INTERIM REPORT

JANUARY 1 – JUNE 30, 2011

POSITIVE DEVELOPMENT FOR TECHNOLOGY BUSINESS

The two technology segments Orc and CameronTec continued to develop favorably. The annualized contract value (ACV) rose by SEK 19m compared to the first quarter and operating margin for these two segments was 29% for the second quarter and 28% for the first half of the year.

Brokerage services in Neonet, like the industry as a whole, showed negative development during the quarter despite several new customers. Operating profit was SEK -12m for the second quarter and SEK -16m for the first half of the year.

- THE **ANNUALIZED CONTRACT VALUE (ACV)** AT THE END OF Q2 2011 WAS SEK 667.5M (750.6), A DECREASE OF SEK 83.1M, OR 11%, COMPARED TO Q2 2010.
- THE **TRANSACTION NET** WAS SEK 18.6M (31.7) AND THE **TRANSACTION MARGIN** WAS 35% (35) FOR Q2 2011.

APRIL – JUNE 2011

- Operating revenue of SEK 230.2m (282.7)
- Revenue growth of -19%
- Operating income of SEK 32.9m (8.9*)
- Operating margin of 14% (3*)
- Income after tax of SEK 24.5m (5.2*)
- Basic earnings per share of SEK 1.04 (0.22*)

JANUARY – JUNE 2011

- Operating revenue of SEK 477.9m (453.0)
- Revenue growth of 5%
- Operating income of SEK 62.4m (36.1*)
- Operating margin of 13% (8*)
- Income after tax of SEK 45.5m (24.1*)
- Basic earnings per share of SEK 1.94 (1.25*)

The Neonet Group is consolidated as of April 1, 2010. The actual transaction date was April 7.
* The comparative figures have been restated. See under "Accounting policies, IFRS 3 Business Combinations" on page 6.

CEO THOMAS BILL COMMENTS:

Both Orc and CameronTec reported strong sales in all regions during the quarter and several important contracts were signed. The largest deal of the quarter was with a Nordic customer where a combination of Orc and Neonet technology was delivered. Other key contracts were signed with Orc's first market making customer in France, with a brokerage firm in Asia for continued expansion of DMA solutions and additional contracts with local Japanese customers. Latin America is expected to become an increasingly important market for Orc and significant deals were closed with customers in both Brazil and Mexico during the quarter. Furthermore, several of the largest contracts were managed services solutions. CameronTec was particularly successful in the APAC region during the quarter, and for example signed a major contract with a global bank in Australia. It is also positive that the churn decreased compared to the previous quarter.

The brokerage industry is struggling at the moment, which is illustrated not least by the major changes that have taken place among Nordic brokerage firms in recent months. Neonet has also been negatively affected by declining volumes and more aggressive competition. Although we have succeeded in winning new customers, sales have continued to fall and led to an increased loss for the period. We are taking this situation very seriously and the management is working with several different activities to address these problems.

The key factors for the second half of 2011 are the level of churn for Orc and development of the trading volume for Neonet. Both of these factors are highly dependent on whether uncertainty continues in the global financial markets and how profitability develops among the customers.

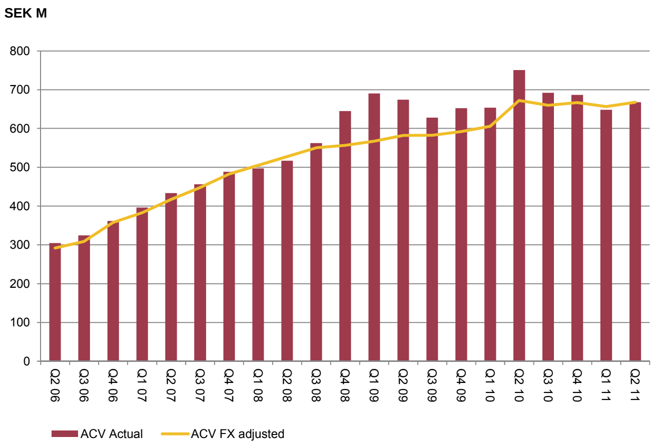
All units in Orc Group are continuing to work on development of new solutions, expansion into both new segments and new geographical markets, frequent and constructive contacts with new and existing customers and careful control of costs.

Given the current exchange rates and low transaction volumes in Neonet, it remains uncertain whether the target of a minimum operating margin of 20% in a weak market can be reached already in 2012.

ANNUALIZED CONTRACT VALUE (ACV)

The annualized contract value (ACV) for Orc 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.



ACV rose by SEK 19.0m compared to the end of the previous quarter, mainly due to strong sales and strengthening of the euro against the Swedish krona. The level of churn was lower than in the previous quarter.

