



# INTERIM REPORT

JANUARY 1 – SEPTEMBER 30, 2008



## POSITIVE DEVELOPMENT IN A VOLATILE MARKET

The annualized value of existing customer contracts rose by SEK 45.3m, or 9%, compared to Q2 2008. Orc's operations in the Americas accounted for 40%, or SEK 18.2m, of the increase. Sales to existing and new customers were strong and exceeded reductions in customer contracts, although these were higher than in the past few quarters. Strengthening of the US dollar and euro against the Swedish krona also had a positive impact on the order book.



■ **THE ANNUALIZED VALUE OF EXISTING CUSTOMER CONTRACTS** AT THE END OF Q3 2008 WAS SEK 562.5M (456.0), UP BY SEK 106.5M, OR 23%, COMPARED TO Q3 2007. ON A FIXED EXCHANGE RATE BASIS THE INCREASE WAS SEK 103.4M, OR 23%.

### JULY – SEPTEMBER 2008

- Net revenue of SEK 142.0m (131.3)
- Revenue growth of 8% (29)
- Operating income of SEK 36.0m (32.5)
- Operating margin of 25% (25)
- Income after tax of SEK 27.8m (36.7)\*
- Basic earnings per share of SEK 1.83 (2.35)

### JANUARY – SEPTEMBER 2008

- Net revenue of SEK 417.3m (369.5)
- Revenue growth of 13% (24)
- Operating income of SEK 84.3m (89.4)
- Operating margin of 20% (24)
- Income after tax of SEK 60.7m (78.3)\*
- Basic earnings per share of SEK 3.99 (5.07)

\* The comparative figure includes a gain of SEK 15.5m on the divestment of shares in Infront AS



## CEO THOMAS BILL COMMENTS:

The global financial markets are experiencing one of the worst crises of all times. Against this background, it is no small achievement that we succeeded in increasing both our sales and order book during the past quarter. The order book has also been positively affected by an upswing in the US dollar and euro.

Continued financial volatility has resulted in record trading volumes on the derivative exchanges, which are the trading venues where the majority of our customers are active.

Although several banks reduced their contracts during Q3, this has been more than offset by sales to new and existing customers among the specialized trading firms.

The accelerated shift toward automated trading is reflected in increased sales for the period, with sales of Orc Liquidator reaching a new all-time high in Q3.

Orc's sales in the Americas showed the sharpest increase during Q3, even

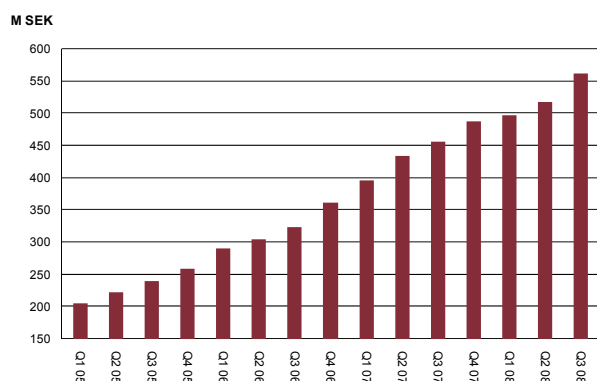
adjusted for a stronger dollar. One key driver behind this trend is particularly strong growth among the specialized trading firms in Chicago, which are benefiting from Orc's automated trading solutions.

Our business model creates stability and provides a good planning horizon, and subscription revenue under long-term contracts now makes up more than 90% of our total revenue. Furthermore, Orc is entirely unleveraged.

The market turbulence and problems facing the banks in general are naturally making future development harder to predict, but so far our solutions are attracting sustained strong demand from both existing and new customers. Should we experience a worsening of the order book situation, our business model provides good opportunity for timely action to adjust our costs.

For the full year 2008 we stand by our earlier expectation to increase both revenue and the order book compared to 2007.

## ANNUALIZED VALUE OF EXISTING CUSTOMER CONTRACTS



The annualized value of existing customer contracts<sup>1</sup> (order book) rose by SEK 106.5m, or 23%, compared to Q3 2007, from SEK 456.0m to SEK 562.5m. Calculated on a fixed exchange rate basis, the increase was 23%.

