



ORC

January – March 2009

Thomas Bill, CEO

Anders Berg, CFO

Agenda

- Company overview
- Market trends and Orc Software solutions
- Orc Software Q1, 2009
- Financials
- Future outlook

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

Global Presence

247
employees

EMEA:

Stockholm
Amsterdam
Frankfurt
London
Milan
Moscow
Vienna
Paris

Americas:

New York
Chicago

Asia Pacific:

Hong Kong
Sydney

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

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.

100+ Market Connections to Worldwide Exchanges

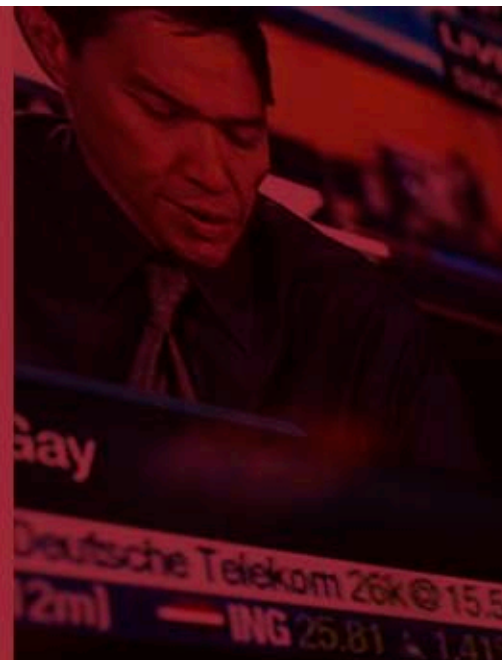


Customer License Model

Subscription fees in advance

Service and support included
in subscription fee

Solution updates included in
subscription fee



Global Market Trends Affecting our Business

- Increased derivatives volumes and increased volatility
 - Continued strong demand for algorithmic/automated trading solutions
- OTC products becoming exchange traded and cleared
 - Will create opportunities for arbitrage and volatility trading
 - Will create demand for more real-time risk management solutions
- The division between buy- and sell-side continues to erode
 - A new market is opening up where buy-side firms are buying “sell-side systems”
- In-house built systems are being replaced by vendor solutions
 - Strong demand for “off-the-shelf” market connectivity
 - Total addressable market for algorithmic engines is increasing



Orc Software
Q1 2009

Orc Software Q1 2009

- Revenues SEK 164 m (Q1 2008, SEK 136 m)
- EBIT SEK 48 m (Q1 2008, SEK 21 m)
- EBIT Margin of 29% (Q1 2008, 15%)
- Positive currency effect SEK +5 m

- ACV end Q1: SEK 690 m (SEK +45 m Q4 to Q1)
- With Q4 FX rates SEK +11 m
- End Q1 2008: SEK 497 m (+SEK 194 m Y-o-Y, +39%)

Orc Software Q1 2009

- The market environment continues to be very turbulent – but not at the same level as Q4
- Orc has very strong products and strong business model which help us to ride through the storm
- The trends supporting Orc remain strong
 - The automation of the trading industry is accelerating
 - Former Investment Banks are buying technology and are increasing their use of ISV solutions
- Orc launched a new product for futures trading
- Sales in the North America stronger than the other Regions
 - Strategic deal with Goldman Sachs
 - Goldman Sachs to offer Orc solutions to their customer base
- EMEA and APAC generate good sales but EMEA has negative ACV growth before FX effects

Orc Software Q1 2009

- The four biggest downsizings/terminations in the quarter :
 1. European customer lost because of merger
 2. US Investment Bank
 3. US Trading Firm closing down
 4. European Bank closing down part of trading desk

- The four biggest orders in the quarter:
 1. Global Trading Firm
 2. Global Hedge Fund
 3. Global Investment Bank
 4. Nordic Bank

