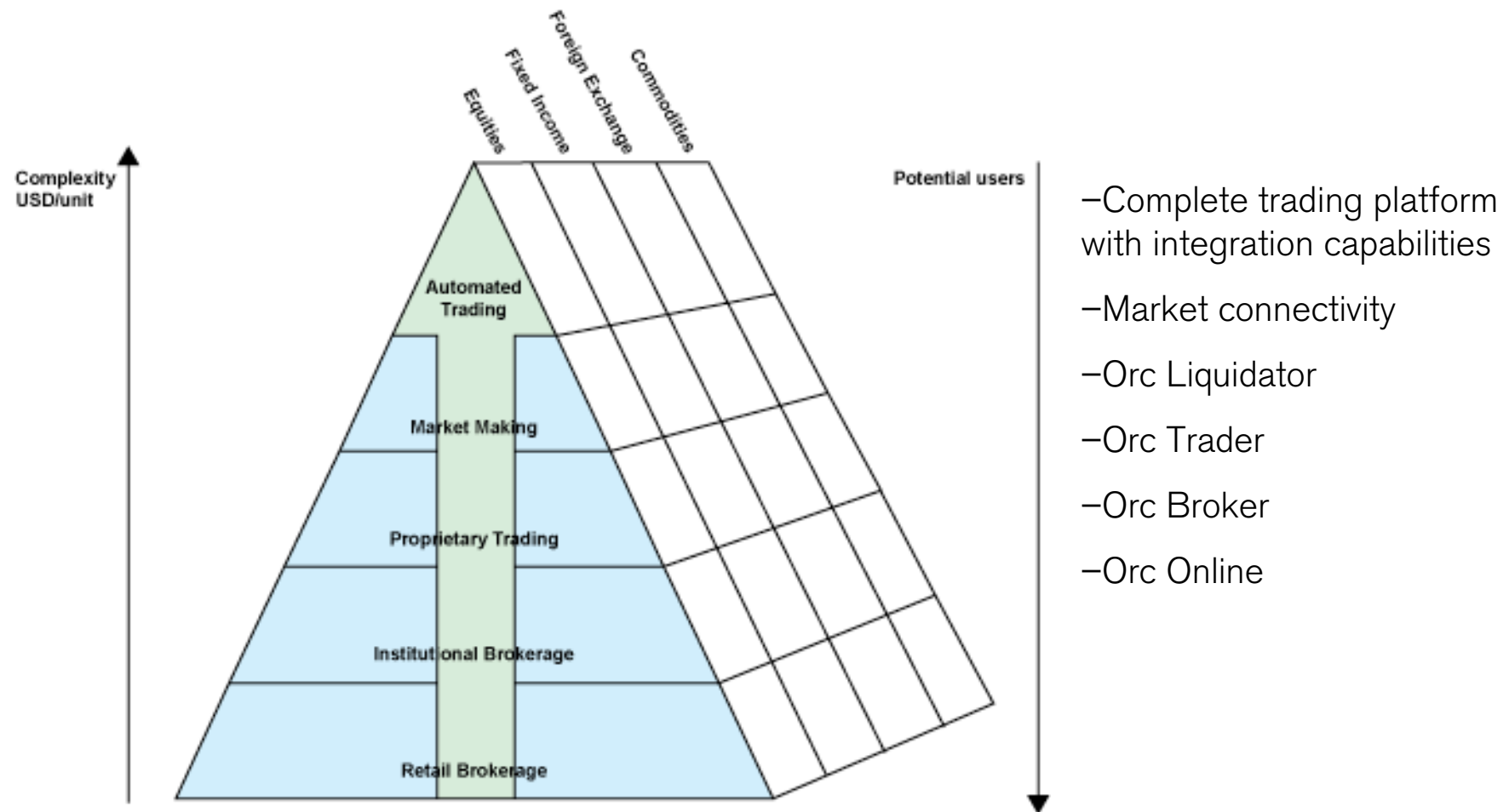


Market trends

- Strong global demand for trading technology that provides:
 - high performance, robust, best of breed solutions
 - flexibility – designed to meet growing business requirements e.g. cross asset class, multi-market connectivity
 - FIX connectivity as the protocol rapidly emerges as the de facto global trading standard
 - integration capabilities with existing systems
- Strong demand for Direct Market Access (DMA) solutions
- Increased competition between exchanges
- Electronic Crossing Networks (ECNs) developing
- New types of instruments and asset classes traded
- MiFID (EU) and RegNMS (USA) provide new business opportunities
 - New exchanges and liquidity pools creating greater demand for multi-market connectivity
 - Best execution requirements for covering multiple venues
 - Demand for automatization and rationalization of order flows
 - Increased trading volumes