Calculated at the exchange rate prevailing in June 2010, ACV was down by SEK 9.0m, or 1.2%, compared to Q2 2010 but rose by SEK 11.6m, or 1.6%, compared to the previous quarter.

GEOGRAPHICAL BREAKDOWN OF ACV

				Change			
SEK M	Jun 30 2011	Mar 31 2011	Jun 30 2010	Q-over-Q		Y-over-Y	
EMEA	402.8	390.1	426.2	12.7	3.3%	-23.4	-5.5%
Americas	115.5	119.1	158.4	-3.6	-3.0%	-42.9	-27.1%
APAC	149.2	139.3	166.0	9.9	7.1%	-16.8	-10.1%
Total	**667.5**	**648.5**	**750.6**	**19.0**	**2.9%**	**-83.1**	**-11.1%**

The EMEA region accounted for close to half of new and add-on sales during the quarter, partly thanks to strong sales but also due to strengthening of the euro against the Swedish krona. APAC and the Americas also showed robust sales but with continued high churn in the Americas, which resulted in a negative change for the quarter. However, churn for Orc Group was lower than in the previous quarter and was below the average for both 2009 and 2010.

The change compared to Q2 2010 is mainly due to weakening of the US dollar but also the euro against the Swedish krona during the period. The greatest impact was seen in the Americas, where virtually all customer contracts are signed in US dollars.

ORC

Orc develops and provides the tools needed to run profitable trading and brokerage businesses. Orc´s solutions are available both as deployed software and as managed services.

MARKET DEVELOPMENT DURING THE QUARTER

All of Orc's regions reported strong sales for Q2 2011. Several major deals were closed during the quarter with technology for market making, among other things with the new product Orc Market Maker. A positive reception was also seen for Orc Hosted, the new service-based offering, a trend that is creating good potential for the long term. In the USA and Europe, tangible uncertainty remained in the financial markets during the second quarter, while the APAC region was more stable.

The EMEA region reported robust sales for the quarter, above all in the Nordic region and the UK. The largest contract of the quarter (regardless of region) was signed with a Nordic customer and was a combined Orc Access and Orc Hosted installation, which is also a good example of synergy sales. Other important deals were closed in Italy, where Banca Aletti invested in market making technology from Orc, and in France, where a contract was signed for Orc Hosted. Many market participants continue to suffer from profitability problems, which is stimulating demand for solutions that reduce the customers' costs.

Orc also enjoyed favorable development in the APAC region during Q2 2011, with several new customers and additional orders from existing customers and with a relatively lower churn compared to other regions. For example, ABN Amro Clearing increased its connectivity and new customers include Mitsubishi UFJ Morgan Stanley Securities in Japan with an installation for market making, Yuanta Futures in Taiwan and DragonBack in Hong Kong.

Sales in the Americas region were good during the quarter. It was of particular interest that two of the largest deals were closed in Brazil and Mexico. However, the difficult market situation in the USA led to persistent high churn. The revision of financial market regulations now underway in USA is a laborious process that has been delayed. The results, in the form of a new regulatory framework, may very well not be completed until 2012.

In the second quarter Orc noted strong demand for service-based solutions (Orc Hosted) in the EMEA region. Preparations for the establishment of Orc Hosted in the Americas are proceeding, with sights set on a launch in the third quarter of 2011.

The new product Orc Market Maker has been well received in both the USA and Europe, with a number of important orders as a result. The large-scale launch in APAC will not take place until later in the year, but a powerful interest in Orc Market Maker is already being seen, for example among warrant traders in Hong Kong.

CAMERONTEC

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

MARKET DEVELOPMENT DURING THE QUARTER

The business in CameronTec showed sustained positive development in Q2 2011. The largest customers are continuing to increase their uptake of Cameron's FIX technology. A positive trend is also being seen in new markets where investments in FIX are regarded as strategic, which is benefiting sales.

The most notable deals of the quarter were closed in the APAC region and included new contracts with leading banks in countries like Australia.

The long-term trend noted in earlier quarters, in which large and mid-sized customers are building a trading infrastructure based on the FIX standard rather than supplier-specific systems, is still clearly evident. This trend is creating a strong position for CameronTec and its technology, particularly the new product Catalys. Continued keen interest in the FIX standard is being noted in new markets such as Africa, Brazil, Central Europe, India and others.

NEONET

Neonet is a global agency broker that offers professional market participants independent, high-speed execution services based on advanced trading software solutions.

Neonet conducts no proprietary trading, research or financing activities.

Neonet is part of Orc Group since April 1, 2010.

MARKET DEVELOPMENT DURING THE QUARTER

The difficult situation for Neonet's customers is unchanged, with very low activity in the stock markets and intensifying competition among brokerage firms. Concern about the global economy remains widespread among market participants.