- Healthy growth of sales pipeline

- Effects of Q4 restructuring in line with expectations

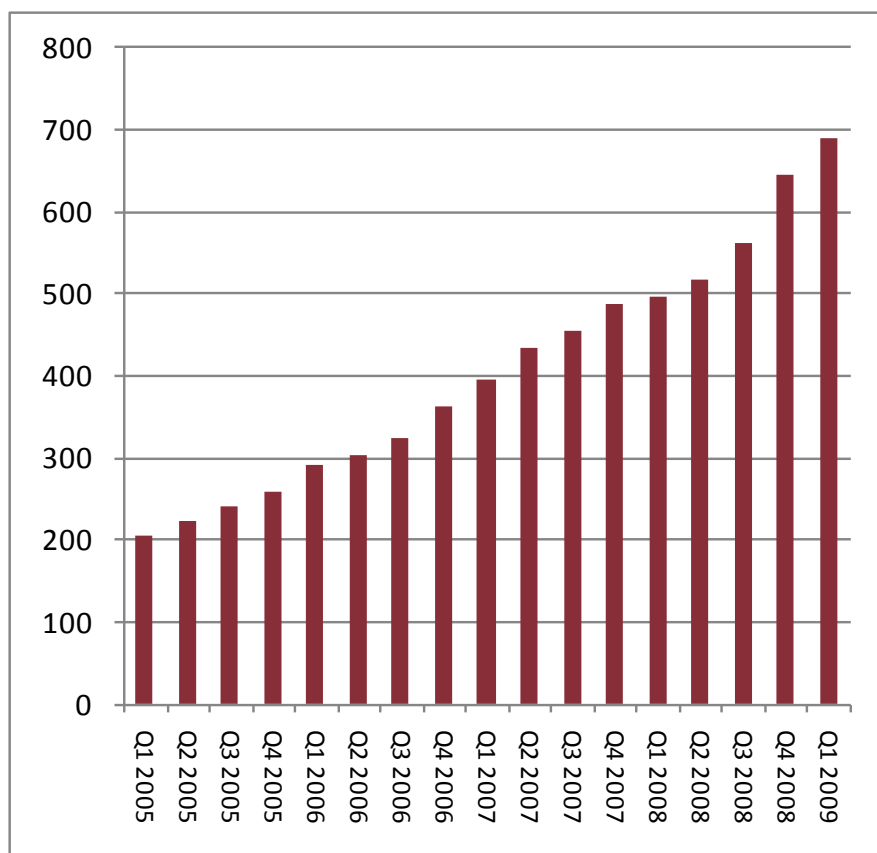


Financials

Annualized Contract Value (ACV)

- Previous name "Annualized value of existing customer contracts" has been changed in order to simplify/shorten
- Calculated the same way as previously
- The term "order book" is no longer used, instead the abbreviation ACV will be used, also in Swedish
 - This is to get away from the fact that "order book" has another meaning in most other companies and therefore creates confusion

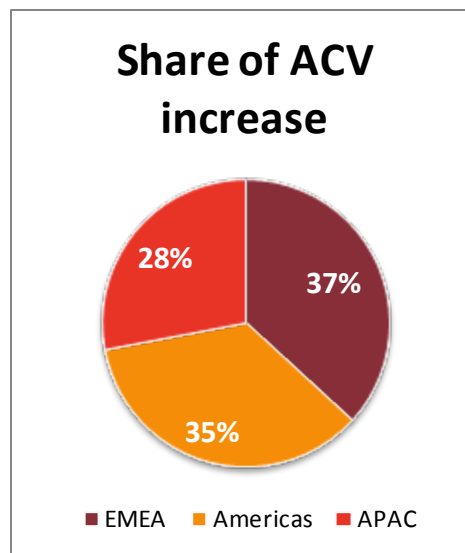
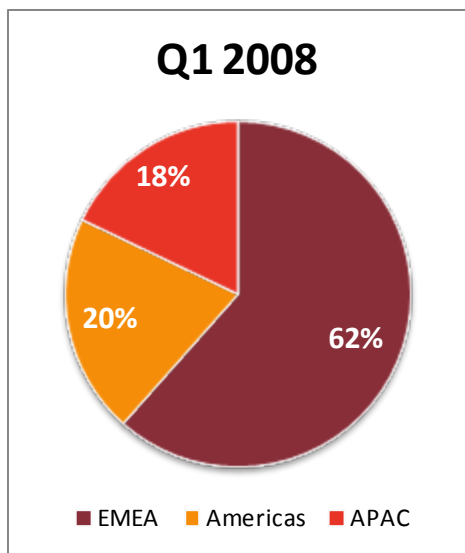
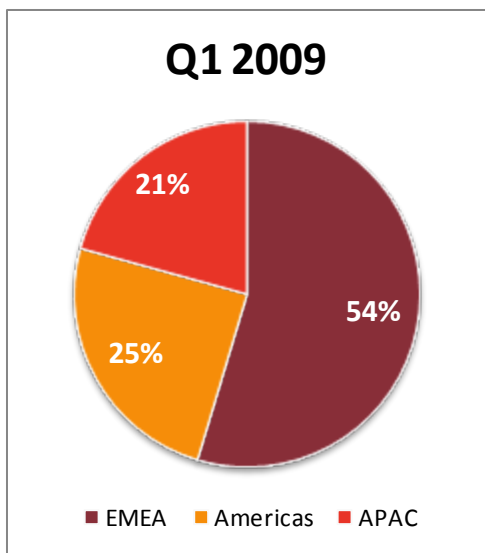
Annualized Contract Value (ACV)



