



ORC

January-September 2008

Thomas Bill, CEO

Anders Berg, CFO

Agenda

Company overview

Market Drivers and Orc Software Solutions

Orc Software Q3, 2008

Financials

Future Outlook



**Core focus is
trading and connectivity
solutions for the worldwide
financial industry**

Company 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
- 291 employees on September 30, 2008

- 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

Global Presence

291
employees

EMEA:

Stockholm
Amsterdam
Frankfurt
London
Milan
Moscow
St Petersburg
Vienna
Zurich
Paris

Americas:

New York
Chicago
Toronto

Asia Pacific:

Hong Kong
Sydney

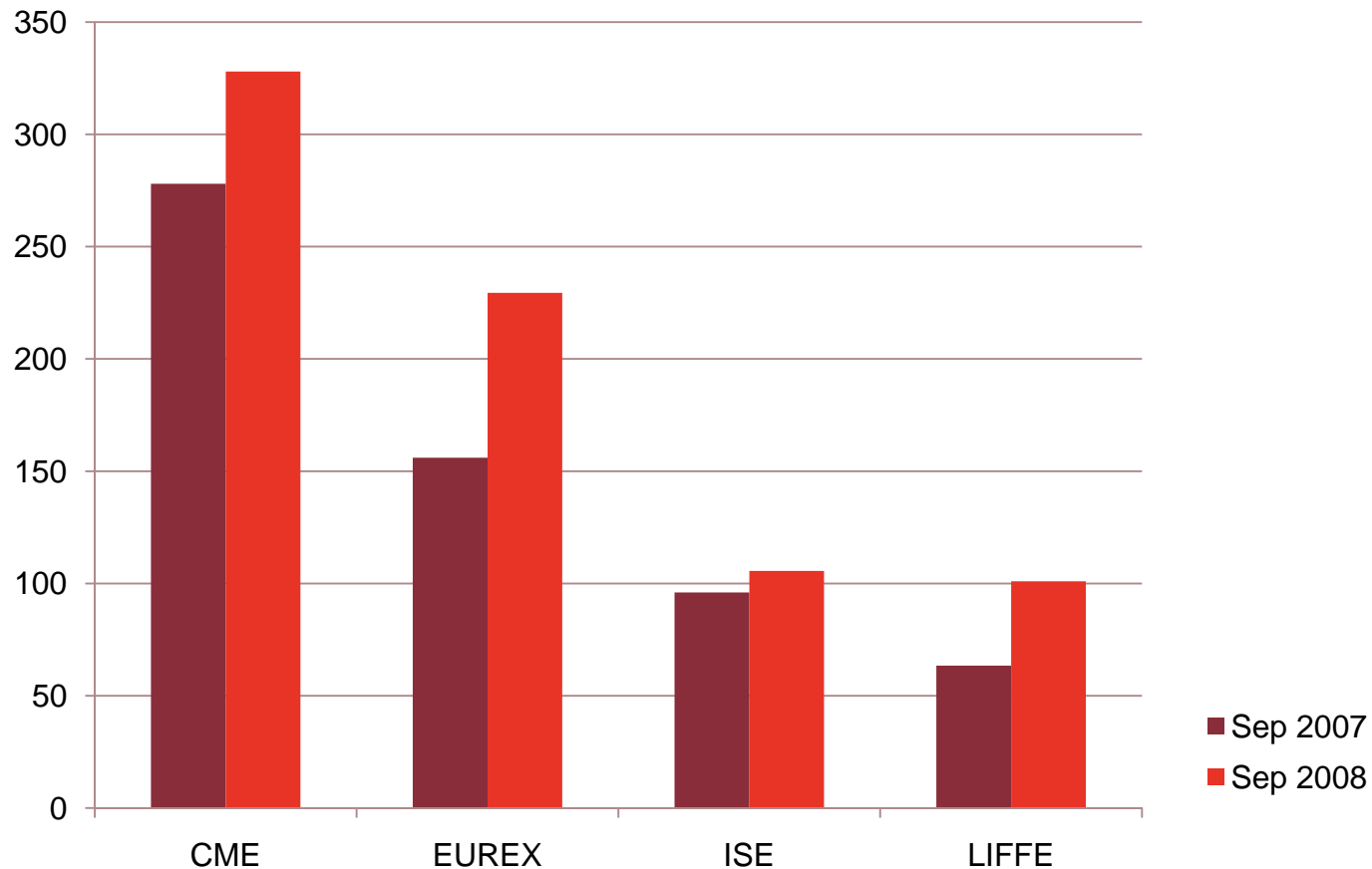
600+ customer sites worldwide
representing major investment
banks and financial institutions



Key Market Drivers

- Increased derivatives 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, Reg NMS

Strong growth in derivatives exchange volumes



Year on year as of September 2007/2008.