Compared to Q2 2008 the value rose by SEK 45.3m, or 9%. On a fixed exchange rate basis the increase was SEK 4%.

Both revenue and the level of contract reductions were higher than in the past few quarters.

In Q3 the Americas region accounted for the strongest order book growth in both absolute and relative terms, at SEK 18.2m, or 17%.



## MARKET DEVELOPMENT DURING THE QUARTER

Among small to mid-sized players, particularly trading firms, the market remains strong and Orc's order book has continued to grow in spite of the global financial crisis. For Orc, unrest and uncertainty in the market are visible mainly in a higher rate of contract reductions and cancellations, although this trend is mainly limited to customers among the major banks and financial firms. Orc is therefore seeing a change in the customer base, where independent trading firms are growing at the expense of traditional banks and investment banks. Recent strengthening of both the US dollar and euro against the Swedish krona has also had tangible positive effect on Orc's order book.

The accelerated shift toward automated trading is reflected in increased sales, with sales of Orc Liquidator reaching a new all-time high in the third quarter.

Trading on many of the global derivative exchanges reached record levels during Q3 2008. This was particularly evident in Chicago where third quarter trading on CME, the world's largest futures and options exchange, rose by 21% compared to Q2 2008 and by 9% compared to Q3 2007. One explanation for this is that due to the current financial crisis, large volumes of derivatives that were previously traded directly between market participants, with no intermediary, are now traded over derivative exchanges.

<sup>1</sup> Defined as the annualized value of existing customer contracts excluding transaction-related revenue, translated at the average exchange rates during the last month of the period, without consideration to foreign currency hedges. 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.

## Europe, Middle East and Africa (EMEA)

Market activity among small to mid-sized customers remains high. This trend is especially evident in the UK market, which performed well in the third quarter.

In Q3 Orc booked substantial orders for Orc Algorithmic Trading from new customers in countries like the UK and Italy, and gained a large London-based bank as a customer for Orc CameronFIX. In addition, a number of customers have supplemented and expanded their solutions from Orc.

Contract reductions in the region increased during Q3, mainly as an effect of the ongoing wave of bank mergers and contract reductions among the major banks.

Due to uncertainty surrounding the Icelandic banks, there is a risk that they will have a certain negative impact on the order book in coming quarters. However, these account for only a small share of the total order book value.

In Western Europe, Orc is noting rising demand in connection with the emergence of alternative marketplaces. Orc enjoyed a robust third quarter in the Benelux countries, where an order was placed by the newly established trading firm ABR Financial in The Netherlands. Market Making continues to stand out as a key market for Orc's solutions and growth for automated trading remains buoyant.

Another trend of interest for Orc is that several leading European exchanges are carrying out extensive upgrades in their technical trading platforms during the fourth quarter. For Orc, this is creating opportunities to deliver connectivity to new customers with a need to adapt and renew their systems.

In the new markets of Eastern Europe and the Middle East, Orc is seeing a growing interest in both connectivity solutions, such as DMA, and solutions for derivatives trading.

During Q3 the region's order book grew by SEK 16.3m, or 5.2%, to SEK 331.0m. Compared to Q3 2007, the order book increased by SEK 53.8m, or 19%.

## Americas

In Q3 the Americas region accounted for the strongest order book growth in both absolute and relative terms, at SEK 18.2m, or 17%. The third quarter of 2008 was also one of Orc's best ever in the region, with regard to new and add-on sales.

Orc's development in North America showed contrasts between the different financial centers. In New York, where Orc signed a sizeable contract for Orc Algorithmic Trading with large bank, many parts of the financial industry have been hard hit by the credit crunch. The effects of mergers and generally weak demand are visible in a number of contract reductions and cancellations. In Chicago on the other hand, where the emphasis is on derivatives and commodities trading, Orc enjoyed an excellent third quarter. Several new orders were won from customers like Chicago's CME exchange, which has selected Orc Advanced Trading for pricing of options.

Several firms active in advanced derivatives trading are evaluating their existing technology and seeking more high-performance systems to boost their competitiveness, which is benefiting Orc. The potential for Orc Algorithmic Trading in North America has been further accelerated by the introduction of new package solutions in which Orc has developed an algorithm specifically for this application that is delivered together with the product.