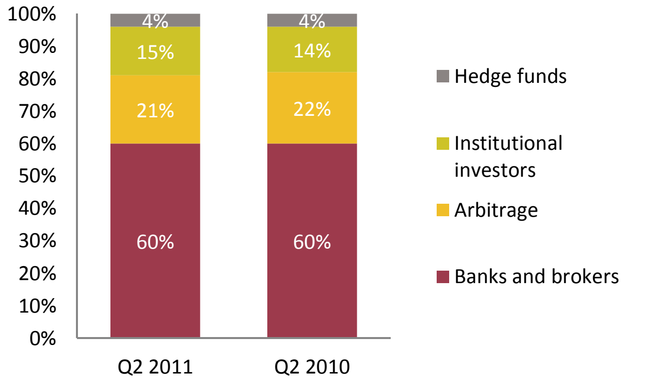
Transaction volumes in Neonet decreased further during Q2 2011. On the other hand, trading activity on Multilateral Trading Facilities (alternative trading venues) has risen and thus accounts for a growing share of Neonet's revenue.

The transaction margin was also down compared to the previous quarter since a higher share of revenue came from customers with relatively low margins.

Neonet's sales efforts are continuing to generate new customers. Among customers on the buy side, activity remains very weak. Neonet's growth is concentrated in the customer segments on the sell side – banks and brokerage firms. The conclusion from earlier quarters, that customers are seeking alternative trading solutions to reduce their fixed costs, is now even more apparent.

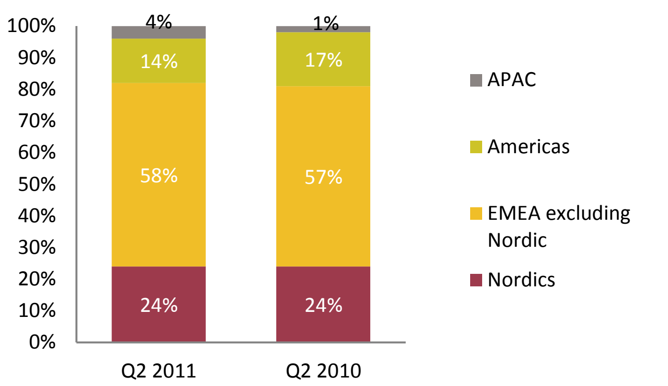
In Q2 Neonet continued its efforts to cut costs and optimize the efficiency of its organization.

TRANSACTION REVENUE BY CUSTOMER GROUP



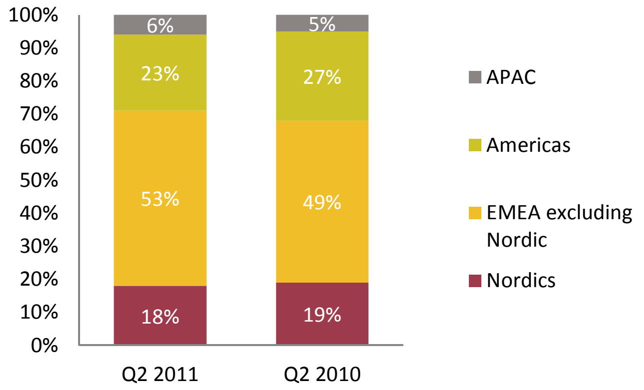
In the distribution between customer groups in relation to transaction revenue there was merely a marginal change in the customer mix compared to the previous year. Banks and brokerage firms continue to account for the highest share of revenue.

GEOGRAPHICAL BREAKDOWN OF TRANSACTION REVENUE



Neonet has customers in more than 25 countries. The share of transaction revenue generated by customers in the European and APAC regions has increased in relation to American customers.

TRANSACTION REVENUE BY MARKET PLACE



The breakdown of transaction revenue by market place shows that the share of revenue generated in the European and APAC markets is rising, while revenue is falling primarily in the Americas.

TRANSACTION NET AND TRANSACTION MARGIN

SEK M	Q2 2011	Q1 2011	Q2 2010
Transaction net	18,6	26,6	31,7
Transaction margin	35%	40%	35%

Transaction net is defined as transaction revenue less transaction expenses.

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

The transaction net has declined in relation to both Q2 2010 and Q1 2011, which can be explained by continued low sales.

The transaction margin is stable compared to the same quarter of last year, but has fallen compared to the previous quarter. The weaker margin is mainly attributable to the fact that a larger share of sales comes from customers with a relatively low margin.

