



ORC

January – March 2010

Thomas Bill, CEO

Anders Berg, CFO

Agenda

- Company overview, Orc Q1 2010
- Market trends and Orc Software solutions
- Orc Software Q1, 2010
- Neonet Integration
- Financials
- Outlook 2010

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

Global Presence

259
employees

EMEA:

Amsterdam
Frankfurt
London
Milan
Moscow
Paris
Stockholm

Americas:

Chicago
New York

Asia Pacific:

Hong Kong
Sydney
Tokyo

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.

100+ Market Connections to Worldwide Exchanges

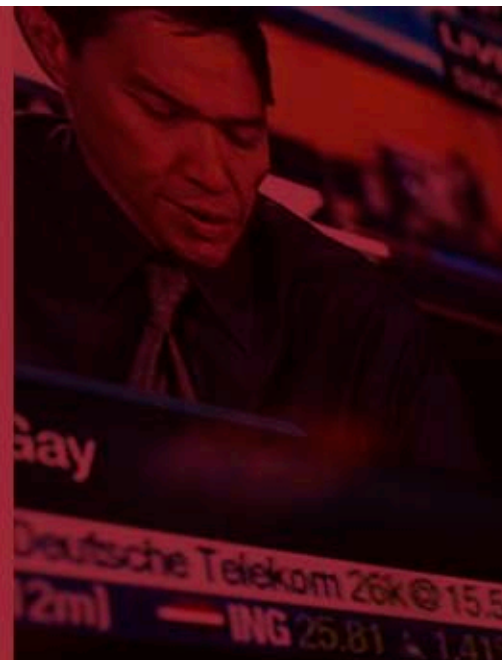


Customer License Model

Subscription fees in advance

Service and support included
in subscription fee

Solution updates included in
subscription fee



Global Market Trends Affecting our Business

- Increased use of listed derivatives
 - Increased requirements for integrated equities and derivatives solutions.
 - New segments opens up, asset managers, long/short hedge funds
- Paradigm shift: Trading is becoming automated
- 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”

Global Market Trends Affecting our Business

- Customers in all segments looking for Managed Services and Software as a Service – customers want to focus on core business and less on IT
- Brokers need to offer more advanced technology in order to compete
- 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 2010

Outcome P/L and ACV Q1 2010

- Revenues SEK 170 (164) m
- EBIT SEK 27 (48) m
 - EBIT excluding transaction cost SEK 39 m
 - EBIT Margin 16 (29)%
- Transaction cost SEK 12 m and negative currency effect SEK 3 m
 - EBIT margin excluding transaction cost and currency effects 25%
- ACV end Q1: SEK 653 m
 - SEK +1 m Q-o-Q (With Q4, 2009 FX rates SEK +16 m)
 - SEK -37 m Y-o-Y (With Q1, 2009 FX rates SEK +49 m)

Orc Software Q1 2010

- A good start of the year
 - Banks and trading firms are investing globally
- EMEA and APAC produced good results
 - Americas market more difficult
- Positive results from the Orc Spreader pilot clients
- Churn is high but lower on a company level compared to Q3,4 2009
 - EMEA dropped to average 2008 levels
 - Significant drop in APAC
 - High levels in Americas
 - Many US trading firms are having a tough time

Orc Software Q1 2010

- The formation of CameronTec is already showing positive results
 - Greater focus on both engineering and sales
- New exchange platforms creates opportunities in Tokyo
 - Several deals with new and existing Japanese customers
- Goldman Sachs partnership developing well
 - We expect additional orders in Q2

Orc Software Q1 2010

- The four biggest downsizings/terminations in the quarter :
 1. Local Trading Firm (Americas)
 2. Local Trading Firm (Americas)
 3. Global Trading Firm (EMEA)
 4. Local Trading Firm (Americas)

- The four biggest orders in the quarter:
 1. Local Trading Firm (Americas)
 2. Local Trading Firm (EMEA)
 3. Global Bank (APAC)
 4. Local Trading Firm (EMEA)

Neonet[®]

AN ORC SOFTWARE COMPANY

Unmatched offering

ORC

259 employees








Derivatives trading
High frequency trading
systems
Connectivity
Cross asset class trading
Risk management