In the past quarter Orc's organization grew further in Chicago through the recruitment of new staff in sales, support and the recently established development team.

In Q3 Orc launched an active effort to expand its operations into new markets in the region, among other things on the west coast of the USA.

The region's order book grew by SEK 18.2m, or 17%, to SEK 122.2m during Q3. Compared to Q3 2007, the order book increased by SEK 25.7m, or 27%.

## Asia Pacific (APAC)

Orc's development in the Asia Pacific region during Q3 was marked by a number of supplementary orders from existing customers. One such example is Samsung Futures in South Korea, which has expanded its Orc Liquidity Access solution to handle its incoming order flow. This is now Orc's largest installation of its type in operation.

Several new customers were added in markets like Australia, Hong Kong, South Korea and Singapore. The continued success of both Orc Algorithmic Trading and Orc Advanced Trading throughout the region is linked to increased activity and interest in advanced derivatives trading. In addition,

several new orders for Orc CameronFIX were booked in Japan through local business partners. Orc is working actively to widen its network in the region and negotiations for several new partnerships have reached an advanced stage.

A less positive trend during Q3 was an increase in contract reductions and cancellations. Among other things, one major bank's operations were wound up after its US-based parent company was damaged by the credit crisis. Although parts of the region are suffering from the tangible effects of weaker financial markets, positive signals were clearly dominant during the period.

In Japan the leading exchanges have announced plans to upgrade their technical platforms in the coming year, which will directly increase Orc's potential to deliver solutions to customers needing to adapt their systems to the new requirements.

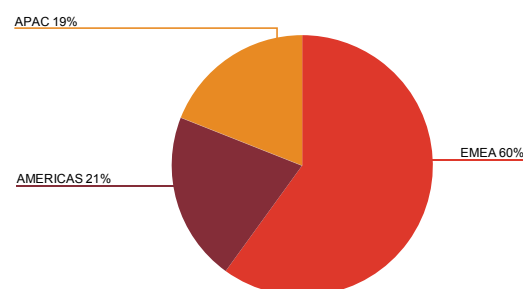
In Q3 the region's order book grew by SEK 10.9m, or 11%, to SEK 109.4m. Compared to Q3 2007, the order book increased by SEK 27.1m, or 33%.



## NET REVENUE

### 40% OF REVENUE FROM AMERICAS AND APAC

#### Breakdown of revenue in Q3 2008



Net revenue for Q3 2008 amounted to SEK 142.0m (131.3), equal to an increase of 8% compared to Q3 2007.

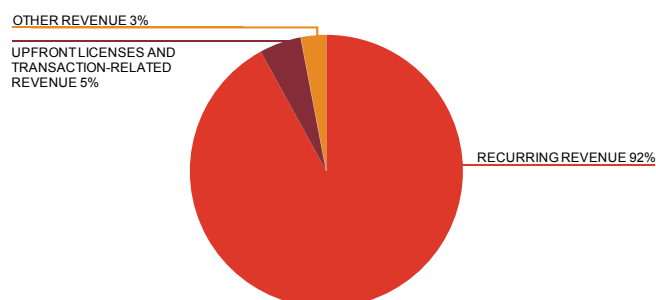
The EMEA region accounted for the largest increase in absolute terms, at SEK 6.6m, while the Americas showed the highest relative increase, at SEK 2.5m, or 10%, followed by Asia Pacific at SEK 1.6m, or 6%.

Net revenue for Q3 2008 consisted of SEK 130.3m (111.5) in recurring revenue, SEK 7.8m (12.4) in upfront licenses and transaction-related revenue and SEK 3.9m (7.4) in other revenue. Recurring revenue rose by 17% compared to Q3 2007 and accounted for 92% (85) of total revenue.

Net revenue for the period January-September 2008 was SEK 417.3m (369.5), equal to an increase of 13% compared to the same period of 2007.