OPERATING REVENUE

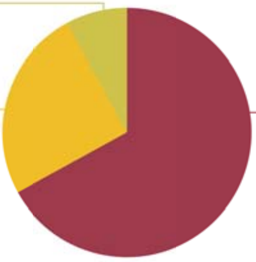
SEK thousands	Q2 2011	Q2 2010	Change	
Orc	154,035	174,511	-20,476	-12%
Neonet	57,831	92,053	-34,222	-37%
CameronTec	18,288	16,096	2,192	14%
Total	**230,154**	**282,660**	**-52,506**	**-19%**

Revenue decreased by 19% during the quarter compared to the same quarter of last year, mainly as a result of lower revenue in Neonet but also due to strengthening of the Swedish krona against the US dollar and the euro between billing periods.

SEK thousands	Jan-June 2011	Jan-June 2010	Change	
Orc	315,470	328,581	-13,111	-4%
Neonet	127,721	92,053	35,668	39%
CameronTec	34,672	32,390	2,282	7%
Total	**477,863**	**453,024**	**24,839**	**5%**

Revenue for the period from January to June 2011 was up by 5% compared to the same period of last year, mainly owing to consolidation of the Neonet Group in Q2 2010. Also in the first half of 2011, revenue was negatively affected by strengthening of the Swedish krona against the US dollar and the euro between billing periods.

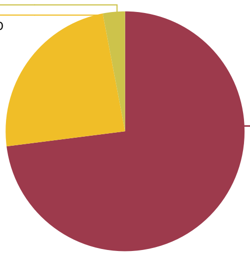
BREAKDOWN OF OPERATING REVENUE BY SEGMENT Q2 2011



Recurring revenue accounted for 73% (65) of operating revenue for Q2 2011. The increased share of recurring revenue is mainly due to a decrease in transaction revenue.

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

BREAKDOWN OF OPERATING REVENUE BY TYPE Q2 2011



OPERATING EXPENSES

SEK thousands	Q2 2011	Q2 2010	Change	
Orc	-111,875	-140,603	28,728	-20%
Neonet	-69,868	-107,912	38,044	-35%
CameronTec	-10,240	-9,749	-491	5%
Group-wide	-5,230	-15,529	10,299	-66%
Total	**-197,213**	**-273,793**	**76,580**	**-28%**

Operating expenses fell by SEK 76.6m in Q2 compared to the same quarter of last year. The decrease is explained among other things by the synergy effects from the merger with Neonet and the fact that the year-earlier quarter was charged with costs for the merger. Broken down by cost type, transaction expenses were down by SEK 22.7m, external expenses by SEK 27.4m and personnel expenses by SEK 28.9m. Work performed by the company for its own use and capitalized rose somewhat compared to the same quarter of last year, by SEK 2.9m. Amortization/depreciation increased by SEK 1.9m. Orc has also had non-recurring costs related to the merger with Neonet in the current year. For Q2 these amounted to SEK 1.0m.

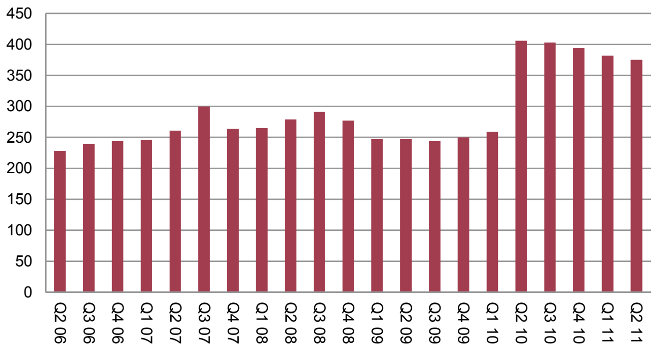
During the quarter, a settlement was reached regarding a disputed receivable existing in Neonet in connection with the merger. As a result of the settlement, the company received just under SEK 10m. In preparing the purchase price allocation for the Neonet acquisition, the disputed receivable was valued at SEK 0 for reasons of caution and thereby affected intangible assets. The amount received has had a positive impact on operating expenses during the quarter and is recognized in external expenses in the income statement within the segment group-wide.

SEK thousands	Jan-June 2011	Jan-June 2010	Change	
Orc	-229,953	-272,044	42,091	-15%
Neonet	-143,861	-107,912	-35,949	33%
CameronTec	-21,051	-19,475	-1,576	8%
Group-wide	-20,591	-17,492	-3,099	18%
Total	**-415,456**	**-416,923**	**1,467**	**0%**

Expenses for the period from January to June 2011 were on par with the same period of last year. Costs in Neonet have risen due to the fact that Neonet is consolidated as of April 2010, which means that the comparative figure includes only operating expenses for one quarter. Broken down by cost type, transaction expenses were up by SEK 17.0m, while external expenses fell by SEK 12.2m and personnel expenses by SEK 14.7m. Work performed by the company for its own use and capitalized rose by SEK 17.2m compared to the same period of last year. Amortization/depreciation increased by SEK 20.2m. Capitalization of work performed by the company for its own use is attributable to identified development costs for a stronger focus on development of new products.

