



INTERIM REPORT

JANUARY 1 – MARCH 31, 2011



POSITIVE SIGNALS DESPITE LOWER ACV

Sales remain steady and strong and in Q1 matched the average level of the past few years.

The Orc Financial Technologies and CameronTec segments showed continued solid profitability during the quarter.

The annualized contract value (ACV) fell by SEK 10m, excluding foreign exchange effects, compared to Q4 2010.

- **THE ANNUALIZED CONTRACT VALUE (ACV)** AT THE END OF Q1 2011 WAS SEK 648.5M (653.3), A DECREASE OF SEK 4.8M, OR 1%, COMPARED TO Q1 2010.
- THE NET **TRANSACTION VOLUME** WAS SEK 26.6M (-) AND THE **TRANSACTION MARGIN** WAS 40% (-) FOR Q1 2011.
- IN THE YEAR-END REPORT FOR 2010 OUR ASSESSMENT WAS THAT ORC WAS WELL ON ITS WAY TO MEETING THE TARGET FOR 2012 – A MINIMUM OPERATING MARGIN OF 20% IN A WEAK MARKET. GIVEN THE CURRENT EXCHANGE RATES AND LOW TRANSACTION VOLUMES FOR NEONET, IT IS UNCERTAIN WHETHER THIS CAN BE ACHIEVED ALREADY IN 2012.

JANUARY – MARCH 2011

- Operating revenue of SEK 247.7m (170.4)
- Revenue growth of 45%
- Operating income of SEK 30.6m (27.2)
- Operating margin of 12% (16)
- Income after tax of SEK 21.8m (18.9)
- Basic earnings per share of SEK 0.93 (1.22)

The Neonet Group is consolidated as of April 1, 2010. The actual transaction date was April 7 (see page 3).



CEO THOMAS BILL COMMENTS:

We have seen several positive signals during the quarter. Both sales and the potential order value of ongoing customer negotiations are holding steady at a good level. Among other things, we have closed a number of market making deals in the USA and are noting powerful demand for our solutions for structured products. In the past quarter we also signed a major contract with a Russian customer and closed our first deal for Orc Financial Technologies in Brazil.

Despite this, the level of churn in the first three months of the year remained high, which in the past quarter is mainly due to a single large customer that changed to another solution from Orc. The generally high churn is above all a result of less favorable market conditions in certain of the segments where Orc is active. Continued weakening of the US dollar and the euro is also affecting us negatively. Since the end of Q2 2010 our ACV has decreased by SEK 86m solely through appreciation of the krona.

It is satisfying to see continued strong development for CameronTec and rising demand for CameronTec's solutions, not least in new geographical markets like Brazil and Central Europe.

For Neonet, low activity on the global exchanges has been a challenge and although the company has won many new customers, overall volumes are down compared to the previous quarter. However, it is positive that Neonet reported its highest transaction margin in a long time.

As we look at Orc's development in the past quarter I would also like to point out the solid profitability shown by our operations in Orc Financial Technologies and CameronTec.

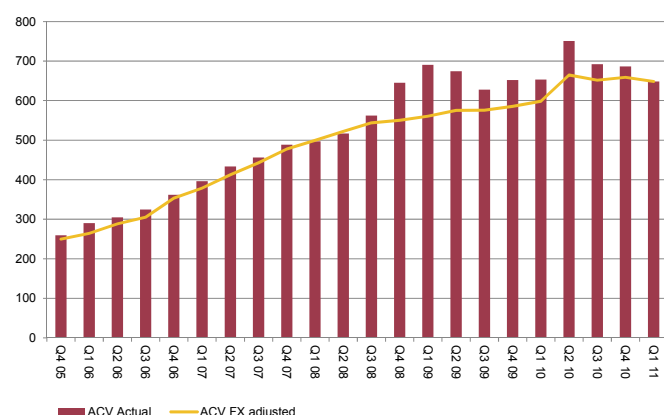
In the year-end report for 2010 our assessment was that Orc was well on its way to meeting the target for 2012 – a minimum operating margin of 20% in a weak market. Given the current exchange rates and low transaction volumes for Neonet, it is uncertain whether this can be achieved already in 2012.

ANNUALIZED CONTRACT VALUE (ACV)

The annualized contract value (ACV) for Orc Financial Technologies and CameronTec is defined as the annualized value of existing customer contracts excluding transaction-related revenue, translated at the average exchange rates in the last month of the period.

New contracts are included from the date on which billing is expected to begin and cancelled contracts are included until the date on which the contract expires.

SEK M



ACV fell by SEK 37.9m compared to the end of the previous quarter, mainly due to weakening of the US dollar and the euro against the Swedish krona, but also as a result of higher churn.

Calculated at the exchange rate prevailing in March 2010, ACV rose by SEK 53.7m, or 8.2%, compared to Q1 2010 but fell by SEK 11.0m, or 1.5%, compared to the previous quarter.