## 92% RECURRING REVENUE

#### Breakdown of revenue in Q3 2008



## OPERATING EXPENSES

Operating expenses for Q3 2008 were up by SEK 7.2m, or 7%, compared to Q3 2007 and totaled SEK 106.0m (98.8). The increase consists primarily of higher personnel costs and external expenses attributable to provisions of SEK 4.5m for doubtful debts. Operating expenses include a gain of SEK 12.6m (-2.5) arising on the translation of balance sheet items in foreign currency.

Operating expenses for the period January-September 2008 rose by SEK 52.9m, or 19%, compared to the same period of 2007 and amounted to SEK 332.9m (280.1). The increase consists mainly of higher personnel costs and external expenses made up of provisions for doubtful debts and consulting fees as well as travel and marketing expenses.

Orc had 291 employees at September 30, 2008 (300 at September 30, 2007). The number for September 2007 included 42 employees in the then consolidated subsidiary E2E, which was sold in October 2007.

Compared to June 30, 2008, the number of employees increased by 12.

## EARNINGS

Operating income for Q3 2008 amounted to SEK 36.0m (32.5). Compared to Q3 2007, the operating margin was largely unchanged.

Net financial items for Q3 2008 weakened by SEK 11.7m compared to Q3 2007, which was positively affected by a gain of SEK 15.5m on the divestment of shares in Infront AS.

Net income after tax for Q3 2008 fell by SEK 8.9m compared to Q3 2007, from SEK 36.7m to SEK 27.8m.

For the period January-September 2008, operating income was SEK 84.3m (89.4) and operating margin was 20% (24). Net financial items were down by SEK 12.8m and net income for the period declined by SEK 17.6m.

Net income for the period January-September 2008 included foreign exchange gains of SEK 5.2m (-2.8).

## DEVELOPMENT OF NET REVENUE AND OPERATING EXPENSES



## FOREIGN EXCHANGE EFFECTS

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

Goodwill and other intangible assets attributable to the acquisition of Cameron Systems are denominated in Australian dollars and are revalued at every balance sheet date, with revaluation gains/losses recognized directly in equity. For Q3 2008 this resulted in a revaluation loss of SEK 12.5m (+4.8).

Assets and liabilities in foreign currency are revalued at every balance sheet date. Any currency hedging contracts in force are revalued at each balance sheet date and also have an effect when they are settled or expire. As of Q2 2008, Orc's policy is to not continuously hedge operating cash flows in foreign currency.

Value gains/losses arising from revaluation of balance sheet items and settlement of currency hedging contracts are recognized net as a separate item in the income statement, and in Q3 2008 gave rise to a gain of SEK 12.6m.

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

Net revenue and operating expenses are also affected by movements in foreign exchange rates, which have a direct impact on the revenue or expense item. Total net revenue consists of approximately 40% US dollars, 30% euros, 20% Swedish kronor and 10% other currencies. Operating expenses consist of approximately 15% US dollars, 15% euros, 40% Swedish kronor and 30% other currencies.

## CASH FLOW, CAPITAL EXPENDITURE AND FINANCIAL POSITION

Cash flow for Q3 2008 was SEK 16.4m (35.4). The positive cash flow for the period is mainly attributable to decreased trade receivables of SEK 9.4m.

Cash flow for the period January-September 2008 was SEK -69.4m (28.9). The difference in cash flow compared to the same period of 2007 consists mainly of an increase of SEK 30.4m in dividends and SEK 34.4m in paid tax. Cash flow from investing activities of SEK -25.0m consists of SEK -11.8m in capitalized development costs and SEK -13.7m in office equipment, including computers.

The equity/assets ratio at September 30, 2008, was 57% (55).

## PARENT COMPANY

Since more than 90% of the Group's revenue is attributable to the Parent Company and all major balance sheet items are held by the same, the comments on the consolidated balance sheet and income statement are also applicable to the Parent Company in all essential respects.

All related-party transactions are carried out according to market-based principles.

## 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 1.1, Supplementary Rules for Consolidated Financial Statements, and RFR 2.1, Accounting for Legal Entities, in the Parent Company. The accounting policies are the same as those applied in the most recent annual report.

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.

### Revenue

Orc's revenue is generated mainly by 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 rate 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.

### 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 15 years.

### Capitalized development costs

Orc capitalizes only costs attributable to projects that can be separately identified and result in either new products or significant improvements in existing products.

