



Orc Software

January-March 2008

Thomas Bill, CEO

Anders Berg, CFO

Agenda

- Company overview
- Market trends and Orc Software solutions
- Orc Software Q1, 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.



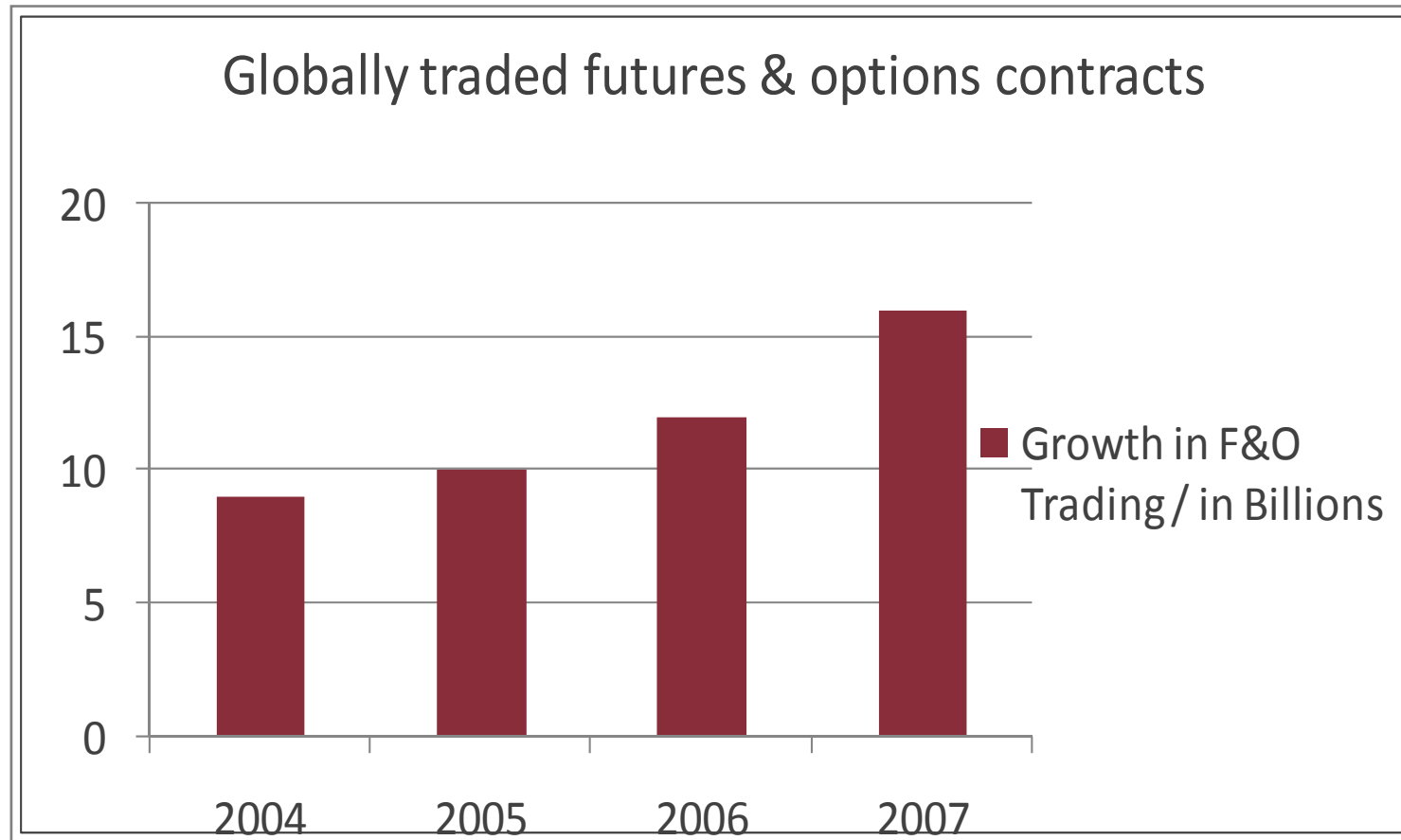
Company Fast Facts

- 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
- 265 employees

- Customer License Model
 - Subscription fees in advance
 - Service and support included in subscription fee
 - Solution updates included in subscription fee