Market solutions for trading



Orc Software license model

- Subscription fees in advance
- Service and support included in subscription fee
- New versions included in subscription fee
- CameronFIX offered under two models (up-front and subscription), with new customers incentivised towards subscription model



Orc Software Q4 2006

- Revenue SEK 111 (79) million
- Annual value of existing client contracts SEK 346, up 30 percent, at end of 2006
 - Up 41 percent adjusted for FX effects
- Operating income SEK 21 (13) million
 - Excluding adjustments for items affecting comparability and foreign exchange effects SEK 24 (14) million
- Operating margin 19.1 (17.0) percent
 - Excluding adjustments for items affecting comparability and foreign exchange effects 22.2 (18.1) percent
- Board of Directors propose a dividend of SEK 2.00 per share



Orc Software Q4 2006, cont.

- Expanded Orc platform trading capabilities
 - Providing intelligent order routing for Compliance / Best Execution
 - Resulting in new business opportunities / major deals with institutional brokerage (investment and commercial banks)

- Company review
 - Organisation
 - Processes
 - Incentives

- Regional consolidation
 - North America, President Martin Koopman
 - Western Europe, President Matteo Carcano
 - Benelux, Continental and Eastern Europe, President Anders Henriksson
 - Asia Pacific (APAC), Acting President Jan Hallsenius



Orc Software Q4 2006, cont.

- Integration Orc Software and Cameron Systems
 - Integrate operations globally – Sales & services, engineering
 - Integrate CameronFIX with Orc platform
 - Position CameronFIX as a stand-alone Orc connectivity solution

- MarketOn
 - IPR for certain software components sold to OMX for SEK 2.1 million
 - MarketOn integration with Orc platform for expanded Brokerage and DMA solutions

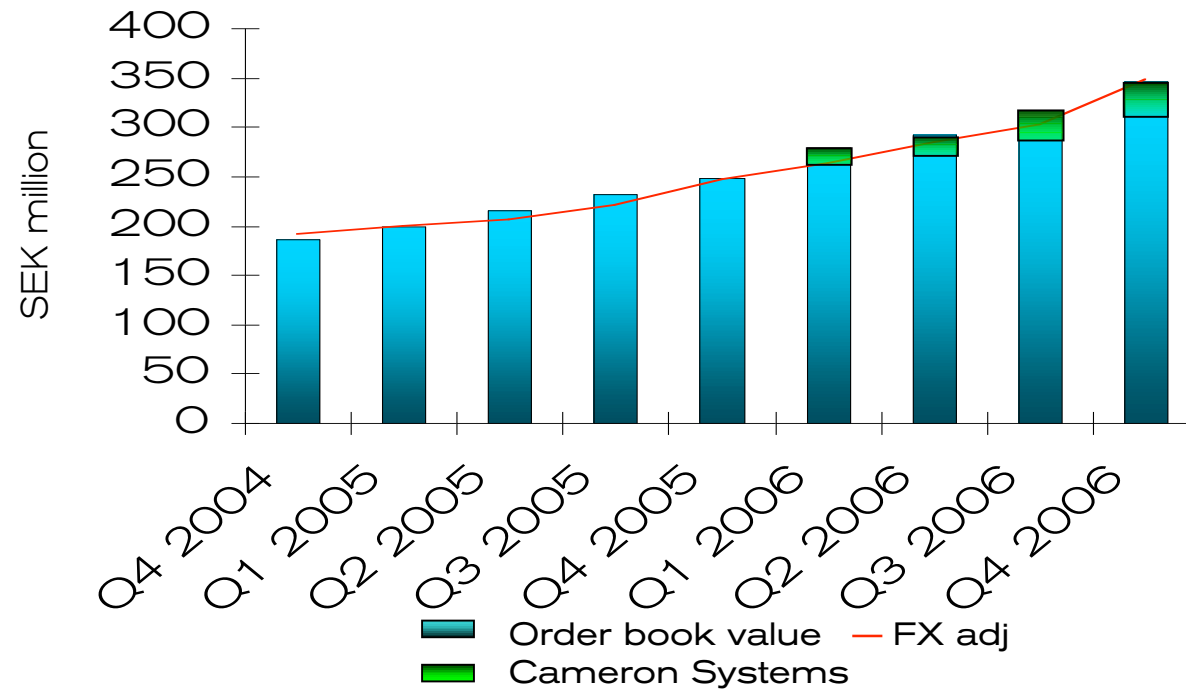
- Launch Version 6.1 of Orc Trader and Orc Liquidator