131 employees

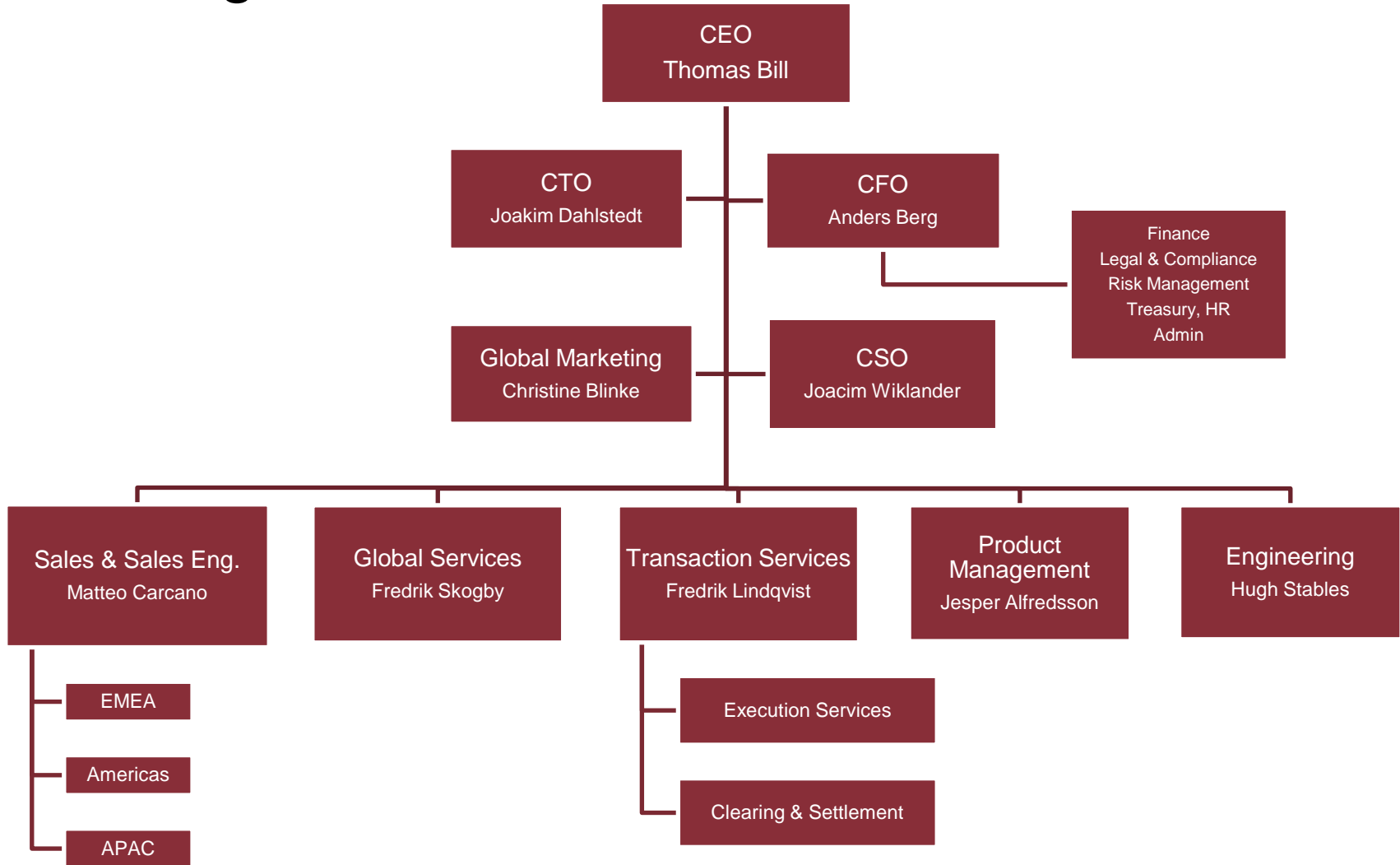
Neonet®

Equities trading
Hosted services
Transaction services
Smart order routing
Algorithms
Connectivity
Distribution of market data

Milestones

	COMPLETED BY	STATUS
<ul style="list-style-type: none"> ▪ New organization in place 		
<ul style="list-style-type: none"> ▪ Revenue synergies <ul style="list-style-type: none"> ▪ First Orc/Neonet customer win 	Q2 2010	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ New combined product offering, full cross selling 	Q3 2010	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ Increase recurring revenues <ul style="list-style-type: none"> ▪ Bundle transactions and technology 	Q1 2011	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ New packaging, branding 	Q3 2010	
<ul style="list-style-type: none"> ▪ Cost synergies <ul style="list-style-type: none"> ▪ Cost synergies reached <ul style="list-style-type: none"> ▪ Review of Neonet business, cost cutting, restructuring 	Q4 2010	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ Review of Neonet business, cost cutting, restructuring 	Q3 2010	
<ul style="list-style-type: none"> ▪ Total synergies SEK of 130 m reached 	2012	