### Intangible assets

Orc's intangible assets other than goodwill and capitalized development costs are amortized over a period of 5-15 years depending on the nature and estimated useful life of the asset. Orc performs regular controls to ensure that the amortization periods of assets correspond to their estimated useful lives and that there is no indication of impairment.

## SIGNIFICANT RISKS AND UNCERTAINTIES

The most significant risks 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.

As Orc's customers are affected by turbulence in the global financial markets, the risk for bad debt losses may increase.

For a more detailed description of Orc's significant risks and uncertainties, see the Administration Report in Orc's annual report for 2007.



## CONSOLIDATED INCOME STATEMENT

SEK THOUSANDS	JAN-SEPT 2 0 0 8	JAN-SEPT 2 0 0 7	JULY-SEPT 2 0 0 8	JULY-SEPT 2 0 0 7
System revenue	406,558	350,957	138,100	123,883
Other revenue	10,731	18,527	3,885	7,406
<b>Net revenue</b>	<b>417,289</b>	<b>369,484</b>	<b>141,985</b>	<b>131,289</b>
Cost of goods sold	-27,084	-18,694	-8,954	-7,231
External expenses	-106,440	-79,883	-37,956	-29,045
Personnel costs	-201,786	-174,928	-69,797	-59,309
Capitalized work for own use	11,882	12,118	3,059	3,750
Depreciation/amortization and impairment losses	-14,684	-15,900	-4,993	-4,431
Foreign exchange gains/losses	5,172	-2,764	12,629	-2,533
<b>Operating expenses</b>	<b>-332,940</b>	<b>-280,051</b>	<b>-106,012</b>	<b>-98,799</b>
<b>Operating income</b>	<b>84,349</b>	<b>89,433</b>	<b>35,973</b>	<b>32,490</b>
Net financial items	1,091	13,937	923	12,583
<b>Income after financial expenses</b>	<b>85,440</b>	<b>103,370</b>	<b>36,896</b>	<b>45,073</b>
Income tax expense	-24,710	-25,027	-9,062	-8,381
<b>Net income for the period</b>	<b>60,730</b>	<b>78,343</b>	<b>27,834</b>	<b>36,692</b>
Net income for the period attributable to minority interests	-	1,303	-	978
Net income for the period attributable to stockholders in the Parent Company	60,730	77,040	27,834	35,714
Basic earnings per share, SEK	3.99	5.07	1.83	2.35
Diluted earnings per share, SEK	3.99	5.05	1.83	2.34

## CONSOLIDATED BALANCE SHEET

SEK THOUSANDS	SEPT 30 2 0 0 8	SEPT 30 2 0 0 7	DEC 31 2 0 0 7
<b>ASSETS</b>			
Goodwill	170,814	174,605	176,867
Other intangible assets	101,824	95,529	97,201
Other fixed assets	49,851	35,066	39,704
Current assets	199,504	164,013	163,148
Short-term investments	440	1,446	429
Cash and cash equivalents	58,113	102,729	125,504
<b>Total assets</b>	<b>580,546</b>	<b>573,388</b>	<b>602,853</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	331,114	316,828	334,727
Non-current liabilities	47,671	50,456	49,435
Current liabilities	201,761	206,104	218,691
<b>Total equity and liabilities</b>	<b>580,546</b>	<b>573,388</b>	<b>602,853</b>

A detailed presentation of the consolidated income statements and balance sheets for the past few quarters can be viewed at [www.orcsoftware.com](http://www.orcsoftware.com)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK THOUSANDS	JAN-SEPT 2 0 0 8	JAN-SEPT 2 0 0 7	JULY-SEPT 2 0 0 8	JULY-SEPT 2 0 0 7
<b>Opening balance</b>	<b>334,727</b>	<b>258,851</b>	<b>313,813</b>	<b>273,901</b>
Change due to returned shares	910	-	-	-
Translation difference in intangible assets	-5,748	5,838	-12,483	4,769
Dividends	-60,809	-30,404	-	-
Translation difference in minority interests	-	-118	-	-182
Change due to employee stock options	2,046	1,402	2,090	160
Translation differences, etc.	-742	2,916	-140	1,488
Net income for the period attributable to stockholders in the Parent Company	60,730	77,040	27,834	35,714
Net income for the period attributable to minority interests	-	1,303	-	978
<b>Closing balance</b>	<b>331,114</b>	<b>316,828</b>	<b>331,114</b>	<b>316,828</b>
Equity attributable to stockholders in the Parent Company	331,114	312,761	331,114	312,761
Equity attributable to minority interests	-	4,067	-	4,067