Financials



Annual value of existing client contracts

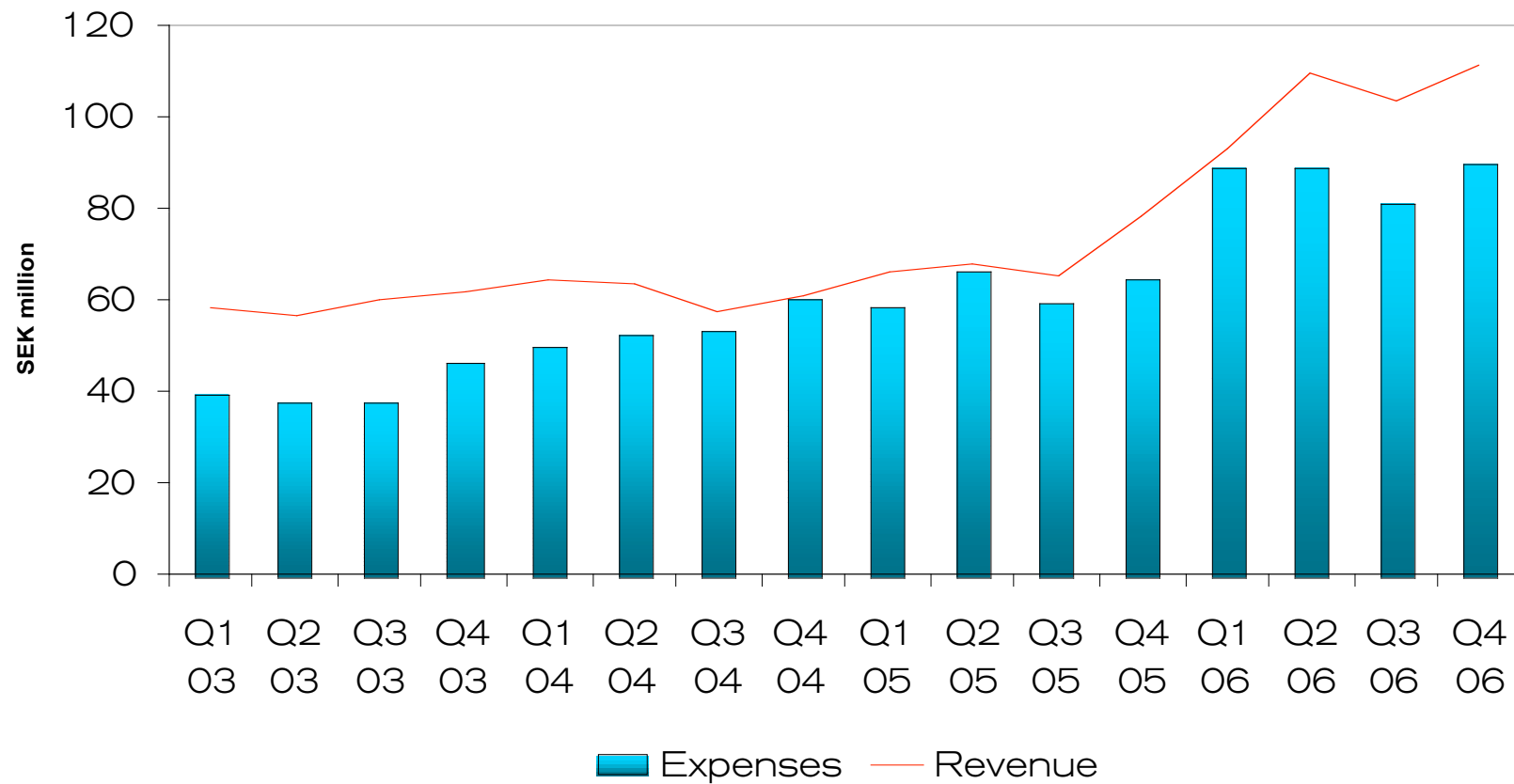


- Amounts to SEK 346 million
 - Up 30 percent compared to beginning of year
 - Up 26 percent excluding Cameron Systems