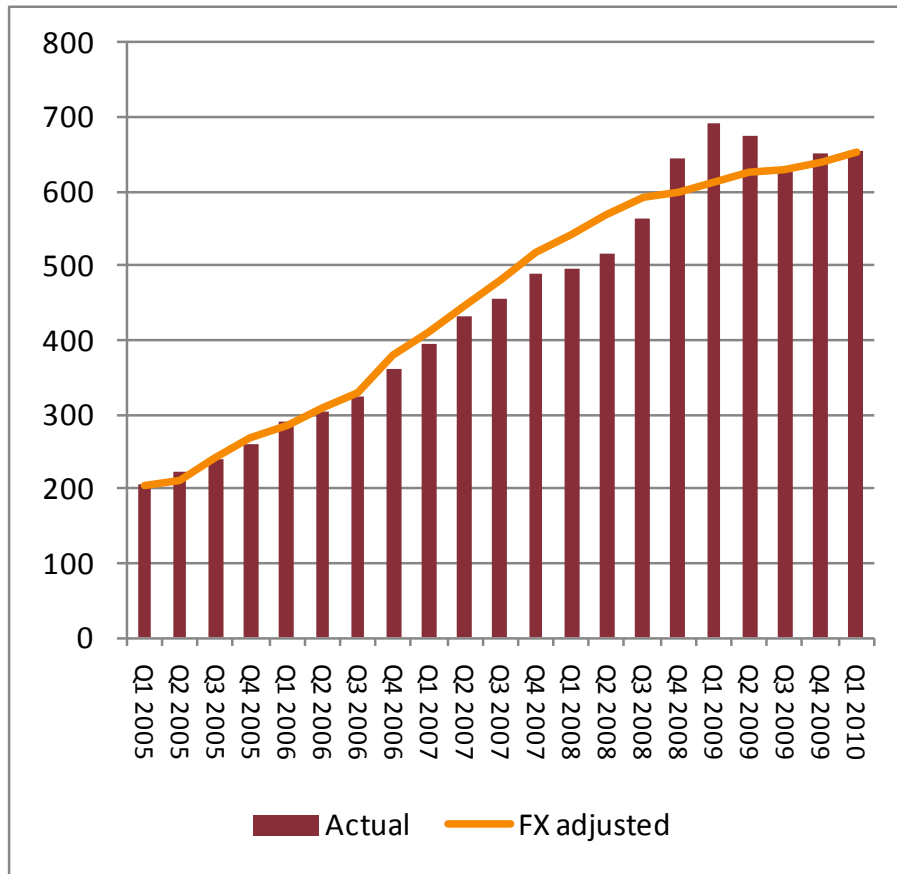
New organization





Financials

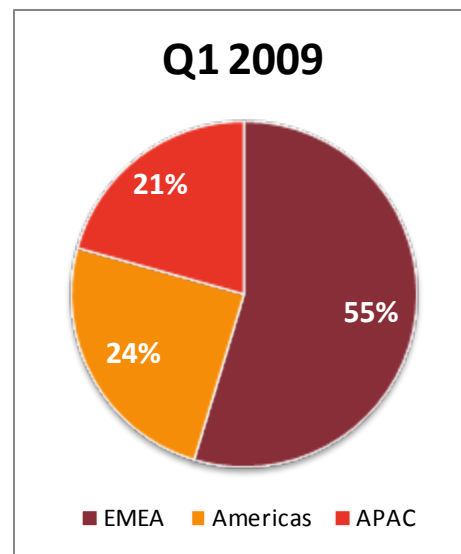
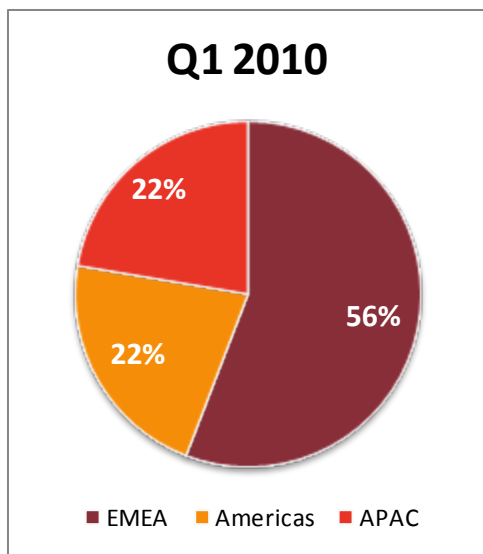
Annualized Contract Value (ACV)



