



Orc Software

January-June 2008

Thomas Bill, CEO

Anders Berg, CFO

Agenda

- Company overview
- Market trends and Orc Software solutions
- Orc Software Q2, 2008
- Financials
- Future outlook

Powerful solutions for the global financial industry
in the critical areas of advanced Derivatives Trading,
Automated Trading
and low-latency Connectivity.



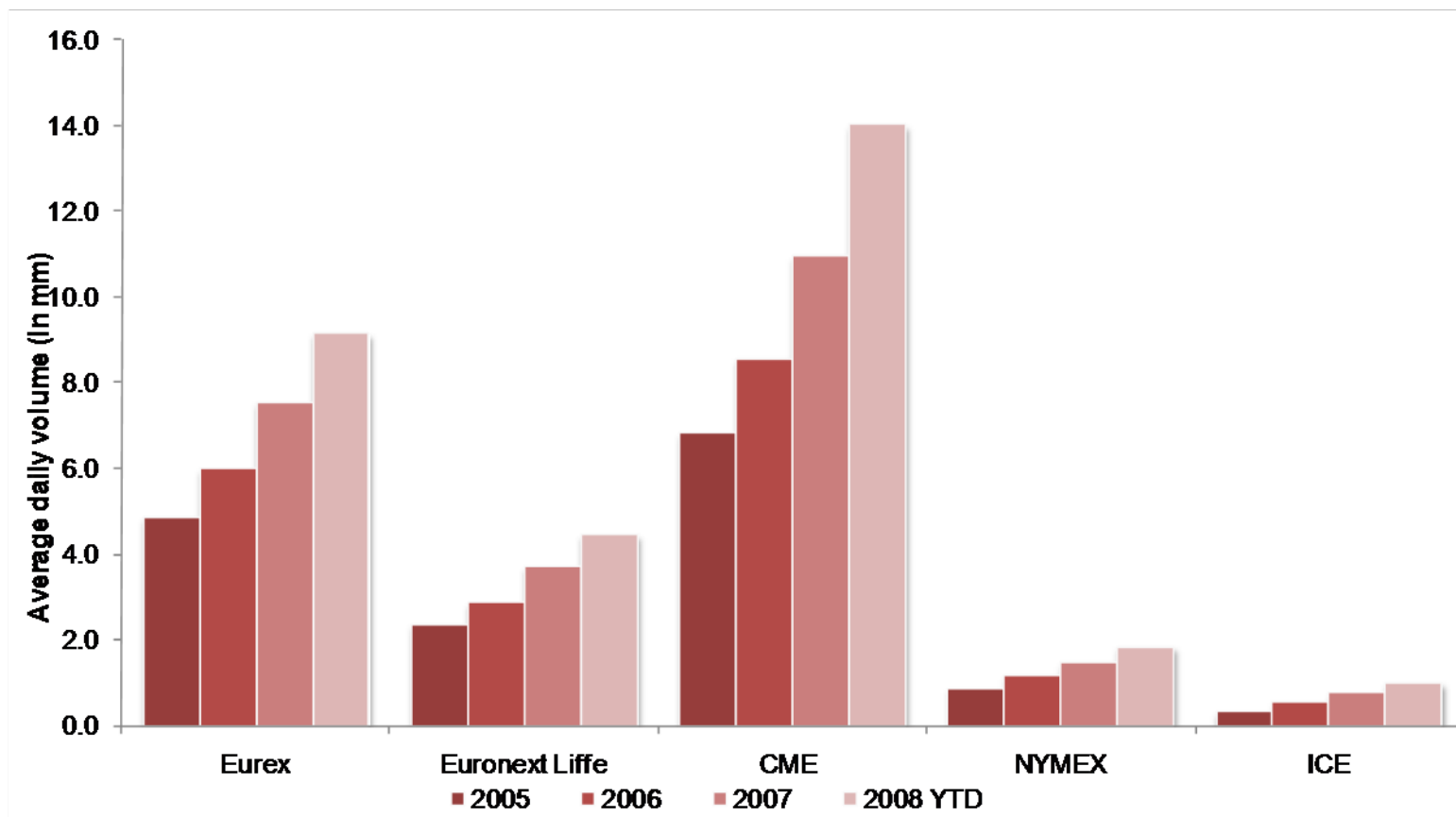
Company Fast Facts

- Leading global provider of electronic trading technology for the financial industry with local presence in every major financial centre
- 2007 revenue SEK 509* million, EBIT SEK 126 million
- 279 employees
- Customer License Model
 - Subscription fees in advance
 - Service and support included in subscription fee
 - Solution updates included in subscription fee