Consolidated Income statement

Operating revenue	Q4 2006	Q4 2005	Q3 2006
Systems revenue	96,4	64,2	93,6
Other operating revenue	14,8	14,4	10,0
Total revenue	111,2	78,6	103,6
<i>Growth</i>	<i>41%</i>		
Operating expenses			
Other expenses	-31,4	-25,8	-24,4
Personnel costs	-51,7	-35,6	-50,9
Depreciation, amortization and write-downs	-6,9	-3,8	-5,9
Total expenses	-90,0	-65,2	-81,2
Operating income	21,2	13,4	22,4
Operating margin	19,1%	17,0%	21,6%
Net financial items	-1,2	1,0	0,2
Tax on net income	-2,6	-6,2	-7,2
Net income	17,4	8,2	15,4

Revenue and expenses



Consolidated Income statement

Operating revenue	2006	2005
Systems revenue	364,9	233,3
Other operating revenue ¹	53,0	44,8
Total revenue	417,9	278,1
<i>Growth</i>	<i>50%</i>	
Operating expenses		
Other expenses	-121,6	-100,9
Personnel costs ²	-205,4	-133,3
Depreciation, amortization and write-downs	-23,6	-16,2
Total expenses	-350,6	-250,4
Operating income	67,3	27,7
Operating margin	16,1%	9,9%
Net financial items	0,9	5,4
Tax on net income	-17,3	-12,6
Net income	50,9	20,5

1) Whereof MSEK 10,4 refers to compensation from OMX related to MarketOn development

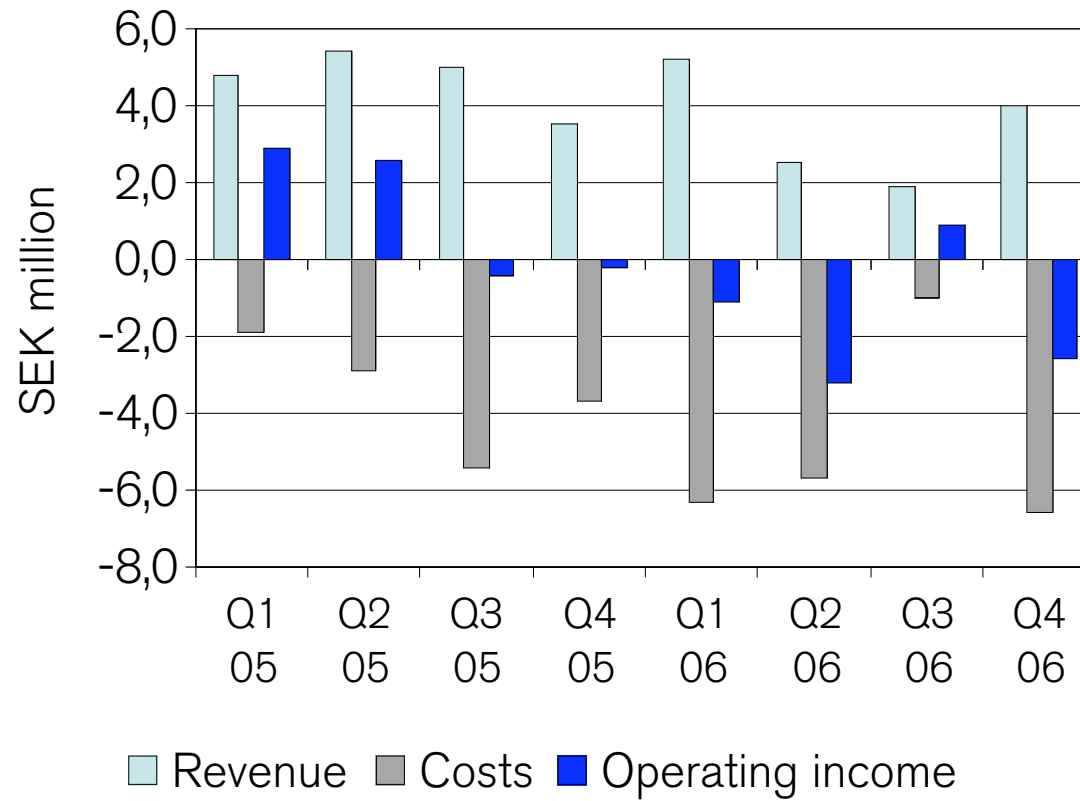
2) Whereof MSEK 11,0 refers to items affecting comparability