- Amounts to SEK 653 m at end of Q1 2010
 - Contracted revenue for the coming twelve months
 - Equals **131%** on Operating expenses in 2009
- Down 5% compared to end of Q1 2009
 - Up 7% FX adjusted
- Up 0.2% compared to Q4 2009
 - Up 2% FX adjusted

Regional ACV

SEK million	Q1 2010	Q1 2009	Change	%
EMEA	364,8	377,4	-12,6	-3%
Americas	142,4	170,1	-27,7	-16%
APAC	146,1	142,8	3,3	2%
Total	653,3	690,3	-37,0	-5%



Consolidated Income Statement

SEK million	Q1 2010	Q1 2009	Change	%	Comments
System revenue	168	161	7	4%	Increase in recurring revenue 6% CFIX model change
Other revenue	2	3	-1	-33%	Less of consulting etc, more system rev.
Operating revenue	170	164	6	4%	
Cost of goods sold	-8	-10	2	-20%	
External expenses	-48	-34	-14	41%	SEK 12 m acq. cost
Personnel costs	-81	-73	-8	11%	More employees, One-off LTI cost of SEK 2 m
Capitalized work	3	1	2	200%	More R&D activity that can be capitalized
Depreciation etc	-6	-5	-1	20%	
FX revaluation	-3	5	-8		Rev. of Balance Sheets items, e.g. A/R etc
Operating expenses	-143	-116	-27	23%	
Operating income	27	48	-21	-44%	
Net financial income	0	0	0		
Income before tax	27	48	-21	-44%	
Tax	-8	-14	6		
Net income	19	34	-15	-44%	
Operating margin	16%	29%	-13%		EBIT margin adjusted for acq. Costs = 23%
OPEX excl FX & Cap work	-143	-122	-21	17%	
Op. marg. excl FX & Cap work	16%	26%	-10%		

Adjusted Consolidated Income Statement

SEK million	Q1 2010	Adjustments	Adj. Q1 2010	Q1 2009	Adjustments	Adj. Q1 2009	Change	%	Comments
System revenue	168		168	161		161	7	4%	
Other revenue	2		2	3		3	-1	-33%	
Operating revenue	170	0	170	164	0	164	6	4%	
Cost of goods sold	-8		-8	-10		-10	2	-20%	
External expenses	-48	12	-36	-34		-34	-2	6%	SEK 12 m acq. cost
Personnel costs	-81		-81	-73		-73	-8	11%	More employees, One-off LTI cost of SEK 2 m
Capitalized work	3		3	1		1	2	200%	More R&D activity that can be capitalized
Depreciation etc	-6		-6	-5		-5	-1	20%	
FX revaluation	-3	3	0	5	-5	0	0		Rev. of Balance Sheets items, e.g. A/R etc
Operating expenses	-143	15	-128	-116	-5	-121	-7	6%	
Operating income	27	15	42	48	-5	43	-1	-2%	
Operating margin	16%		25%	29%		26%	-1%		
OPEX excl FX & Cap work	-143		-131	-122		-122	-9	7%	
Op. marg. excl FX & Cap work	16%		23%	26%		26%	-3%		