## CONSOLIDATED CASH FLOW STATEMENT

	JAN-SEPT 2 0 0 8	JAN-SEPT 2 0 0 7
<b>SEK THOUSANDS</b>		
Cash flow from operating activities before changes in working capital	49,802	93,179
Changes in working capital	-35,502	-28,748
<b>Cash flow from operating activities</b>	<b>14,300</b>	<b>64,431</b>
Investments in operations	910	-49
Cash flow from investing activities	-25,872	-5,077
Cash flow from financing activities	-58,763	-30,404
<b>Cash flow for the period</b>	<b>-69,425</b>	<b>28,901</b>
Cash and cash equivalents at beginning of period	125,933	74,664
Exchange differences in cash and cash equivalents	2,044	610
<b>Cash and cash equivalents end of period</b>	<b>58,552</b>	<b>104,175</b>

## SEGMENT REPORTING

### JANUARY-SEPTEMBER 2008

	Western Europe	Benelux, Eastern and Central Europe	North America	Asia and Australia	Group-wide costs	Total
<b>SEK THOUSANDS</b>						
Net revenue	196,292	52,759	88,084	80,154	0	417,289
Operating expenses	-72,213	-28,515	-51,695	-35,942	-144,575	-332,940
<b>Operating income</b>	<b>124,079</b>	<b>24,244</b>	<b>36,389</b>	<b>44,212</b>	<b>-144,575</b>	<b>84,349</b>

### JANUARY-SEPTEMBER 2007<sup>2</sup>

	Western Europe	Benelux, Eastern and Central Europe	North America	Asia and Australia	Group-wide costs	Total
<b>SEK THOUSANDS</b>						
Net revenue	192,415	41,025	74,107	61,937	0	369,484
Operating expenses	-83,298	-18,669	-39,095	-28,949	-110,040	-280,051
<b>Operating income</b>	<b>109,117</b>	<b>22,356</b>	<b>35,012</b>	<b>32,988</b>	<b>-110,040</b>	<b>89,433</b>

<sup>2</sup>The allocation of net revenue has been adjusted so that network revenue is allocated across the regions.

## CONSOLIDATED KEY RATIOS

	JAN-SEPT 2 0 0 8	JAN-SEPT 2 0 0 7	JULY-SEPT 2 0 0 8	JULY-SEPT 2 0 0 7
Revenue growth	12.9%	24.4%	8.1%	29.2%
Operating margin	20.2%	24.2%	25.3%	24.7%
Average number of shares before dilution, thousands	15,202	15,202	n/a	n/a
Average number of shares after dilution, thousands	15,203	15,261	n/a	n/a
Number of shares outstanding before dilution, thousands	15,202	15,202	15,202	15,202
Number of shares outstanding after dilution, thousands	15,202	15,263	15,202	15,202
Basic earnings per share, SEK	3.99	5.07	1.83	2.35
Diluted earnings per share, SEK	3.99	5.05	1.83	2.34
Equity per share, SEK	21.78	20.57	21.78	20.57
Return on capital employed	34.5%	48.0%	45.1%	61.2%
Return on equity	24.3%	36.3%	34.5%	45.5%
Equity/assets ratio	57.0%	55.3%	57.0%	55.3%
Average number of employees	274	262	285	280
Number of employees at end of period	291	300	291	300