GEOGRAPHICAL BREAKDOWN OF ACV

SEK M	Mar 31 2011	Dec 31 2010	Mar 31 2010	Change			
				Q-over-Q		Y-over-Y	
EMEA	390.1	403.4	364.8	-13.3	-3.3%	25.3	6.9%
Americas	119.1	135.7	142.4	-16.6	-12.2%	-23.3	-16.4%
APAC	139.3	147.3	146.1	-8.0	-5.4%	-6.8	-4.7%
Total	648.5	686.4	653.3	-37.9	-5.5%	-4.8	-0.7%

Sales were good in all regions. The EMEA accounted for close to half of new and add-on sales during the quarter, followed by the Americas and APAC. The drop in ACV during the quarter is explained by weakening of the US dollar and the euro against the Swedish krona and a higher level of churn compared to the previous quarter. The increase in churn is due to a contract down-sizing from a global customer, who has changed to another solution, which had the most significant impact in the Americas region.

The change compared to Q1 2010 is mainly due to strengthening of the krona during the period, particularly against the euro but also against the US dollar. The greatest impact was seen in the EMEA region, where the majority of the customer contracts are signed in euros. Acquired customer contracts from Neonet, which are included in ACV as of Q2 2010, amounted to SEK 52.1m at the time of the merger.

ORC FINANCIAL TECHNOLOGIES

Orc Financial Technologies delivers advanced trading and market access solutions that are used by proprietary trading and market making firms, investment banks, hedge funds and brokerage houses worldwide.

MARKET DEVELOPMENT DURING THE QUARTER

Several positive changes in market conditions started to emerge at the beginning of 2011, with signs of higher activity and more customers reporting favorable earnings. However, there are major variations between different market segments and regions. Many market participants continue to struggle with profitability problems, for example in arbitrage trading and market making. It is therefore particularly satisfying that Orc's new product for market making has been well received in the USA, where several new contracts were signed thanks to its attractive features and performance.

The market segment for FCM (Futures Commission Merchants) also showed positive development during the first quarter, when the partnerships with several leading players were expanded. A collaboration was presented with Newedge in the USA that will give Americas-based traders high-speed access for trading in markets in the APAC region. In the second quarter, joint marketing activities are planned for this offering.

Other areas that are showing favorable development are among Orc's customers that are active in warrants, commercial paper and other structured products. In Europe, emissions trading is a niche that is showing robust growth.

It is interesting that the EMEA region's largest contract of the quarter was signed with a Russian customer active in derivatives trading. A number of sizeable deals were also closed in Germany and Switzerland.

In the APAC region, Orc Financial Technologies signed substantial contracts with leading banks during the first quarter.

A significant new order came from Westpac Bank in Australia, who has chosen a solution for derivatives trading from Orc.

One important milestone in the first quarter was the signing of Orc's first contract with a customer in Brazil, which chose the product Orc Spreader. In addition, there are several negotiations underway with potential customers in the country.

All in all, sales for the quarter were good and on par with the average in recent years. Although the level of churn was high, it was not the highest for a single quarter. A significant share of churn was attributable to a customer that replaced a more complex installation with a solution from CameronTec that is better adapted to the customer's business and can be expanded through additional installations in the future.

Ongoing changes in market regulations are continuing to create far-reaching uncertainty that is affecting market participants and short-term demand for technology in the financial industry negatively. This is especially visible in the USA and the UK. Profitability problems among the customers are also leading to more aggressive competition, and therefore also higher price pressure, in some of Orc's markets.

CAMERONTEC

CameronTec is the financial industry's leading provider of FIX infrastructure and connectivity solutions.

MARKET DEVELOPMENT DURING THE QUARTER

In the first quarter CameronTec saw a continuation of the market trend in which large and mid-sized customers are increasingly choosing high-performance solutions that comply with the FIX standard rather than supplier-specific systems. This trend is creating a strong position for CameronTec and its technology, particularly the new product Catalys.

Several notable contracts were signed during the quarter, including a renewed contract with a leading European bank and a new and extended OEM contract with a technology provider.

All market segments in the EMEA and Americas regions performed on par with expectations in Q1. The APAC region showed somewhat weaker development during the quarter that is assessed to be of a temporary nature. A growing interest in FIX solutions is also being noted in new markets, such as Africa, Brazil, Central Europe and India. CameronTec has excellent capabilities to deliver its well tested technology to these markets.

NEONET

Neonet offers sophisticated and independent brokerage services for professional market participants in the global financial markets. Neonet conducts no proprietary trading, analytics or financing activities.

MARKET DEVELOPMENT DURING THE QUARTER

During the first quarter the activity in Neonet's markets has continued to be low, particularly at the end of the quarter. Widespread concern about global economic development is visible among the end customers as well as banks and brokerage firms.

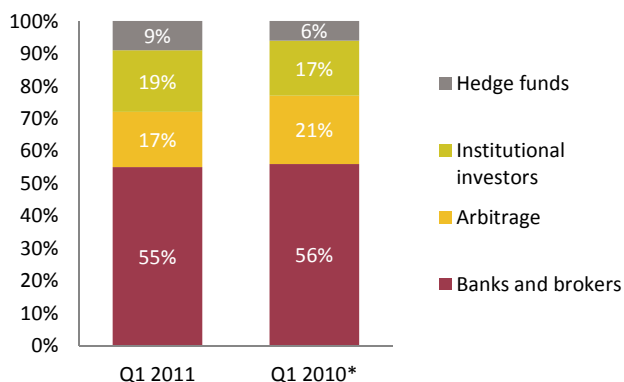
The company's sales efforts have started to pay off and Neonet has had a good inflow of new customers from sell-side firms in the market, where there is a keen interest in phasing out trading solutions with high fixed costs in the current low market activity. On the buy side, however, activity remains low and is leading to intensifying competition for these customers.