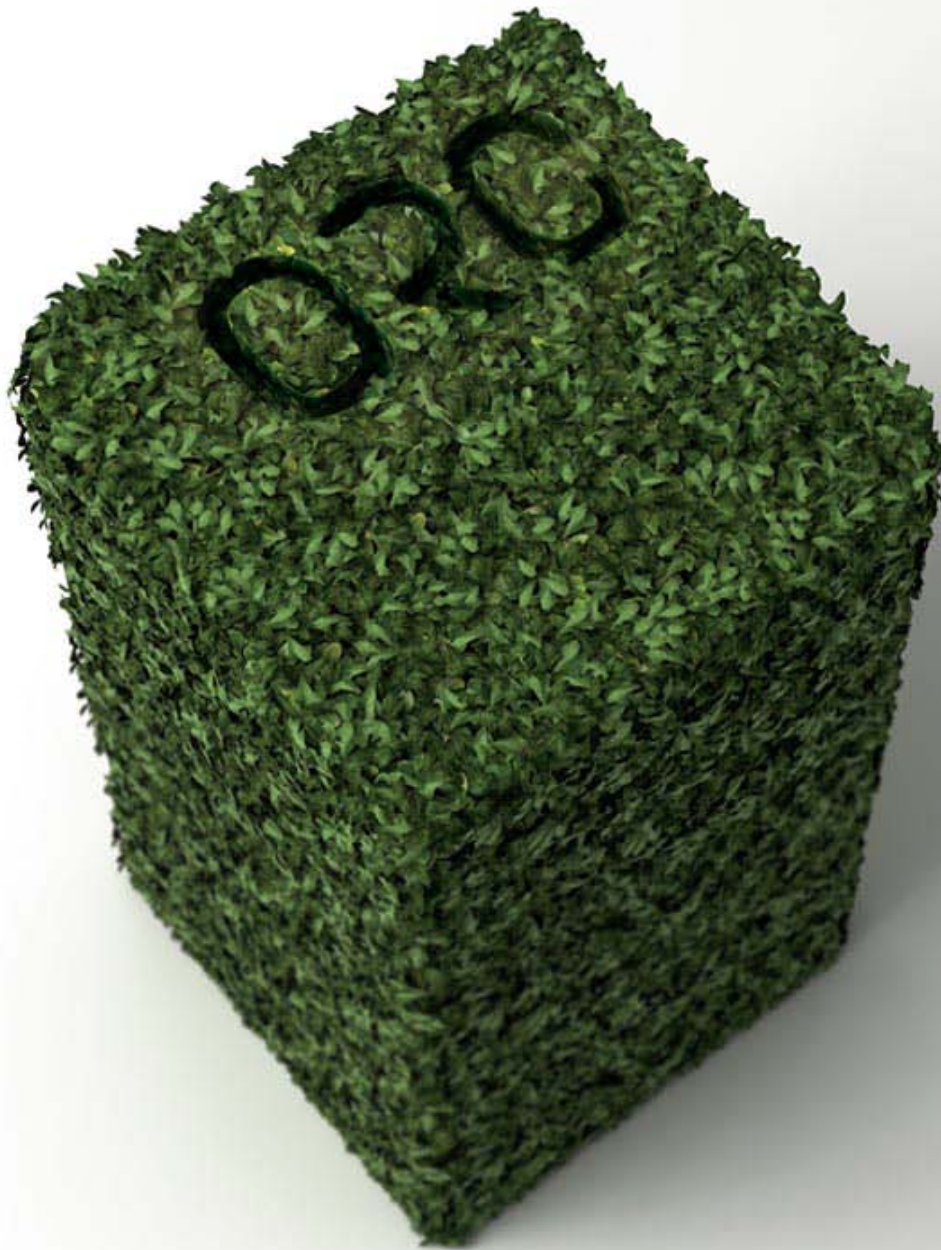
Balance Sheet

SEK million	Mar 31, 2010	Dec 31, 2009	Change	Comments
Fixed assets	288	295	-7	Change: Capitalized dev + Equipment - Depreciation etc
Current receivables	140	145	-5	Change in outstanding A/R
Cash and equivalents	356	315	41	
	784	755	29	
Equity	475	450	25	Change: Profit + New share issue (Personnel Options)
Long-term liabilities	55	53	2	Deferred tax
Current liabilities	254	252	2	
	784	755	29	
Equity/Assets ratio	61%	60%	1%	

- Dividend paid today, April 22, SEK 155 m

Preliminary reporting structure from Q2, 2010

P&L	Balance Sheet	Segment reporting	Technology	Transaction Services	Group-wide costs
System revenue	Fixed assets	Operating revenue			
Transaction revenue	Current receivables	COGS/Transaction cost			
Other revenue	Financial assets in transaction bus.	Gross/Transaction income			
Operating revenue	Cash and equivalents	Other operating expenses			
Cost of goods sold	Assets	Operating income			
Transaction cost	Equity	Net financial items			
External expenses	Long-term liabilities	Income after financial items			
Personnel costs	Financial liabilities in transaction bus.	Gross/transaction margin			
Capitalized work	Current liabilities				
Depreciation etc	Equity and liabilities				
FX revaluation					
Operating expenses					
Operating income					
Net financial income					
Income before tax					
Tax					
Net income					



Outlook

Neonet deal

- Transaction and restructuring costs of SEK 70 m 2010
- SEK 40 m in cost synergies by 2011
- EPS positive in 2011
- SEK 130 m in total synergies 2012



www.orcsoftware.com