## PARENT COMPANY INCOME STATEMENT

SEK THOUSANDS	JAN-SEPT 2 0 0 8	JAN-SEPT 2 0 0 7	JULY-SEPT 2 0 0 8	JULY-SEPT 2 0 0 7
System revenue	380,167	284,528	134,350	103,687
Other revenue	8,999	16,199	3,459	9,244
Capitalized work for own use	10,918	12,118	3,059	3,750
<b>Net revenue</b>	<b>400,084</b>	<b>312,845</b>	<b>140,868</b>	<b>116,681</b>
Cost of goods sold	-26,599	-16,067	-9,581	-6,731
External expenses	-229,922	-165,443	-78,276	-58,567
Personnel costs	-78,438	-65,386	-21,913	-17,636
Depreciation/amortization and impairment losses	-8,796	-6,279	-3,306	-1,121
Foreign exchange gains/losses	3,909	-1,123	8,649	-2,543
<b>Operating expenses</b>	<b>-339,846</b>	<b>-254,298</b>	<b>-104,427</b>	<b>-86,598</b>
<b>Operating income</b>	<b>60,238</b>	<b>58,547</b>	<b>36,441</b>	<b>30,083</b>
<b>Net financial items</b>	172	23,363	692	19,855
<b>Income after financial expenses</b>	<b>60,410</b>	<b>81,910</b>	<b>37,133</b>	<b>49,938</b>
Income tax expense	-17,943	-17,089	-10,662	-8,738
<b>Net income for the period</b>	<b>42,467</b>	<b>64,821</b>	<b>26,471</b>	<b>41,200</b>

## PARENT COMPANY BALANCE SHEET

SEK THOUSANDS	SEPT 30 2 0 0 8	SEPT 30 2 0 0 7	DEC 31 2 0 0 7
<b>ASSETS</b>			
Other intangible assets	61,494	16,563	21,374
Other fixed assets	284,928	285,558	287,652
Current assets	207,335	116,036	129,584
Short-term investments	-	-	-
Cash and cash equivalents	11,822	73,511	78,194
<b>Total assets</b>	<b>565,579</b>	<b>491,668</b>	<b>516,804</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	189,719	197,381	207,152
Untaxed reserves	97,660	99,768	97,660
Provisions	15	84	-
Current liabilities	278,185	194,435	211,992
<b>Total equity and liabilities</b>	<b>565,579</b>	<b>491,668</b>	<b>516,804</b>



# ABOUT ORC SOFTWARE

Orc Software (SSE: ORC) provides powerful solutions for the global financial industry in the critical areas of advanced derivatives trading and low latency connectivity. Orc's competitive edge lies in its depth of knowledge of the derivatives trading world gained by deploying advanced solutions for sophisticated traders for more than 20 years.

Orc Trading and Orc Connect provide the tools for making the best trading and connectivity decisions... strong analytics, unmatched market access, powerful automated trading functionality, high performance cross-asset capabilities, ultra-low latency and risk management.

Orc's customers include leading banks, trading and market making firms, exchanges, brokerage houses, institutional investors and hedge funds.

Orc provides timely sales and quality support services from its offices across the EMEA, Americas and Asia Pacific.

For more information visit: [www.orcsoftware.com](http://www.orcsoftware.com)

## Orc Software has offices in

Amsterdam, Chicago, Frankfurt, Hong Kong, London, Milan, Moscow,  
New York, Stockholm, St. Petersburg, Sydney, Toronto, Vienna and Zurich

## FINANCIAL CALENDAR

<u>January 22, 2009</u>	<u>Year-end report 2008</u>
<u>April 23, 2009</u>	<u>Interim report, Q1</u>
<u>April 29, 2009</u>	<u>Annual General Meeting</u>
<u>July 10, 2009</u>	<u>Interim report, Q2</u>

Stockholm, October 16, 2008

Orc Software AB

The Board of Directors and CEO

This interim report has not been subject to examination by Orc Software's independent auditors.

## FINANCIAL INFORMATION

Can be ordered from:

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All financial information is posted on [www.orcsoftware.com](http://www.orcsoftware.com) immediately after publication.

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**An analyst and press teleconference will be held at 9:00 a.m. on October 16, 2008 (in Swedish) at Orc Software's head office, Kungsgatan 36, in Stockholm. At 3:00 p.m. the same day, a teleconference will be held (in English).**

For more information visit [www.orcsoftware.com](http://www.orcsoftware.com), Company, Investor Relations, Calendar 2008



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