Non-recurring costs related to the merger with Neonet amount to SEK 2.3m so far this year, compared to the first half of 2010 when income was charged with non-recurring costs of SEK 41.0m.

NUMBER OF EMPLOYEES



The number of employees at June 30, 2011, was 375, which is a decrease of 7 people compared to March 31, 2011. The number of employees rose by 134 through the merger with Neonet, which explains the increase in Q2 2010.

EARNINGS

SEK thousands	Q2 2011	Q2 2010	Change	
Operating income	32,941	8,867	24,074	272%
Operating margin	14%	3%	11% units	
Income for the period	24,549	5,158	19,391	376%

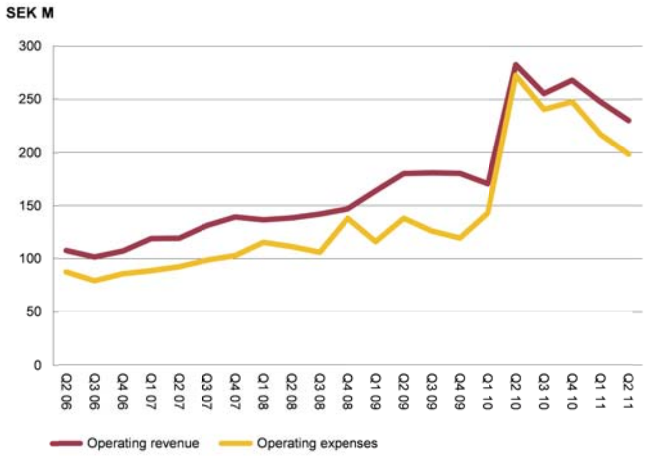
Operating income rose by SEK 24.1m in Q2 compared to the same period of last year. The increase is explained mainly by a sharp decrease in costs as an effect of synergies from the merger with Neonet and the fact that the year-earlier quarter was charged with non-recurring costs attributable to the merger.

SEK thousands	Jan-June 2011	Jan-June 2010	Change	
Operating income	62,407	36,101	26,306	73%
Operating margin	13%	8%	5% units	
Income for the period	45,475	24,058	21,417	89%

Operating income for the period from January to June 2011 rose by SEK 26.3m compared to the same period of last year.

Net financial items improved by SEK 0.8m in the first half of the year at the same time that income tax expense rose by SEK 5.7m, mainly as a result of higher earnings. Income for the period amounted to SEK 45.5m, an increase of SEK 21.4m compared to the first half 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 continued decrease in operating revenue and expenses for Q2 2011 is mainly due to lower sales in Neonet and underlying foreign exchange effects on both revenue and expenses.

FOREIGN EXCHANGE EFFECTS

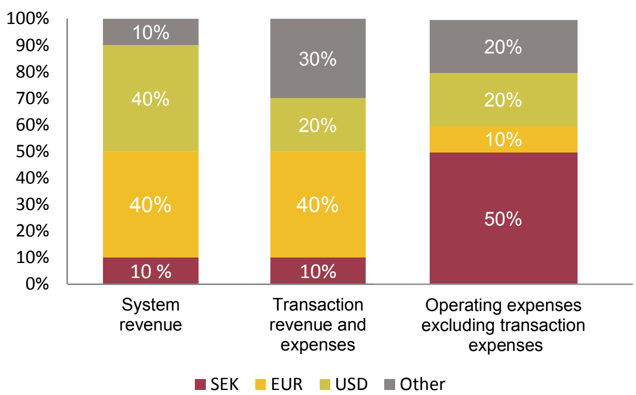
Movements in foreign exchange rates affect Orc Group in several different ways.

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 Q2 2011 gave rise to a gain of SEK 2.0m (7.1). Orc Group's policy is not to hedge operating cash flows in foreign currency.

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 Q2 2010*	7.1411	10.1948
System revenue Q2 2011*	6.6760	8.9183
System revenue Q3 2011*	6.2149	8.9769
Expenses Q2 2011 (average for Jan-June)	6.3757	8.9395
Balance sheet items Q2 2011 (final at June 30)	6.3090	9.1467
ACV Q2 2011 (average for June)	6.3393	9.1186

* 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

Cash flow for the first half of 2011 was SEK -59.4m (-124.0). Cash flow from operating activities rose by SEK 79.9m, mainly as a result of reduced capital tied up in Neonet. Cash flow from investing activities fell by SEK 113.1m. The first half of 2010 thus included a positive effect of SEK 138.7m that consisted of cash and cash equivalents in Neonet on the acquisition date less the cash portion of the acquisition. Cash flow from financing activities improved by SEK 97.8m, mainly as a result of loans raised. Dividends were paid during the period in an amount of SEK -164.5m (-154.7), equal to SEK 7 per share (10).