Neonet continued to optimize its operations and further improve customer profitability during the quarter.

Ongoing activities are underway to tie together Neonet's operations and organization with Orc Financial Technologies. One result of this is the "Orc Trading Arcade" which Neonet has built up in order to also offer its customers components from Orc.

In the quarter Neonet took part in the TradeTech electronic trading conference in New York and will participate at TradeTech in London together with Orc Financial Technologies in April. In the second quarter Neonet will move its Swedish organization to the Orc Group's head office in Stockholm.

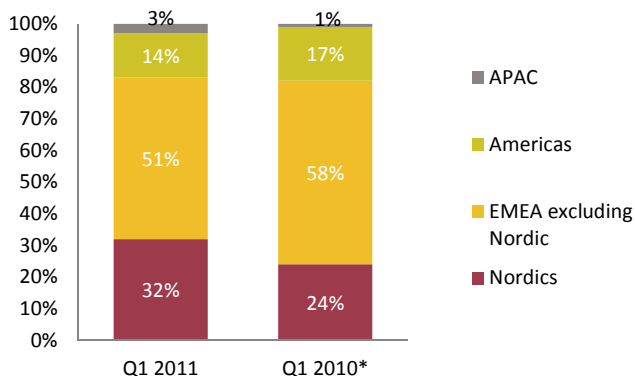
TRANSACTION REVENUE BY CUSTOMER GROUP



*) Note that the comparative figures for Q1 2010 refer to information obtained from Neonet's quarterly report. Neonet is consolidated in Orc's financial statements as of April 1, 2010.

The distribution between customer groups in relation to transaction revenue indicates that the groups consisting of arbitrage customers and banks and brokerage firms have decreased in favor of hedge funds and institutional investors. This is mainly due to an increase in revenue from existing hedge funds and institutional investors and the addition of new institutional customers.

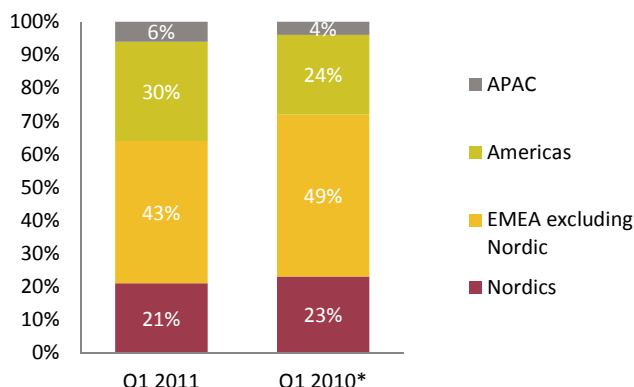
GEOGRAPHICAL BREAKDOWN OF TRANSACTION REVENUE



*) Note that the comparative figures for Q1 2010 refer to information obtained from Neonet's quarterly report. Neonet is consolidated in Orc's financial statements as of April 1, 2010.

Neonet has customers in more than 25 countries. The percentage of transaction revenue generated by customers in the Nordic region and Asia has increased in relation to American and European customers.

TRANSACTION REVENUE BY MARKET PLACE



*) Note that the comparative figures for Q1 2010 refer to information obtained from Neonet's quarterly report. Neonet is consolidated in Orc's financial statements as of April 1, 2010.

The breakdown of transaction revenue by market place shows that the percentage of revenue generated in the European and Nordic markets is falling in pace with lower volumes, while revenue from the Americas and APAC regions is rising.

NET TRANSACTION VOLUME AND TRANSACTION MARGIN

	Q1 2011	Q4 2010	Q1 2010*
Net transaction volume, SEK M	26,6	30,1	34,8
Transaction margin, %	40	39	39

*) Note that the comparative figures for Q1 2010 refer to information obtained from Neonet's quarterly report. Neonet is consolidated in Orc's financial statements as of April 1, 2010.

The net transaction volume is defined as transaction revenue less transaction expenses.

The transaction margin is defined as the net transaction volume as a percentage of transaction revenue.

The net transaction volume has declined by 12% in relation to the previous quarter and by 24% compared to the same quarter of last year. The decrease is a result of lower sales.

Compared to both Q1 2010 and Q4 2010, the transaction margin has improved. The improvement is explained by the fact that transaction expenses have fallen somewhat more than transaction revenue. The lower transaction expenses are due to continued active efforts to raise profitability.

MERGER WITH NEONET

The process of integrating the two companies to create a leading global player in financial technology and services was completed during 2010. The cost synergies arising through the integration will reach full effect starting in 2011.

The creation of an "Orc Trading Arcade" is yet another example of a solution that has been made possible through the merger between Orc and Neonet. The management sees continued good potential to realize the total targeted synergy gains of SEK 130m in 2012.

