



ORC

January – September 2009

Thomas Bill, CEO

Anders Berg, CFO

Agenda

- Company overview
- Market trends and Orc Software solutions
- Orc Software Q3, 2009
- Financials
- Future outlook

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

Global Presence

244
employees

EMEA:

Stockholm
Amsterdam
Frankfurt
London
Milan
Moscow
Paris

Americas:

New York
Chicago

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.

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

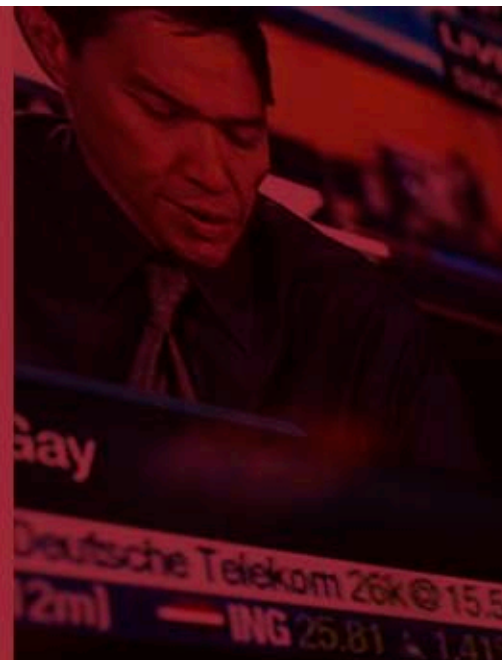


Customer License Model

Subscription fees in advance

Service and support included
in subscription fee

Solution updates included in
subscription fee



Global Market Trends Affecting our Business

- Increased use of listed derivatives
 - 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
Q3 2009

Orc Software Q3 2009

- Revenues SEK 181 m (Q3 2008, SEK 142 m)
- EBIT SEK 55 m (Q3 2008, SEK 36 m)
- EBIT margin 30%
- Negative currency effect SEK -15 m
- EBIT margin excluding negative currency effect 38%

- ACV end Q3: SEK 628 m (SEK -47 m compared to Q2 2009)
- With Q2 FX rates SEK +1 m
- End Q3 2008: SEK 562 m (+SEK 66 m Y-o-Y)

Orc Software Q3 2009

- Overall good sales results in all regions with APAC standing out
 - Trading firms and brokers account for the largest deals in the quarter
- Solutions for DMA and automated trading best sellers
- Churn reached highest levels so far this year
 - Greater volatility amongst the smaller trading firms
 - One large bankruptcy
 - Banks cutting costs in EMEA
- Churn will eventually come down, but we are planning for continued high levels for the coming quarters
- Strong sales and margins are the best defense
- Vienna office closed, responsibilities moved to Frankfurt and Amsterdam
- New exchange platforms creating new opportunities
 - Inet Nordics
 - Oslo cash and derivatives
 - Tdex + (Tokyo)
- Goldman Sachs solution now in production, with pipeline building up

Orc Software Q3 2009

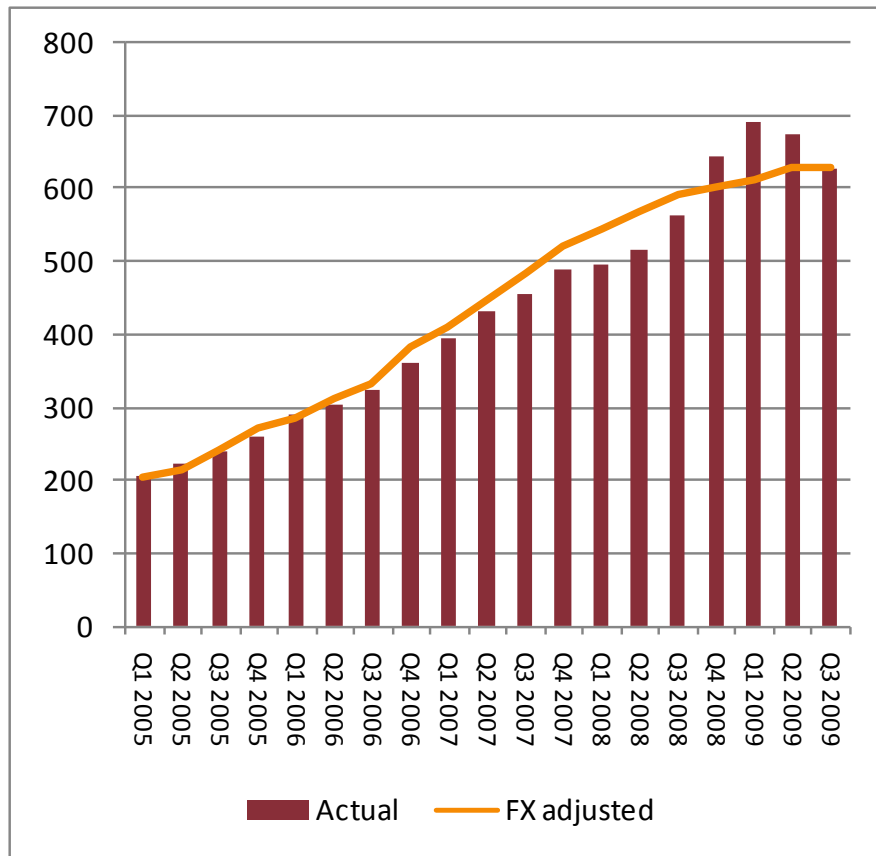
- The four biggest downsizings/terminations in the quarter :
 1. Global Trading Firm (EMEA)
 2. Global Investment Bank (EMEA)
 3. Global Trading Firm (Americas)
 4. Global Investment Bank (Americas)