Orc Group AB has entered into an agreement with a bank for a Revolving Credit Facility for a maximum of EUR 22,200,000. Through utilization of the facility, Orc Group AB took up a short-term loan of SEK 100m during the quarter with a maturity of six months. The purpose of the loan agreement is to secure long-term planned investments for expansion of service-based solutions. The loan agreement is subject to customary convenants.

Orc Group AB 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. An arbitration ruling announced on May 23, 2011, establishes the company's right (and obligation) to acquire the remaining shares in Neonet AB for SEK 23.7m. Compulsory redemption in accordance with the ruling will take place during July.

Orc Group pursues 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 Neonet 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 283m (204) at the end of the period.

Of the Group's non-current liabilities of SEK 181.1m (145.6), SEK 179.9m (144.9) consists of deferred tax.

The equity/assets ratio at June 30, 2011, was 69% (75).

PARENT COMPANY

During the quarter, the Parent Company changed name to Orc Group AB. The new name was registered with the Swedish Companies Registration Office on May 18, 2011.

Revenue in the Parent Company for the period from January to June 2011 amounted to SEK 317.3m (314.2), of which SEK 0.9m (0.1) consisted of sales to group companies.

Operating income totaled SEK 49.6m (77.9) and income after tax was SEK 45.7m (56.6). Investments in tangible and intangible assets for the period from January to June 2011 amounted to SEK 39.3m (2.3). The Parent Company's cash and cash equivalents at June 30, 2011, totaled SEK 48.9m (70.0). The SEK 100m loan that was taken up during the quarter is recognized among other current liabilities. Non-restricted equity in the Parent Company on the same date was SEK 1,431.3m (1,525.6).

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.

IFRS 3 Business Combinations

The values of acquired assets and liabilities in Neonet have been finalized since changed assumptions about the values existing on the acquisition date have now been confirmed, and the resulting changes have been recognized. As a result of this, the values for acquired intangible assets have risen by SEK 32.5m and the value of goodwill has decreased by a corresponding amount after adjustment for deferred tax. As a consequence of the revaluation, amortization of intangible assets has increased.

In accordance with the requirements in paragraph 49 of IFRS 3 Business Combinations, the changes have been made as if they had been known on the acquisition date. The comparative figures have therefore been restated as of April 1, 2010.

NEW AND REVISED ACCOUNTING POLICIES IN 2011

IFRS 8 Operating segments

After the merger with Neonet, Orc Group 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 Group and Neonet, Orc Group'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, Neonet and CameronTec. Orc 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 accounting standard has affected the Parent Company's opening balance of equity at January 1, 2011, which has decreased by SEK 59,025.

CHANGED ACCOUNTING STANDARDS

The IASB has published a number of changes and improvements in standards that are effective for financial periods beginning or after January 1, 2011. The following standards are currently applicable to Orc Group, 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 Group's income statement and balance sheet. For more detailed information about Orc Group'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 Group 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 Group 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 Group 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 Group'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 Group 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 Orc's and CameronTec's 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 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 Group's customers and could therefore also affect staff reductions, new sales and credit risks.

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

Neonet's operations 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 a 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-JUN 2011	JAN-JUN 2010	APR-JUN 2011	APR-JUN 2010
System revenue	344,619	356,206	169,223	187,645
Transaction revenue	120,148	89,647	53,894	89,647
Other revenue	13,096	7,171	7,037	5,368
Operating revenue	**477,863**	**453,024**	**230,154**	**282,660**
Cost of goods sold	-14,399	-16,477	-6,861	-8,647
Transaction costs	-74,939	-57,947	-35,291	-57,947
External expenses	-117,388	-129,557	-53,682	-81,110
Personnel expenses	-187,661	-202,357	-92,920	-121,805
Work performed by the company for it own use and capitalized	34,511	17,344	16,951	14,070
Depreciation/amortization and impairment losses	-52,081	-31,880	-27,372	-25,490
Foreign exchange differences	-3,499	3,951	1,962	7,136
Operating expenses	**-415,456**	**-416,923**	**-197,213**	**-273,793**
Operating income	**62,407**	**36,101**	**32,941**	**8,867**
Net financial items	260	-564	263	-81
Income after financial items	**62,667**	**35,537**	**33,204**	**8,786**
Income tax expense	-17,192	-11,479	-8,655	-3,628
Income for the period	**45,475**	**24,058**	**24,549**	**5,158**
Translation differences	-4,234	3,164	1,772	4,163
Other comprehensive income	**-4,234**	**3,164**	**1,772**	**4,163**
Comprehensive income for the period	**41,241**	**27,222**	**26,321**	**9,321**
Income for the period attributable to owners of the Parent Company	45,475	24,058	24,549	5,158
Comprehensive income for the period attributable to owners of the Parent Company	41,241	27,222	26,321	9,321
Basic earnings per share for the period, SEK	1.94	1.25	1.04	0.22
Diluted earnings per share for the period, SEK	1.94	1.25	1.04	0.23