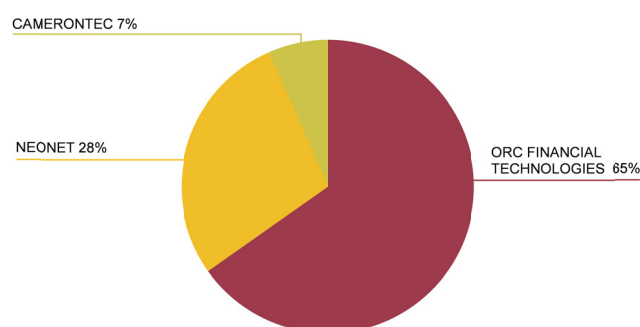
Orc has also had non-recurring costs related to the merger with Neonet in the current year. For Q1 these amounted to SEK 1.3m and referred primarily to costs for adaptation of joint premises.

OPERATING REVENUE

SEK thousands	Q1 2011	Q1 2010	Change	
Orc Financial Technologies	161,436	154,069	7,367	5%
Neonet	69,890	-	69,890	n/a
CameronTec	16,383	16,294	89	1%
Total	247,709	170,363	77,346	45%

Sales were up by 45% in Q1 compared to the same quarter of last year, mainly owing to consolidation of the Neonet Group. Adjusted for Neonet, sales were essentially unchanged from the previous year, despite the negative effect on reported revenue due to strengthening of the Swedish krona against the US dollar and the euro between billing periods.

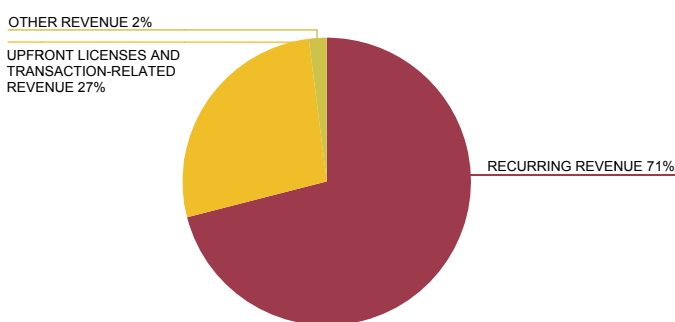
BREAKDOWN OF OPERATING REVENUE BY SEGMENT Q1 2011



Recurring revenue accounted for 71% (97) of operating revenue for Q1 2011. The share of recurring revenue has fallen as a result of the transaction revenue added through the merger with Neonet.

In Orc Financial Technologies and CameronTec, recurring revenue accounted for 98% (97) of operating revenue.

BREAKDOWN OF OPERATING REVENUE BY TYPE Q1 2011



OPERATING EXPENSES

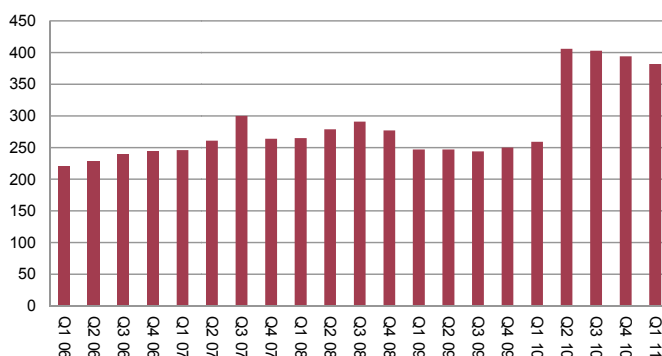
SEK thousands	Q1 2011	Q1 2010	Change	
Orc Financial Technologies	-118,078	-131,440	13,362	-10%
Neonet	-73,993	-	-73,993	n/a
CameronTec	-10,811	-9,726	-1,085	11%
Group-wide	-14,190	-1,963	-12,227	623%
Total	-217,072	-143,129	-73,943	52%

Operating expenses increased by SEK 73.9m in Q1 compared to the same quarter of last year. The increase includes costs from the Neonet Group and amortization of intangible assets that were added to the Group through the merger with Neonet.

The items with the greatest impact were transaction costs of SEK -39.6m, external expenses of SEK -15.3m, personnel expenses of SEK -14.2m, work performed by the company for its own use and capitalized of SEK +14.3m and amortization/depreciation of SEK -17.1m. Capitalization of work performed by the company for its own use is attributable to identified development costs and was on par with the previous quarter. Compared to Q1 2010, capitalization of work performed by the company for its own use increased as a result of a stronger focus on development of new products, primarily within Orc Financial Technologies.

Orc has also had non-recurring costs related to the merger with Neonet in the current year. For Q1 these amounted to SEK 1.3m.

NUMBER OF EMPLOYEES



The number of employees at March 31, 2011, was 382, which is a decrease of 12 people compared to December 31, 2010. The number of employees rose by 134 through the merger with Neonet, which explains the increase starting in Q2 2010.