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



Financials

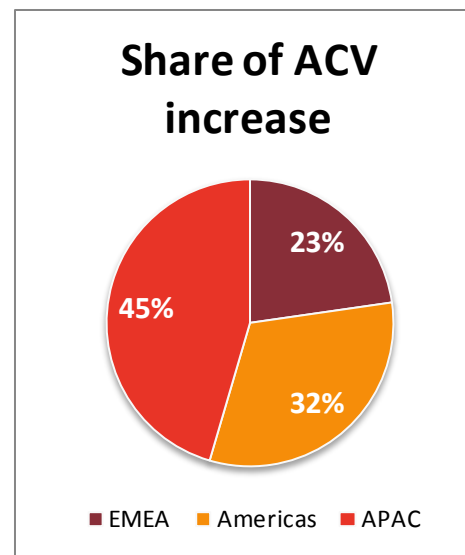
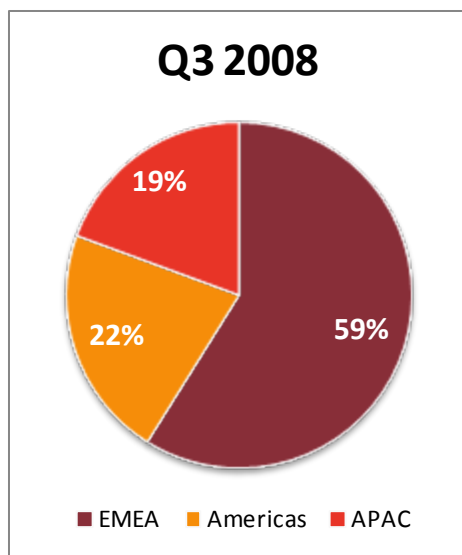
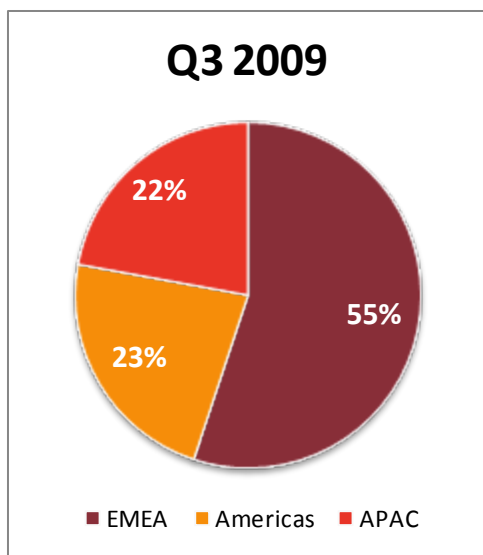
Annualized Contract Value (ACV)



- Amounts to SEK 628 m at end of Q3 2009
 - Contracted revenue for the coming twelve months
 - Equals **133%** on Operating expenses in 2008
- Up 12% compared to end of Q3 2008
 - Up 6% FX adjusted
- Down 7% compared to Q2 2009
 - Up 0.1% FX adjusted

Regional ACV

SEK million	Q3 2009	Q3 2008	Change	%
EMEA	346	331	15	5%
Americas	143	122	21	17%
APAC	139	109	30	28%
Total	628	562	66	12%