- Amounts to SEK 690 m at end of Q1 2009
 - Contracted revenue for the coming twelve months
 - Equals **147%** on Operating expenses in 2008
- Up 39% compared to end of Q1 2008
 - Up 12% FX adjusted
- Up 7% compared to Q4 2008
 - Up 2% FX adjusted

Regional ACV

SEK million	Q1 2009	Q1 2008	Change	%
EMEA	377	306	71	23%
Americas	170	102	68	67%
APAC	143	89	54	61%
Total	690	497	193	39%



Consolidated Income Statement

SEK million	Q1 2009	Q1 2008	Change	%	Comments
System revenue	161	132	29	22%	Increase in recurring revenue 25% Orc CFIX transfer done
Other revenue	3	4	-1	-25%	Less of consulting etc, more system rev.
Operating revenue	164	136	28	21%	
Cost of goods sold	-10	-9	-1	11%	
External expenses	-34	-32	-2	6%	Includes provisions for doubtful A/R of SEK 5m (Acc prov SEK 17m)
Personnel costs	-73	-65	-8	12%	Higher average no of employees in Q1-09
Capitalized work	1	4	-3	-75%	Less R&D activity that can be capitalized
Depreciation etc	-5	-5	0	0%	
FX revaluation	5	-8	13		Revaluation of Balance Sheets items, e.g. A/R etc
Operating expenses	-116	-115	-1	1%	
Operating income	48	21	27	129%	
Net financial income	0	0	0		
Income before tax	48	21	27	129%	
Tax	-14	-6	-8		
Net income	34	15	19	127%	
Operating margin	29%	15%	14%		
OPEX excl FX & Cap work	-122	-111	-11	10%	
Op. marg. excl FX & Cap work	26%	18%	7%		

Regional revenues

SEK million	Q1 2009	Q1 2008	Change	%
EMEA	95	79	16	20%
Americas	35	30	5	17%
APAC	34	27	7	26%
Total	164	136	28	21%

The smaller change for Americas relates to more Orc CFIX up-front revenues 2008

Balance Sheet

SEK million	Mar 31, 2009	Dec 31, 2008	Change	Comments
Fixed assets	297	315	-18	Capitalized dev + Equipment - Depreciation etc
Current receivables	175	200	-25	Sales increase +/- Change in outstanding A/R
Cash and equivalents	182	104	78	Profit +/- Change in current receivables
	654	619	35	
Equity	373	332	41	Profit
Long-term liabilities	43	47	-4	Deferred tax
Current liabilities	238	240	-2	
	654	619	35	
Equity/Assets ratio	57%	54%	3%	

Cash flow

SEKt	Q1 2009	Q1 2008	Change
EBIT	47 673	21 058	26 615
Depreciation etc	4 689	4 696	-7
	52 362	25 754	26 608
Taxes paid	-22 582	-19 841	-2 741
Change in Working Capital	36 579	-21 198	57 777
Dividend paid	0	0	0
Investments, incl. Capitalized development	-1 204	-7 064	5 860
Other items	10 487	2 721	7 766
Cash flow	75 642	-19 628	95 270



Outlook

Outlook

- The risk level is currently high
- Even under current volatile market conditions the trends working in Orc's favor remain strong
- Orc's solutions are well suited to current market conditions
- Based on current market conditions, Orc's revenue model and the implemented efficiency program
 - Orc will increase the annualized contract value during 2009
 - Orc will increase revenues compared to 2008
 - Orc will increase earnings compared to 2008



www.orcsoftware.com