Key Market Drivers

- Increased derivative trading
 - Measured in volume, value, but most importantly in number of trades
 - Increase driven by automation, decimalization, smaller trades and smaller spreads
- Increased fragmentation of the markets
 - Measured as the increase in number of liquidity pools (exchanges, ECN, dark pools etc)
- Globalisation combined with standardisation and increased electronic trading
- Regulation
 - MiFiD, RegNMS

Growth in Futures & Options Traded Contracts



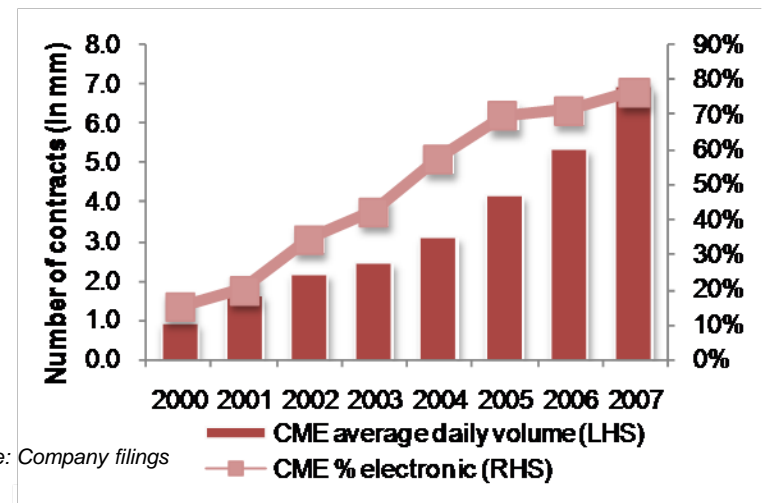
Note: Daily average for 2005 has been computed based on the average of quarterly data

CAGRs have been computed for the period 2005 - 2007

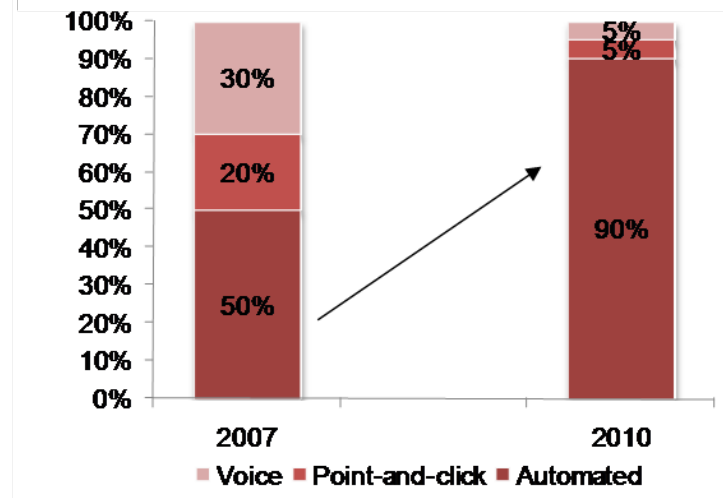
Source: Eurex, Euronext Liffe, CME Group, NYMEX and ICE

Increasing Automation in Financial Markets

- The influx of technology has resulted in the rapid diminishment of the longstanding open-outcry trading pits
- The futures markets have quickly become dominated by automated execution systems
 - Low touch order flow is expected to account for 90% of futures trading activity by 2010



Source: Company filings



Source: TABB Group estimates

Orc Trading >



Trade any listed instrument from a single platform, cross-asset class, on 100+ markets

Orc Algorithmic Trading

- Server-based trading solution capable of running thousands of trading strategies simultaneously and offered with ultra low latency, native connectivity to 100+ markets.