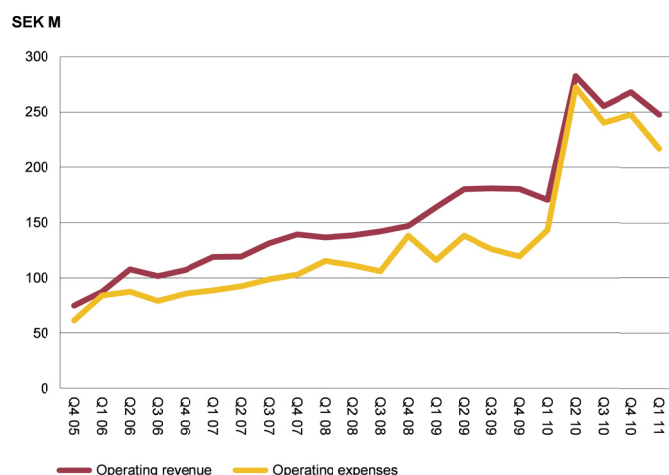
EARNINGS

SEK thousands	Q1 2011	Q1 2010	Change	
Operating income	30,637	27,234	3,403	12%
Operating margin	12%	16%	n/a	n/a
Income for the period	21,789	18,900	2,889	15%

Operating income rose by SEK 3.4m in Q1 compared to the same period of last year. The amounts for 2011 include revenue and expenses from the Neonet Group and amortization of intangible assets attributable to the merger with Neonet. Non-recurring costs attributable to the merger were charged to operating income for Q1 in an amount of SEK 1.3m.

Net financial items improved by SEK 0.5m for Q1 compared to the same period of last year.

DEVELOPMENT OF OPERATING REVENUE AND EXPENSES



The increase in both operating revenue and operating expenses for Q2 2010 is attributable to the merger with Neonet.

The decrease in operating revenue and expenses for Q1 2011 is mainly due to lower sales in Neonet and underlying foreign exchange effects on both revenue and expenses.



FOREIGN EXCHANGE EFFECTS

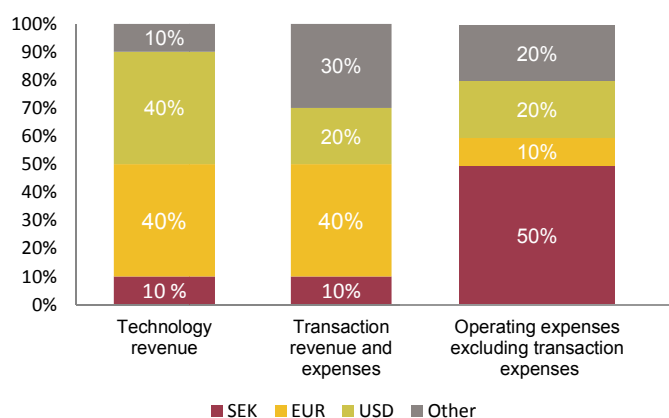
Movements in foreign exchange rates affect Orc in several different ways.

Assets and liabilities in foreign currency are revalued at every balance sheet date. Furthermore, certain balance sheet items in foreign currency are revalued on an ongoing basis, for example when a trade receivable is settled. Value gains/losses arising from revaluation of balance sheet items (mainly trade receivables) are recognized net as a separate item in the income statement, and in Q1 2011 gave rise to a loss of 5.5m [-3.2]. Orc's policy is not to hedge operating cash flows in foreign currency on a continuous basis.

Revaluation differences in other balance sheet items in foreign currency, such as short-term investments, are recognized in net financial items.

Operating income and expenses are also affected by movements in foreign exchange rates, which have a direct impact on both the revenue or expense item.

CURRENCY COMPOSITION OF OPERATING REVENUE AND EXPENSES



EXCHANGE RATE TABLE

Exchange rates	USD	EUR
System revenue Q1 2010*	6.9538	10.3034
System revenue Q1 2011*	6.6756	9.2717
System revenue Q2 2011*	6.6760	8.9183
Expenses Q1 2011 (average for Jan-Mar)	6.4830	8.8685
Balance sheet items Q1 2011 (final at Mar 31)	6.3025	8.9380
ACV Q1 2011 (average for Mar)	6.3505	8.8897

* Refers to the billing exchange rate for approximately 85% of system revenue for the quarter, i.e. from customers that are billed quarterly in advance under existing contracts.
Source: Central Bank of Sweden



CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Neonet's operations have greater variations in the balance sheet than Orc's previous operations depending on the size of equity transactions that were not fully settled at the closing date.

Neonet also invests cash and cash equivalents in long-term investments that are classified as "other non-current assets" in the consolidated balance sheet, and not as cash and cash equivalents, since these have a maturity of more than three months.

Cash flow for Q1 2011 was SEK -13.0m [41.1]. The decrease in cash flow compared to the same period of 2010 is mainly due to an increase in paid tax, an increase in working capital tied up in connection with the merger with Neonet and higher investments in intangible and tangible assets.

Orc owns 98.3% of Neonet but includes 100% of Neonet in cash flow. The remaining 1.7% of the votes and capital outstanding are regarded as a liability until the compulsory redemption is completed.

Orc is currently pursuing a cautious investment strategy and invests its cash and cash equivalents in either treasury bills, bank accounts, certificates of deposit or similar. In Neonet's operations, there are assets in custody and bank accounts that have been pledged on behalf of the banks that have been engaged to handle settlement and which represent the operations in dealing with clearing institutes. The pledged assets and funds do not restrict the right of disposition or the reported cash and cash equivalents. Such pledged assets amounted to SEK 212.0m [-] at the end of the period.

Of the Group's non-current liabilities of SEK 170.5m [55.0], SEK 169.5 [54.5] consists of deferred tax.