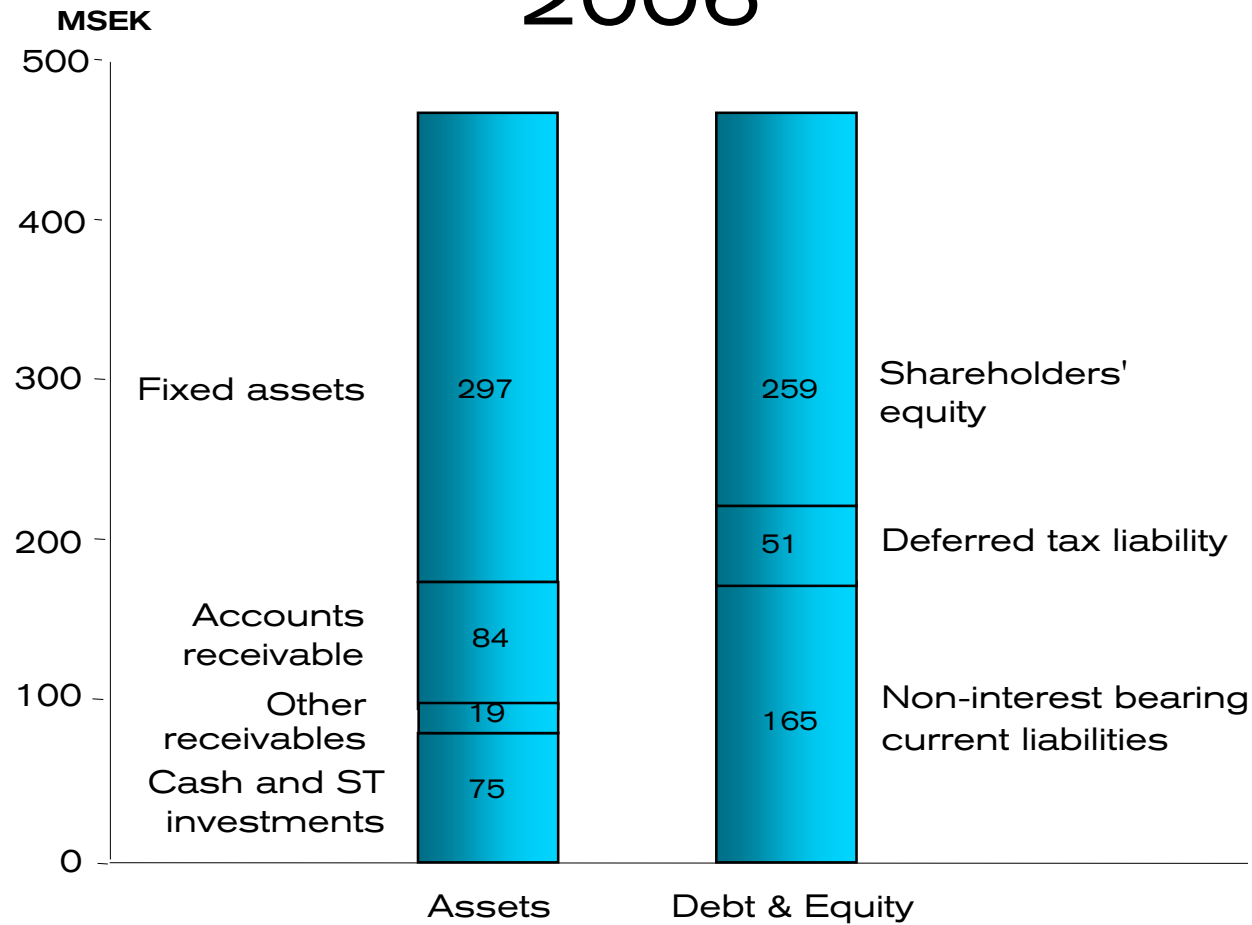
Revenue per geographic market

SEK million	2006	2005	Change in %
Nordic countries	110	83	33
Europe excluding Nordic region	162	119	36
Asia and Australia	54	30	80
Americas	78	27	189
Other (FX differences)	14	19	-26
Total	418	278	50

FX effects



Balance sheet - December 31, 2006 ^{ORC}



Future outlook



Future outlook

- Continued favorable market conditions
- Leverage on Orc - Cameron synergies in market solutions
- Capitalize on market connectivity assets
- Address new market segments
- Financial targets
 - The Board of Directors' objective is an annual revenue growth of at least 15 percent and an annual operating margin of at least 15 percent



Q & A



ORC

www.orcsoftware.com