* Adjusted for positive currency effects amounting to SEK 20 million

Growth in Futures & Options Traded Contracts



Source: Futures Industry Association

Global Market Trends

- Global derivatives industry grew exponentially in 2007; record volumes for exchanges
- Industry predicting 2008 as another record year in terms of volume and growth
- Rapid increase in market data volumes
- Trading firms demanding ultra-low latency solutions
- Co-located trading and connectivity services in demand
- Strongest growth in IT spending for derivatives over any other asset class
- Continued demand for electronic trading, algorithmic trading and low-latency solutions
- New trading regulations further driving demand for connectivity solutions

2008 – New Opportunities in Turbulent Markets

- Market turbulence is presenting a challenging global trading environment
- Volatility and market swings alter trading patterns but also create opportunities
- The best algorithmic strategies help limit risk and take advantage of opportunities
- Algorithmic technology in this environment is gaining significant importance and playing to Orc's strengths
- Increasing market requirements for:
 - Powerful trading tools providing speed, flexibility & scalability
 - Fast, reliable connectivity solutions

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Orc Trading

Powerful Derivatives Solutions

Orc Trading

Orc Trading comprises:

- Orc Algorithmic Trading
- Orc Market Making
- Orc Advanced Trading



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Orc Connect

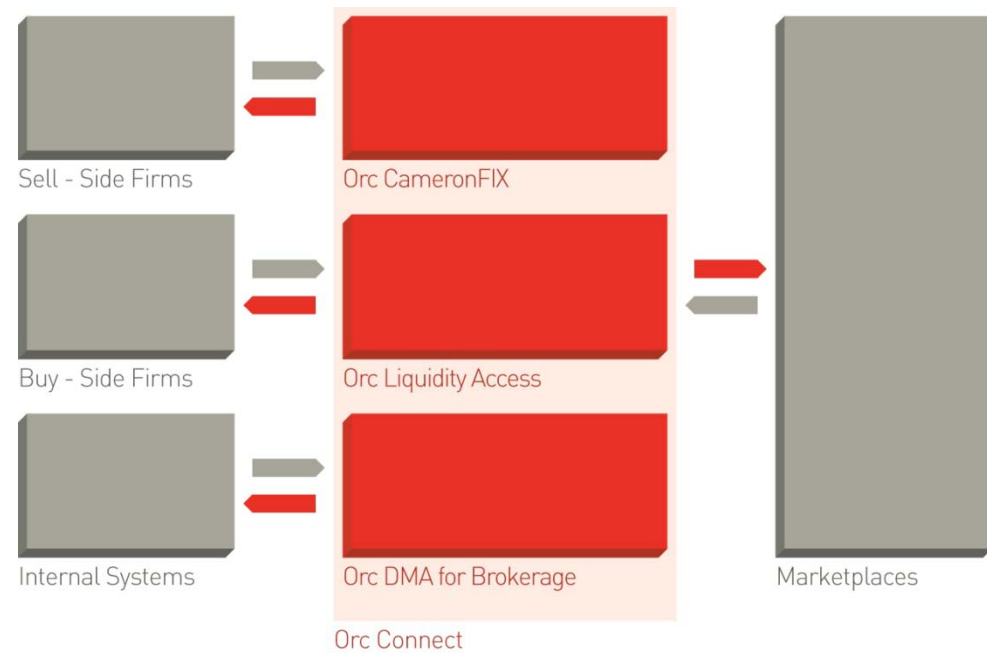
Fast, Reliable Connectivity Solutions



Orc Connect

Orc Connect includes:

- Orc DMA for Brokerage
- Orc Liquidity Access
- Orc CameronFIX
- Orc CameronFAST
- Orc CameronFIX Market Data Server