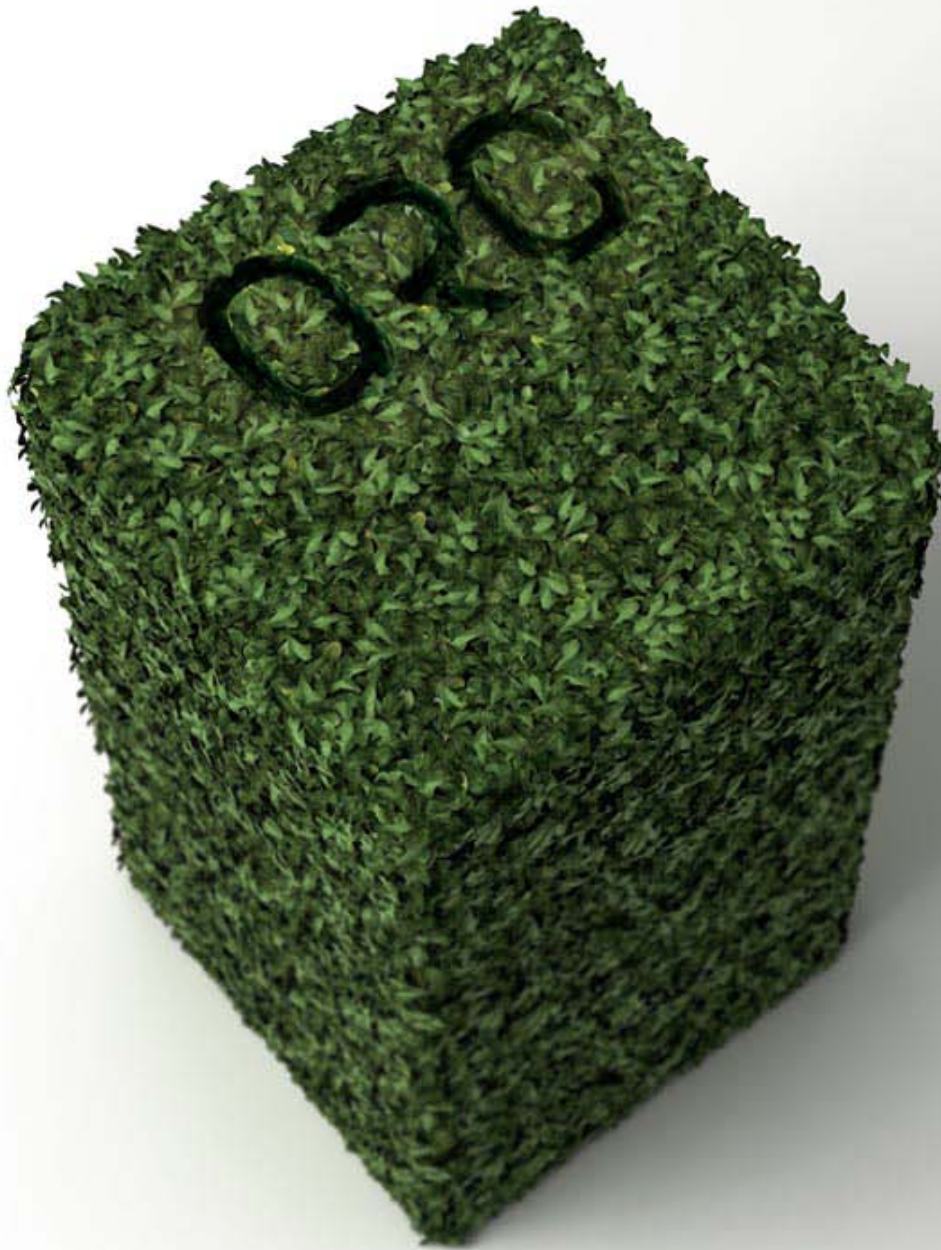


Consolidated Income Statement

SEK million	Q3 2009	Q3 2008	Change	%	Jan-Sep 2009	Jan-Sep 2008	Change	%	Comments
System revenue	180	138	42	30%	518	406	112	28%	Increase in recurring revenue 33% CFIX model change
Other revenue	1	4	-3	-75%	7	11	-4	-36%	Less of consulting etc, more system rev.
Operating revenue	181	142	39	27%	525	417	108	26%	
Cost of goods sold	-10	-9	-1	11%	-31	-27	-4	15%	
External expenses	-30	-38	8	-21%	-100	-106	6	-6%	Efficiency program
Personnel costs	-66	-70	4	-6%	-215	-202	-13	6%	Fewer employees, FX rate difference
Capitalized work	1	3	-2	-67%	3	12	-9	-75%	Less R&D activity that can be capitalized
Depreciation etc	-6	-5	-1	20%	-17	-15	-2	13%	
FX revaluation	-15	13	-28		-18	5	-23		Rev. of Balance Sheets items, e.g. A/R etc
Operating expenses	-126	-106	-20	19%	-378	-333	-45	14%	
Operating income	55	36	19	53%	147	84	63	75%	
Net financial income	0	1	-1		1	1	0		
Income before tax	55	37	18	49%	148	85	63	74%	
Tax	-19	-9	-10		-44	-24	-20		
Net income	36	28	8	29%	104	61	43	70%	
Operating margin	30%	25%	5%		28%	20%	8%		
OPEX excl FX & Cap work	-112	-122	10	-8%	-363	-350	-13	4%	
Op. marg. excl FX & Cap work	38%	14%	24%		31%	16%	15%		

Balance Sheet

SEK million	Sep 30, 2009	Jun 30, 2009	Change	Comments
Fixed assets	305	305	0	Capitalized dev + Equipment - Depreciation etc
Current receivables	152	162	-10	Change in outstanding A/R
Cash and equivalents	226	168	58	
	683	635	48	
Equity	374	346	28	Profit - Dividend
Long-term liabilities	51	41	10	Deferred tax
Current liabilities	258	248	10	
	683	635	48	
Equity/Assets ratio	55%	54%	0%	



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 (ACV) during 2009 on a fixed currency basis
 - Orc will increase revenues compared to 2008
 - Orc will increase earnings compared to 2008



www.orcsoftware.com