Orc Solutions

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 Q3 2008

- Revenues SEK 142 m (Q3 2007, SEK 131 m)
- EBIT SEK 36 m (Q3 2007, SEK 32 m)
- EBIT margin 25% (25%)

- OBV end Q2: SEK 563 m
- SEK +45 m Q2 to Q3
 - With Q2 FX rate SEK +21 m
- End Q2 2008: SEK 517 m
- End Q3 2007: SEK 456 m

- 92% recurring revenue in Q3

Orc Software Q3 2008

- The current financial turmoil is one of the worst ever and creates both threats and opportunities for Orc
- Record volumes on many derivatives exchanges
- The extreme market volatility creates opportunities for many of Orc's customers
- In Q3 we had relatively high levels of downsizings and cancellation – but sales was still considerably higher
- Our pipeline remains healthy

Orc Software Q3 2008

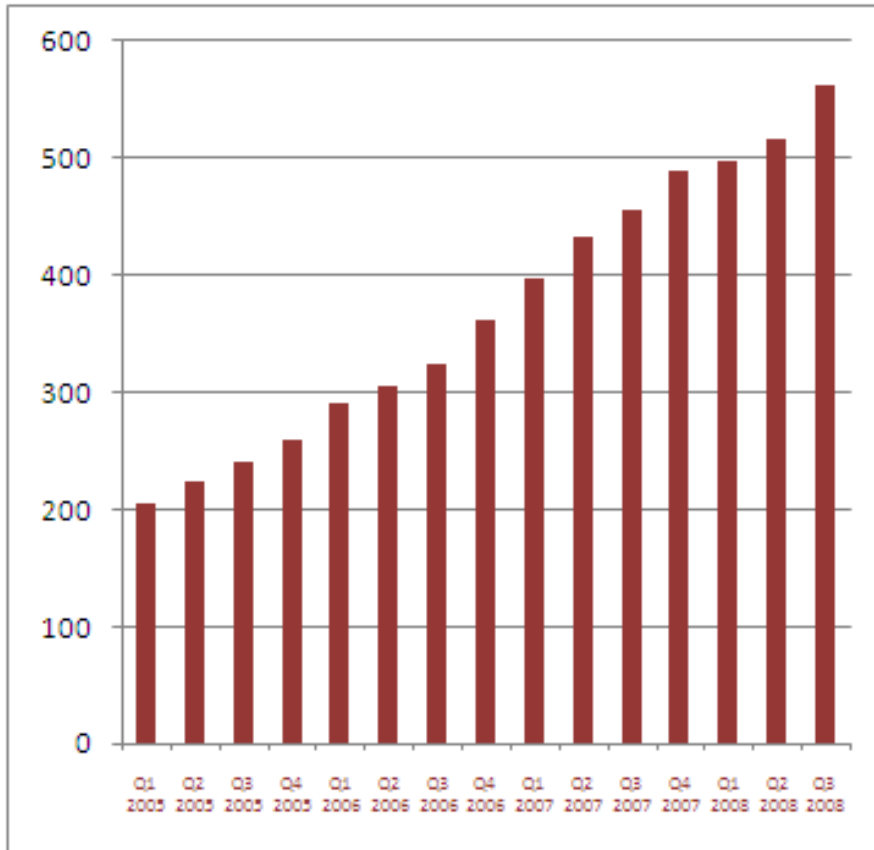
- Q3 was the best quarter ever for Orc Liquidator – the trend towards trading automation is growing
- Very strong Liquidator sales in Chicago contributed to a strong quarter in US
- Who are buying? Proprietary trading firms, market makers
- Who are downsizing? Investment banks and regional banks
- The three biggest orders in the quarter:
 1. Trading firm, London
 2. European trading firm
 3. Global Investment Bank, New York
- APAC market remains strong

Orc Software Q3 2008

- Continued high risk level
- We are slowing down recruitment
- Stronger focus on cost control and margins
- We are keeping a close eye on our accounts receivables and stepping up collection efforts
- The business model gives us good visibility and allows us to adjust costs if necessary