Orc Software Q1 2008

- Revenues SEK 136 m (Q1 2007, SEK 119 m)
- EBIT SEK 21 m (Q1 2007, SEK 30 m)
- Negative currency effect – SEK 8,3 m
- EBIT margin 15% (25%)
- EBIT margin excluding negative FX effects 22%

- OBV end Q1: SEK 497 m (SEK +8 m Q4 to Q1)
- With Q4 SEK/USD rate SEK +22 m
- End Q4 2007: SEK 488 m
- End Q1 2007: SEK 396 m

- The OBV at end of Q1 corresponds to 130% of the operating expenses in 2007

Orc Software Q1 2008

- Continued good demand from existing and new customers
 - Increased demand from trading firms
- Additional orders from existing customers significantly exceeds cancellations and downsizings
- The downsizing/cancellation rate is slightly lower in Q1 compared to Q4
- Increased number of orders for algorithmic trading solutions, especially in US
- Most Orc customers are not directly affected by the turmoil in the financial industry
- Many customers enjoy increased profitability in the current volatile market
- Successful transition of Cameron business to recurring revenues

Orc Software Q1 2008

- We are keeping a close eye on market development and more cautious in our investments
- Head count in Q1 remains flat
- We have announced the establishment of an Engineering centre in Chicago
 - The US market is growing in importance and we are adding more customers in Chicago than ever before
 - Great pool of talent
 - A natural hedge to the USD

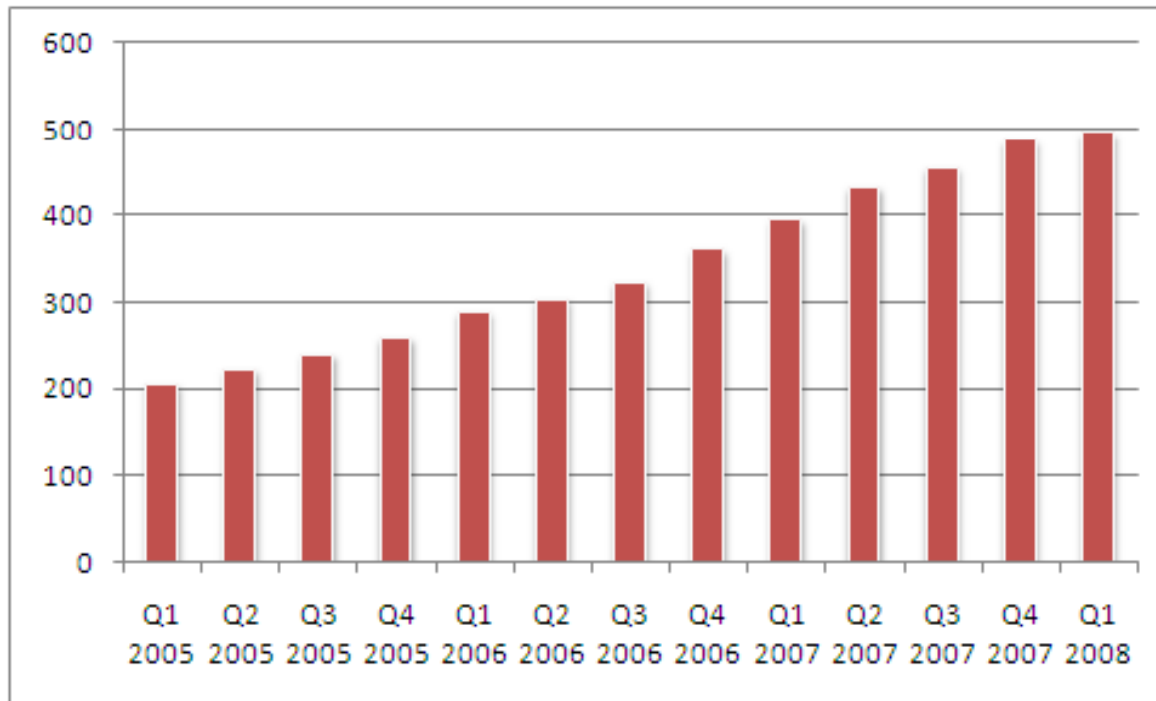
Orc Software Q1 2008

- Orc Trading & Orc Connect launched in the global markets:
 - Shift from productized approach to solutions-based marketing
- New solutions reflected in Q1 go-live:
 - New marketing strategy
 - New Orc website & sales tools
 - 2008 advertising campaign
 - New corporate profile