The equity/assets ratio at March 31, 2011, was 74% [61].

PARENT COMPANY

Sales in the Parent Company, Orc Software AB, for the period from January to March 2011 amounted to SEK 161.6m [154.1], of which SEK 0.4m [0] consisted of sales to group companies.

Operating income totaled SEK 33.8m [32.6] and income after tax was SEK 25.2m [23.3]. Investments in tangible and intangible assets for the period from January to March 2011 amounted to SEK 33.6m [4.8]. The Parent Company's cash and cash equivalents at March 31, 2011, totaled SEK 93.5m [316.6]. Non-restricted equity in the Parent Company on the same date was SEK 1,575.0m [261.5].

The Parent Company has no significant transactions with related parties, other than transactions with group companies. All transactions with related parties are carried out on market-based terms.

See also the income statement and balance sheet of the Parent Company.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, which is in compliance with Swedish law through the application of the Swedish Financial Reporting Board's recommendations RFR 1, Supplementary Accounting Rules for Groups, and RFR 2, Accounting for Legal Entities, in the Parent Company. For both the Group and the Parent Company, the accounting policies are the same as those applied in the latest annual report unless otherwise stated below.

NEW AND REVISED ACCOUNTING POLICIES IN 2011

IFRS 8 Operating Segments

After the merger with Neonet, Orc has changed its internal reporting and the way in which the chief operating decision-maker evaluates operating income. For 2010 the identified segments were Technology and Transaction Services. Technology consisted mainly of system revenue and expenses related to system sales, such as personnel expenses for sales staff, etc. Transaction Services included variable revenue and expenses that are directly attributable to equity transactions and costs for departments that are closely associated with execution and settlement of transactions. Other parts of the Group were regarded as group-wide.

As a result of the integration between Orc and Neonet, Orc's internal reporting and the way in which the chief operating decision-maker evaluates operating income as of 2011 are structured according to the identified segments Orc Financial Technologies, Neonet and CameronTec. Orc Financial Technologies includes development, sales and support of products under the Orc brand name and directly related revenue and expenses. Neonet includes brokerage services under the Neonet brand name and directly related revenue and expenses. CameronTec includes development, sales and support of products under the Cameron brand name and directly related revenue and expenses. Group-wide expenses for functions such as management and support have been allocated to the identified segments through the use of allocation keys. Amortization of intangible assets attributable to corporate acquisitions have not been allocated to the identified segments but are recognized under the heading "group-wide".

Capitalization of development costs in the Parent Company

As of 2011, development costs are no longer capitalized in the accounts of the Parent Company but are still capitalized in the consolidated financial statements in accordance with IAS 38. Due to this change of policy, costs attributable to development projects in the Parent Company are now expensed as incurred. The application of this new standard has affected the Parent Company's opening balance of equity at January 1, 2011, which has decreased by SEK 59,025 thousands.

CHANGED ACCOUNTING STANDARDS

The IASB has published a number of changes and improvements in standards that are effective for financial periods beginning on or after January 1, 2011. The following standards are currently applicable to Orc, but the changes have not had any impact on the Group's profit or financial position: IAS 24 Related Party Disclosures, IFRS 3 Business Combinations, IFRS 7 Financial Instruments: Disclosures, IAS 1 Presentation of Financial Statements, and IAS 27 Consolidated and Separate Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

Below is a brief description of how the accounting policies are applied to a few key items in Orc's income statement and balance sheet. For more detailed information about Orc's significant accounting policies, see the most recently published annual report. The acquisition of Neonet has not led to any significant adjustments in Neonet's carrying amounts in connection with inclusion in Orc's consolidated accounts.

System revenue

Revenue is generated mainly through the sale of software licenses, which are billed quarterly in advance. Revenue is then recognized over the quarter to which the billing refers, but at the exchange rates prevailing on the billing date.

New customers are not billed until Orc has received a signed contract and the customer has performed an acceptance test and approved the software.

Transaction revenue and expenses

Transaction revenue and expenses are recognized on the same date as the completion of the underlying transactions, i.e. on the settlement date.

Goodwill

Because the useful life of goodwill is indefinite, the carrying amount of goodwill should be tested for impairment at least annually. Orc determines the value of goodwill based on forecasted future cash flows in the company's cash-generating units over the next five years. The value of goodwill is reviewed yearly.

Capitalized development costs

Orc capitalizes only development costs attributable to projects that can be separately identified, result in either new products or significant improvements in existing products and can be expected to generate economic benefits. Capitalized projects are amortized on a straight-line basis over their estimated useful life from the date on which the asset is ready to use.

Intangible assets

Orc's intangible assets other than goodwill or capitalized development costs are amortized over a period of 3–15 years depending on the nature and estimated useful life of the asset. Orc performs regular controls when there is an indication that the value of an asset has declined in order to ensure that the amortization period for the asset corresponds to its estimated useful life and that there is no need to recognize an impairment loss.

SIGNIFICANT RISKS AND UNCERTAINTIES

The most significant risks in the technology operations lie in the company's ability to predict market needs and adapt its technical solution to these, the ability to attract and retain skilled employees, risks related to the IT infrastructure, currency risks and the risk for bad debt losses.