Financials

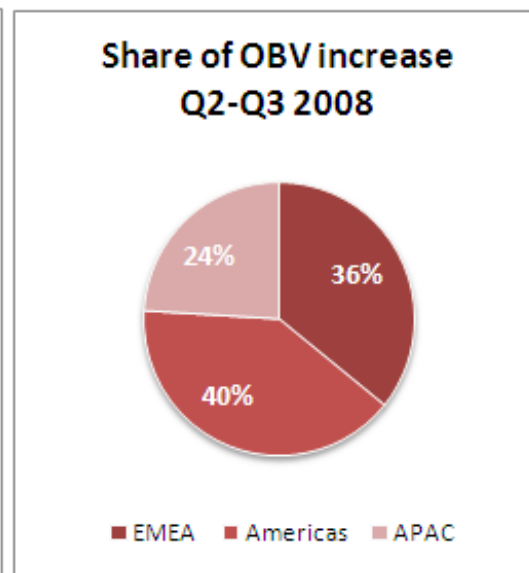
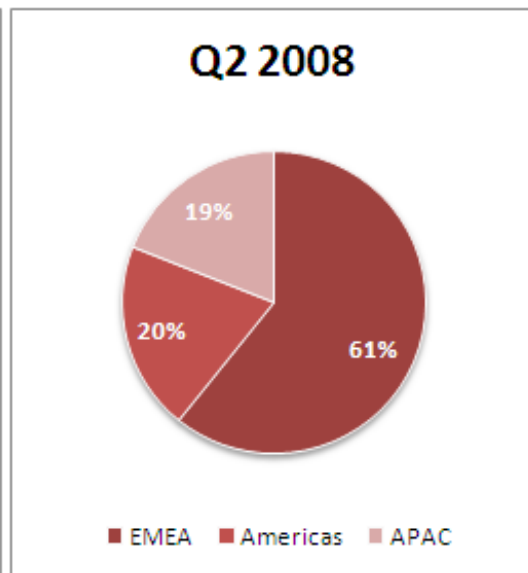
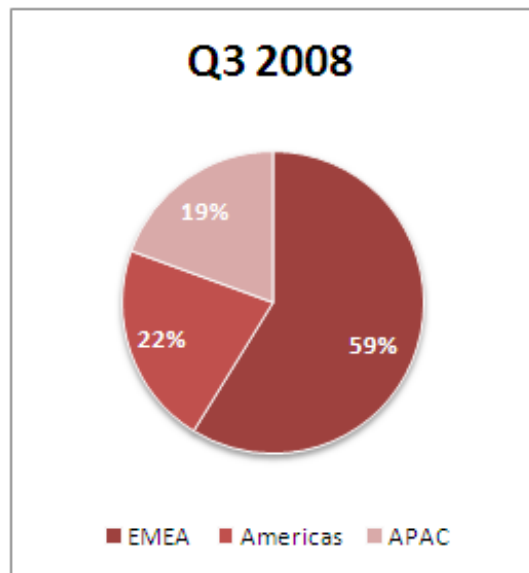
Annualized value of existing customer contracts (Order Book Value)



- Amounts to SEK 563 m at end of Q3 2008
 - Contracted revenue for the coming twelve months
 - **Equals 147% on Operating expenses in 2007**
- Up 23% compared to Q3 2007
 - Up 23% FX adjusted
- Up 9% compared to Q2 2008
 - Up 4% FX adjusted

Regional Order Book Value – Change from prev. Q

SEK million	Q3 2008	Q2 2008	Change	%
EMEA	331	315	16	5%
Americas	122	104	18	18%
APAC	109	99	11	11%
Total	563	517	45	9%



Consolidated Income Statement

SEK million	Q3 2008	Q3 2007	Change	%	Comments
System revenue	138	124	14	11%	Increase in recurring revenue 17%
Other revenue	4	7	-4	-47%	
Net revenue	142	131	11	8%	
Cost of goods sold	-9	-7	-2	25%	Provisions SEK 4.5m, consultants, marketing Note: Q3 lower cost due to "holiday effect"
External expenses	-38	-29	-9	31%	
Personnel costs	-70	-59	-10	18%	
Capitalized work	3	4	-1	-16%	Revaluation of Balance Sheets items, e.g. A/R, Cash etc
Depreciation etc	-5	-4	-1	14%	
FX revaluation	13	-3	15	-585%	
Operating expenses	-106	-99	-7	7%	
Operating income	36	33	3	11%	
Net financial income	1	13	-12	-93%	2007 Capital gain from divestment of Infront AS SEK 15.5m
Income before tax	37	45	-8	-18%	
Tax	-9	-8	-1		
Profit for the period	28	37	-9	-24%	
Operating margin	25%	25%	0%		

Balance Sheet

SEK million	Sep 30, 2008	Sep 30, 2007	Change	Comments
Fixed assets	323	305	18	Capitalized dev, Equipment - Depreciation etc
Current receivables	200	164	36	Sales increase
Cash	58	104	-46	Profit - Dividends - Increase in current receivables
	581	573	8	
Equity	331	317	14	Profit - Dividends
Long-term liabilities	48	50	-2	Deferred tax
Current liabilities	202	206	-4	Sales increase - Decrease in tax liabilities
	581	573	8	
Equity/Assets ratio	57%	55%	2%	

Outlook

Outlook

- The risk level in our market has increased and we are closely monitoring market development
- We are slowing down investments with an increased focus on margins
- 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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www.orcsoftware.com