CONSOLIDATED BALANCE SHEET

SEK THOUSANDS	JUN 30 2011	JUN 30 2010	DEC 31 2010
ASSETS			
Goodwill	1,031,034	1,031,034,	1,031,034
Other intangible assets	622,021	635,273	628,255,
Other non-current assets	233,712	222,139	223,176
Current financial assets attributable to transaction services	64,233	32,718	16,973
Other current receivables	211,841	160,741	175,423
Cash in hand and at bank	165,206	191,858	226,315
Total assets	**2,328,047**	**2,273,763**	**2,301,176**
EQUITY AND LIABILITIES			
Equity	1,606,866	1,706,813	1,715,097
Non-current liabilities	181,147	150,134	166,413
Current financial liabilities attributable to transaction services	78,858	26,301	34,419
Other current liabilities	461,176	390,515	385,247
Total equity and liabilities	**2,328,047**	**2,273,763**	**2,301,176**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK THOUSANDS	JAN-JUN 2011	JAN-JUN 2010	APR-JUN 2011	APR-JUN 2010
Opening balance	**1,715,097**	**450,180**	**1,745,082**	**474,824**
Income for the period	45,475	24,058	24,549	5,158
Other comprehensive income	-4,223	3,164	1,772	4,163
New share issue attributable to the employees´ exercise of stock options	15,054	7,449	-	679
New share issue attributable to acquisition of company	-	1,376,570	-	1,376,570
Dividend	-164,537	-154,684	-164,537	-154,684
Change due to employee stock options	-	76	-	103
Closing balance	**1,606,866**	**1,706,813**	**1,606,866**	**1,706,813**
Equity attributable to owners of the Parent Company	1,606,866	1,706,813	1,606,866	1,706,813

CONSOLIDATED CASH FLOW STATEMENT

SEK THOUSANDS	JAN-JUN 2011	JAN-JUN 2010
Cash flow from operating activities before changes in working capital	43,505	73,643
Changes in working capital	1,904	-108,183
Cash flow from operating activities	**45,409**	**-34,540**
Investments in operations	-	138,732
Cash flow from investing activities	-55,326	-80,948
Cash flow from financing activities	-49,472	-147,235
Cash flow for the period	**-59,389**	**-123,991**
Cash and cash equivalents at beginning of period	226,315	314,953
Exchange differences in cash and cash equivalents	-1,720	896
Cash and cash equivalents at end of period	**165,206**	**191,858**

SEGMENT REPORTING

JANUARY-JUNE 2011

SEK THOUSANDS	Orc	Neonet	CameronTec	Group-wide**	Total
Operating revenue*	315,470	127,721	34,672	-	477,863
Operating expenses	-229,953	-143,861	-21,051	-20,591	-415,456
Operating income	**85,517**	**-16,140**	**13,621**	**-20,591**	**62,407**
Net financial items	-	-	-	260	260
Income after financial items	**85,517**	**-16,140**	**13,621**	**-20,331**	**62,667**

JANUARY-JUNE 2010

SEK THOUSANDS	Orc	Neonet	CameronTec	Group-wide**	Total
Operating revenue*	328,581	92,053	32,390	-	453,024
Operating expenses	-272,044	-107,912	-19,475	-17,492	-416,923
Operating income	**56,537**	**-15,859**	**12,915**	**-17,492**	**36,101**
Net financial items	-	-	-	-564	-564
Income after financial items	**56,537**	**-15,859**	**12,915**	**-18,056**	**35,537**

* All revenue is from external customers.
** Group-wide refers to amortization of intangible assets attributable to acquisitions. The period January-June 2011 also includes a recovered receivable of SEK 9,977 that has had a positive impact on operating expenses.

APRIL-JUNE 2011

SEK THOUSANDS	Orc	Neonet	CameronTec	Group-wide**	Total
Operating revenue*	154,035	57,831	18,288	-	230,154
Operating expenses	-111,875	-69,868	-10,240	-5,230	-197,213
Operating income	**42,160**	**-12,037**	**8,048**	**-5,230**	**32,941**
Net financial items	-	-	-	263	263
Income after financial items	**42,160**	**-12,037**	**8,048**	**-4,967**	**33,204**

APRIL-JUNE 2010

SEK THOUSANDS	Orc	Neonet	CameronTec	Group-wide**	Total
Operating revenue*	174,511	92,053	16,096	-	282,660
Operating expenses	-140,603	-107,912	-9,749	-15,529	-273,793
Operating income	**33,908**	**-15,859**	**6,347**	**-15,529**	**8,867**
Net financial items	-	-	-	-81	-81
Income after financial items	**33,908**	**-15,859**	**6,347**	**-15,610**	**8,786**

* All revenue is from external customers.
** Group-wide refers to amortization of intangible assets attributable to acquisitions. The period April-June 2011 also includes a recovered receivable of SEK 9,977 that has had a positive impact on operating expenses.