Ongoing uncertainty in the international financial markets and the consequences of the global economic recession are associated with a risk for continued cancellations of existing customer contracts, lower sales of new customer contracts and increased credit risks. Another significant risk factor to be taken into account is the risk for reduced liquidity in the international derivatives markets, which would most likely have a negative impact on Orc's customers and could therefore also affect staff reductions, new sales and credit risks.

For a more detailed description of Orc's assessed risk and uncertainty factors, see the Directors' Report in Orc's annual report for 2010.

Neonet's transaction services are primarily exposed to limited credit risk, since the company engages only in trading on behalf of customers and never on its own account. The risk that arises in these operations is managed through proven risk models and policies, where each individual customer must undergo credit assessment before being permitted to trade.

The day-to-day risks to which Neonet is exposed are measured, controlled and, where necessary, hedged in order to protect the company's assets and reputation. The way in which the management identifies, monitors and manages these risks is a central part of the company's operations.



CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK THOUSANDS	JAN-MAR 2 0 1 1	JAN-MAR 2 0 1 0
System revenue	175,396	168,560
Transaction revenue	66,254	-
Other revenue	6,059	1,803
Operating revenue	247,709	170,363
Cost of goods sold	-7,538	-7,830
Transaction costs	-39,648	-
External expenses	-63,706	-48,447
Personnel expenses	-94,741	-80,552
Work performed by the company for its own use and capitalized	17,560	3,275
Depreciation/amortization and impairment losses	-23,538	-6,390
Foreign exchange differences	-5,461	-3,185
Operating expenses	-217,072	-143,129
Operating income	30,637	27,234
Net financial items	-3	-483
Income after financial items	30,634	26,751
Income tax expense	-8,845	-7,851
Income for the period	21,789	18,900
Translation differences	-6,006	-1,000
Other comprehensive income	-6,006	-1,000
Comprehensive income for the period	15,783	17,900
Income for the period attributable to owners of the Parent Company	21,789	18,900
Comprehensive income for the period attributable to owners of the Parent Company	15,783	17,900
Basic earnings per share for the period, SEK	0.93	1.22
Diluted earnings per share for the period, SEK	0.93	1.19

CONSOLIDATED BALANCE SHEET

SEK THOUSANDS	MAR 31 2 0 1 1	MAR 31 2 0 1 0	DEC 31 2 0 1 0
ASSETS			
Goodwill	1,055,003	167,539	1,055,003
Other intangible assets	598,953	90,649	599,244
Other non-current assets	228,491	29,610	223,176
Current financial assets attributable to transaction services	66,768	-	16,973
Other current receivables	195,705	140,380	175,423
Cash in hand and at bank	208,901	355,917	226,315
Total assets	2,353,821	784,095	2,296,134
EQUITY AND LIABILITIES			
Equity	1,748,533	474,823	1,717,685
Non-current liabilities	170,533	55,030	158,783
Current financial liabilities attributable to transaction services	53,007	-	34,419
Other current liabilities	381,748	254,242	385,247
Total equity and liabilities	2,353,821	784,095	2,296,134

A detailed presentation of the income statements and balance sheets for the past few quarters is available at www.orcsoftware.com

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK THOUSANDS	JAN-MAR 2 0 1 1	JAN-MAR 2 0 1 0
Opening balance	1,717,685	450,180
Income for the period	21,789	18,900
Other comprehensive income	-6,006	-1,000
New share issue attributable to the employees' exercise of stock options	15,065	6,770
New share issue attributable to acquisition of company	-	-
Dividend	-	-
Change due to employee stock options	-	-27
Closing balance	1,748,533	474,823
Equity attributable to owners of the Parent Company	1,748,533	474,823

CONSOLIDATED CASH FLOW STATEMENT

	JAN-MAR 2 0 1 1	JAN-MAR 2 0 1 0
SEK THOUSANDS		
Cash flow from operating activities before changes in working capital	7,826	35,956
Changes in working capital	-5,034	5,180
Cash flow from operating activities	2,792	41,136
Investments in operations	-	-
Cash flow from investing activities	-30,846	-6,824
Cash flow from financing activities	15,065	6,770
Cash flow for the period	-12,989	41,082
Cash and cash equivalents at beginning of period	226,315	314,953
Exchange differences in cash and cash equivalents	-4,425	-118
Cash and cash equivalents at end of period	208,901	355,917

SEGMENT REPORTING

JANUARY-MARCH 2011

SEK THOUSANDS	Orc Financial Technologies	Neonet	CameronTec	Group- wide**	Total
Operating revenue*	161,436	69,890	16,383	-	247,709
Operating expenses	-118,078	-73,993	-10,811	-14,190	-217,072
Operating income	43,358	-4,103	5,572	-14,190	30,637
Net financial items	1,126	-1,133	4	-	-3
Income after financial items	44,484	-5,236	5,576	-14,190	30,634

JANUARY-MARCH 2010

SEK THOUSANDS	Orc Financial Technologies	Neonet	CameronTec	Group- wide**	Total
Operating revenue*	154,069	-	16,294	-	170,363
Operating expenses	-131,440	-	-9,726	-1,963	-143,129
Operating income	22,629	-	6,568	-1,963	27,234
Net financial items	-483	-	-	-	-483
Income after financial items	22,146	-	6,568	-1,963	26,751

* All revenue is from external customers.