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Financials

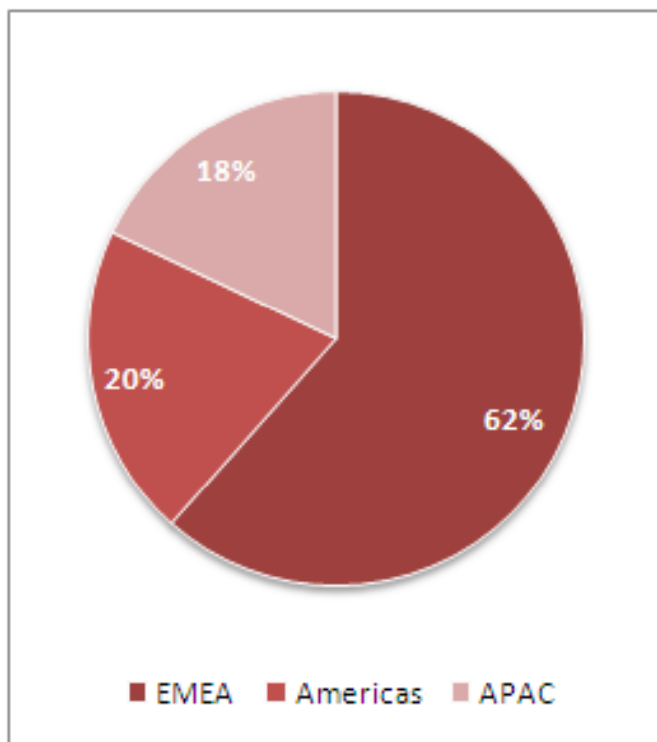
Annualized value of existing customer contracts (Order Book Value)



- Amounts to SEK 497 m at end of Q1 2008
 - Contracted revenue for the coming twelve months
 - Equals 130% on Operating expenses in 2007
- Up 25% compared to Q1 2007
 - Up 35% FX adjusted
- Up 2% compared to Q4 2007 (FX effect SEK -14m)
 - Up 5% FX adjusted

Regional Order Book Value

SEK million	2008	2007	Change	%
EMEA	306	246	60	24%
Americas	102	84	18	21%
APAC	89	66	23	35%
Total	497	396	101	26%