Orc Market Making

- Thousands of instruments quoted on multiple markets simultaneously.

Orc Advanced Trading

- Advanced pricing, trading and hedging capabilities with limited risk exposure.

Orc Connect >



Fast, reliable access to liquidity pools. Orc CameronFIX and Orc CameronFAST enabled

Orc DMA for Brokerage

- Sell-side solution for offering customers access to liquidity pools to trade directly on any market.

Orc Liquidity Access

- The complete trading solution for fast, reliable access to derivatives and cash markets globally.

Orc CameronFIX Universal Server

- High performance Financial Information eXchange Protocol (FIX) solution used to connect buy-side and sell-side firms and exchanges globally.

Orc Software Q2 2008

- Revenues SEK 139 m (Q2 2007, SEK 119 m)
- EBIT SEK 27 m (Q1 2007, SEK 27 m)
- EBIT margin 20% (22%)

- OBV end Q2: SEK 517 m (SEK +20 m Q1 to Q2)
- With Q1 SEK/USD rate SEK +22 m
- End Q1 2008: SEK 497 m
- End Q2 2007: SEK 434 m

- 93% recurring revenue in Q2

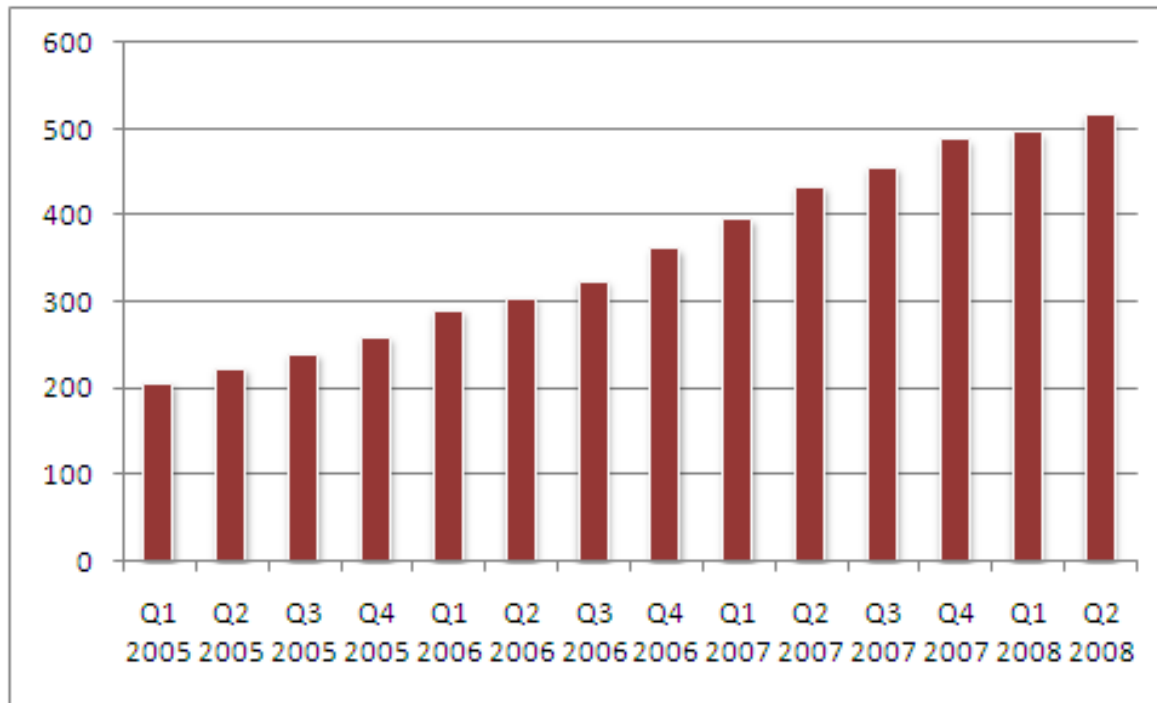
- Despite market turbulence demand from existing and new customers remains at a good level
- Additional orders from existing customers significantly exceeds cancellations and downsizings
- The downsizing rate is decreasing compared to Q4 and Q1
- APAC market very strong. Order Book Value increased with SEK 10 m in Q2
- Algorithmic trading solutions is a key growth driver globally
- Continued transition of Cameron business to recurring revenues