** Group-wide refers to amortization of intangible assets attributable to acquisitions.

See section on accounting policies for a description of each segment.

CONSOLIDATED KEY RATIOS

	JAN-MAR 2 0 1 1	JAN-MAR 2 0 1 0
Sales growth	45.4%	4.0%
Transaction margin	40.2%	-
Operating margin	12.4%	16.0%
Average number of shares, basic, thousands	23,428	15,458
Average number of shares, diluted, thousands	23,428	15,846
Number of shares outstanding, thousands	23,505	15,468
Equity per share, SEK	74.39	30.70
Return on capital employed	7.1%	23.2%
Return on equity	5.0%	16.3%
Equity/assets ratio	74.3%	60.6%
Average number of employees	388	255
Number of employees at end of period	382	259

PARENT COMPANY INCOME STATEMENT

SEK THOUSANDS	JAN-MAR 2 0 1 1	JAN-MAR 2 0 1 0
System revenue	158,696	152,266*
Other revenue	2,946	1,805
Work performed by the company for its own use and capitalized	-	-
Operating revenue	161,642	154,071
Cost of goods sold	-6,726	-7,377
External expenses	-79,653	-76,075*
Personnel expenses	-33,274	-32,729
Depreciation/amortization and impairment losses	-2,984	-2,525
Foreign exchange differences	-5,184	-2,777
Operating expenses	-127,821	-121,483
Operating income	33,821	32,588
Net financial items	838	-539
Income after financial items	34,659	32,049
Appropriations	-	-
Income tax expense	-9,474	-8,745
Income for the period	25,185	23,304

*] Corrections in system revenue and external expenses are attributable to transfers of revenue to subsidiaries.

PARENT COMPANY BALANCE SHEET

SEK THOUSANDS	MAR 31 2 0 1 1	MAR 31 2 0 1 0	DEC 31 2 0 1 0
ASSETS			
Intangible assets	23,976	-**	-**
Other non-current assets	1,754,500	303,225	1,747,816
Current receivables	237,479	146,102	235,307
Cash in hand and at bank	93,530	316,584	91,549
Total assets	2,109,485	765,911	2,074,672
EQUITY AND LIABILITIES			
Equity	1,615,166	300,500**	1,559,392**
Untaxed reserves	160,192	129,003	160,192
Provisions	916	1,383	916
Current liabilities	333,211	335,025	354,172
Total equity and liabilities	2,109,485	765,911	2,074,672

**] The comparative figure has been restated due to a changed accounting policy in the Parent Company.



ABOUT ORC SOFTWARE

Orc is a leading provider of technology and services for the global financial industry. Orc delivers trading and market access solutions that are used by proprietary trading and market making firms, investment banks, hedge funds and brokerage houses worldwide.

Available as deployed software or as managed services, Orc develops and markets the tools needed to run profitable trading or brokerage businesses in today's competitive and ever-changing markets.

Built on Orc's depth of knowledge of the trading world, the Orc Trading and Orc Brokerage solutions offer strong analytics, unmatched market access, high-frequency trading capabilities, automated trading strategies, ultra-low latency and effective risk management.

Complementing the Orc Group's trading technology solutions, our Neonet business unit offers low-latency brokerage services to professional market participants, with customers in over 25 countries globally. CameronTec, an Orc Group company, is the market leader in FIX infrastructure and connectivity solutions.

With market presence in all major global financial centers, Orc provides sales and support services from its offices across the EMEA, Americas and Asia-Pacific regions.

Orc Software is publicly traded on NASDAQ OMX Stockholm (SSE: ORC).

For more information visit www.orcsoftware.com.

Orc Software has offices in:

Amsterdam, Chicago, Frankfurt, Hong Kong, London, Milan, Moscow, New Jersey, New York, Paris, Stockholm, Sydney and Tokyo.

STATUTORY DISCLOSURE

The information in this interim report is subject to the disclosure requirements of Orc Software AB under the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was released for publication on April 14, 2011, 8:00 a.m. CEST.

CONTACT INFORMATION

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An analyst and press meeting (in Swedish) will be held at 9:00 a.m. CEST on April 14, 2011, at Orc Software's head office, Kungsgatan 36 in Stockholm. A teleconference will be held (in English) at 3:00 p.m. CEST on the same date.

For more information, see the invitation at www.orcsoftware.com, Investor Relations, Press releases.

FINANCIAL INFORMATION

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All financial information is posted on www.orcsoftware.com immediately after publication.


FINANCIAL CALENDAR

<u>May 3, 2011</u>	<u>Annual General Meeting in Stockholm</u>
<u>July 13, 2011</u>	<u>Interim report for Q2</u>
<u>October 13, 2011</u>	<u>Interim report for Q3</u>
<u>January 19, 2012</u>	<u>Interim report for Q4</u>

The annual report is available to shareholders on Orc Software's website www.orcsoftware.com and at the company's head office, Kungsgatan 36, in Stockholm.

Stockholm, April 14, 2011
Orc Software AB
The Board of Directors and CEO

This interim report has not been reviewed by Orc Software's independent auditors.



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N.B. The English text is a translation of the Swedish text. In case of discrepancy between the Swedish and the English text the Swedish version shall prevail.