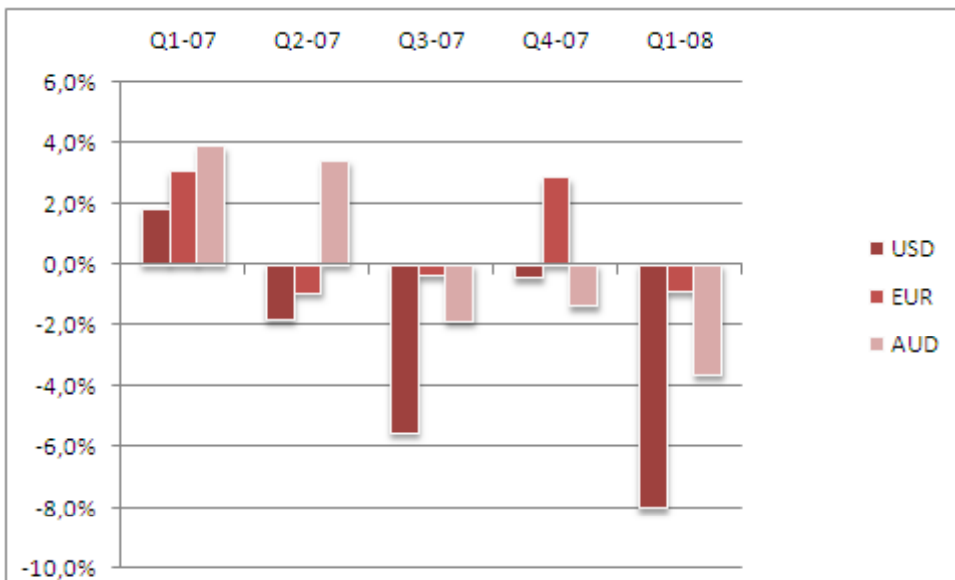
Important changes

- Changes in revenues
 - Change to recurring model for Orc CameronFIX
 - E2E no longer consolidated and transfers to invoicing directly
- Changes in accounting
 - Foreign exchange effects accounted net in Operating expenses
 - Previously gross in Other income and Operating expenses
 - Network revenue accounted for in System revenue
 - Previously in Other revenue
 - Comparative amounts adjusted accordingly

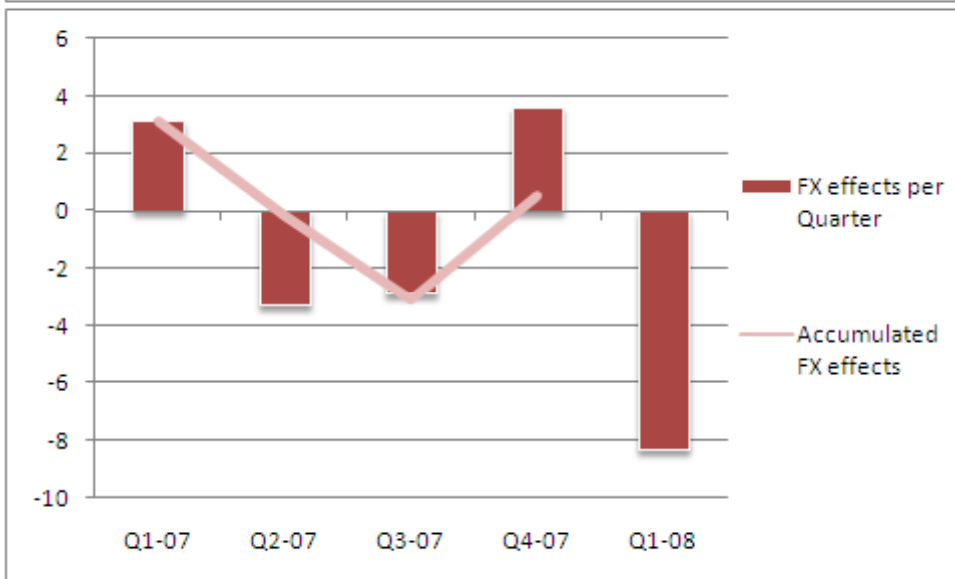
Income Statement – FX revaluation adjusted

	2007				2008
	Q1	Q2	Q3	Q4	Q1
Net revenue	118,9	119,3	131,3	139,2	136,5
Operating expenses	-91,9	-89,1	-96,3	-106,6	-107,1
Operating income	27,0	30,2	35,0	32,6	29,4
Operating margin	23%	25%	27%	23%	22%

Foreign exchange revaluation effects



Relative change in exchange rate from previous quarter (closing rate)



Foreign exchange revaluation effect in Income Statement

Balance Sheet

SEK million	Mar 31, 2008	Mar 31, 2007	Change
Fixed assets	313	307	6
Current receivables	167	126	41
Cash	102	95	7
	582	528	54
Equity	340	288	52
Long-term liabilities	48	52	-4
Current liabilities	194	188	6
	582	528	54
Equity/Assets ratio	58%	55%	4%

N.B. Dividend payment of SEK 60m on May 2, 2008

Fixed assets	Capitalized development, Equipment and Depreciation etc
Current receivables	Sales increase
Cash	Profit - Dividends
Equity	Profit - Dividends
Long-term liabilities	-
Current liabilities	Sales increase

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Outlook

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

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