- Increased investments in marketing during the quarter
- We are keeping a close eye on market development and more cautious in our investments
- Head count in Q2 increased with 14
- The engineering centre in Chicago is now operational

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Financials

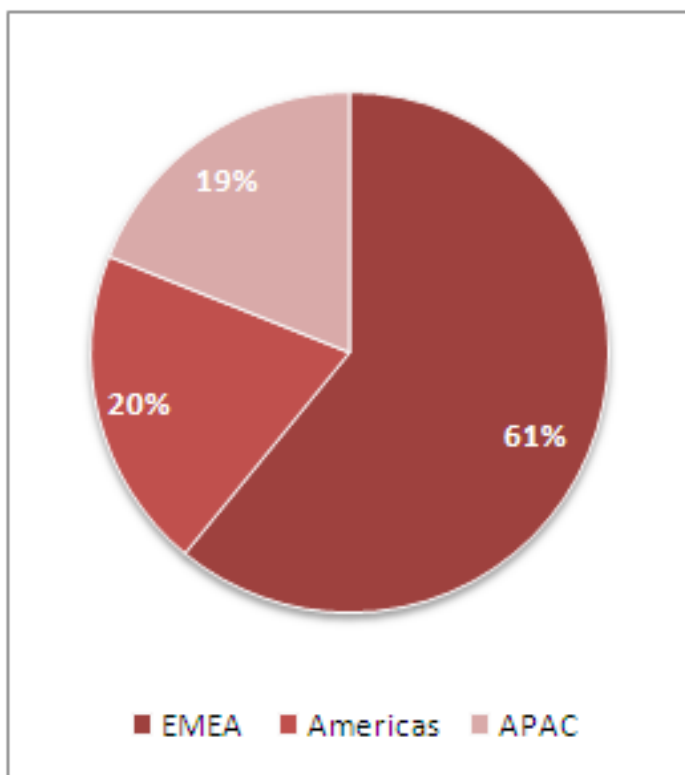
Annualized value of existing customer contracts (Order Book Value)



- Amounts to SEK 517 m at end of Q2 2008
 - Contracted revenue for the coming twelve months
 - **Equals 135% on Operating expenses in 2007**
- Up 19% compared to Q2 2007
 - Up 27% FX adjusted
- Up 4% compared to Q2 2008
 - Up 4% FX adjusted

Regional Order Book Value

SEK million	Q2 2008	Q2 2007	Change	%
EMEA	315	264	51	19%
Americas	104	92	12	13%
APAC	98	78	20	26%
Total	517	434	83	19%



Consolidated Income Statement

SEK million	Q2 2008	Q2 2007	Change	%
System revenue	136	113	23	20%
Other revenue	3	6	-3	-50%
Net revenue	139	119	20	17%
Cost of goods sold	-9	-6	-3	50%
External expenses	-36	-25	-11	44%
Personnel costs	-67	-58	-9	16%
Capitalized work	5	5	0	0%
Depreciation etc	-5	-4	-1	25%
FX revaluation	0	-4	4	-100%
Operating expenses	-112	-92	-20	22%
Operating income	27	27	0	0%
Net financial income	1	1	0	0%
Income before tax	28	28	0	0%
Tax	-10	-7	-3	
Profit for the period	18	21	-3	-14%

Recurring revenue

- +24%
- 93% of Net revenue

Operating margin

19%

22%

-3%

Balance Sheet

SEK million	June 30, 2008	June 30, 2007	Change
Fixed assets	333	298	35
Current receivables	209	169	40
Cash	38	69	-31
	580	536	44
Equity	314	274	40
Long-term liabilities	49	51	-2
Current liabilities	217	211	6
	580	536	44
Equity/Assets ratio	54%	51%	3%

After paying dividend
of SEK 61m

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Outlook

- The risk level in our market has increased and we are closely monitoring market development
- Orc will continue to invest in sales, marketing and engineering during 2008 with a continued focus on profitability
- Because of Orc's revenue model and the current level of demand
 - Orc will increase the order book value during 2008
 - Orc will increase revenues compared to 2007

www.orcsoftware.com