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

CONSOLIDATED KEY RATIOS

	JAN-JUN 2011	JAN-JUN 2010	APR-JUN 2011	APR-JUN 2010
Sales growth	5.5%	31.7%	-18.6%	57.0%
Transaction margin	37.6%	35.4%	34.5%	35.4%
Operating margin	13.1%	8.0%	14.3%	3.1%
Average number of shares, basic, thousands	23,499	19,181	23,505	22,966
Average number of shares, diluted, thousands	23,499	19,292	23,505	22,893
Number of shares outstanding, thousands	23,505	23,385	23,505	23,385
Equity per share, SEK	68.36	72.99	68.36	72.99
Return on capital employed	7.3%	6.7%	7.7%	3.6%
Return on equity	5.5%	4.5%	5.9%	1.9%
Equity/assets ratio	69.0%	75.1%	69.0%	75.1%
Average number of employees	384	305	379	333
Number of employees at end of period	375	406	375	406

PARENT COMPANY INCOME STATEMENT

SEK THOUSANDS	JAN-JUN 2011	JAN-JUN** 2010	APR-JUN 2011	APR-JUN** 2010
System revenue	310,656	309,825	151,960	157,559
Other revenue	6,642	4,325	3,696	2,520
Work performed by the company for it own use and capitalized	-	-	-	-
Operating revenue	**317,298**	**314,150**	**155,656**	**160,079**
Cost of goods sold	-12,758	-15,168	-6,032	-7,791
External expenses	-179,841	-156,017	-100,188	-79,943
Personnel expenses	-64,864	-65,373	-31,590	-32,644
Depreciation/amortization and impairment losses	-6,449	-3,108	-3,465	-1,566
Foreign exchange differences	-3,818	3,426	1,366	6,203
Operating expenses	**-267,730**	**-236,240**	**-139,909**	**-115,741**
Operating income	**49,568**	**77,910**	**15,747**	**44,338**
Net financial items	9,571	-141	8,733	398
Income after financial items	**59,139**	**77,769**	**24,480**	**44,736**
Income tax expense	-13,472	-21,179	-3,998	-12,175
Income for the period	**45,667**	**56,590**	**20,482**	**32,561**

PARENT COMPANY BALANCE SHEET

SEK THOUSANDS	JUN 30 2011	JUN 30** 2010	DEC 31** 2010
ASSETS			
Intangible assets	23,203	-	-
Other non-current assets	1,722,100	1,744,242	1,747,816
Current receivables	225,795	229,964	235,307
Cash in hand and at bank	48,889	70,001	91,549
Total assets	**2,019,987**	**2,044,207**	**2,074,672**
EQUITY AND LIABILITIES			
Equity	1,471,111	1,565,409	1,574,916
Untaxed reserves	160,158	129,003	160,192
Provisions	916	1,383	916
Current liabilities	387,802	348,412	338,648
Total equity and liabilities	**2,019,987**	**2,044,207**	**2,074,672**

**) The comparative figure has been restated due to a changed accounting policy in the Parent Company. See under "Accounting policies, Capitalization of development costs in the Parent Company (page 6).

STATEMENT OF ASSURANCE

The Board of Directors and the Chief Executive Officer hereby give their assurance that the semi-annual report gives a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, July 13, 2011
Orc Group AB

PATRIK ENBLAD
Board Chairman

LARS GRANLÖF
Board member

CECILIA LAGER
Board member

STAFFAN PERSSON
Board member

EVA REDHE RIDDERSTAD
Board member

CARL ROSVALL
Board member

THOMAS BILL
Chief Executive Officer

ORC
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ABOUT ORC GROUP

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

The Orc Group serves customers through three business units, each with distinctive offerings:

- **Orc** develops and provides the tools needed to run profitable trading and brokerage businesses.
- **Neonet** is a global agency broker that offers professional market participants independent, high-speed execution services.
- **CameronTec** is the financial industry's leading provider of FIX infrastructure and connectivity solutions.

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

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

For additional information visit www.orc-group.com

Orc Group 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 Group AB under the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was released for publication on July 13, 2011, 8:00 a.m. CEST.

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A teleconference for the media and analysts (in English) will be held at 2:00 p.m. CEST on July 13, 2011.

For more information, see the invitation at www.orc-group.com, Investor Relations, Press releases.

FINANCIAL INFORMATION

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All financial information is posted on www.orc-group.com immediately after publication.

FINANCIAL CALENDAR

October 13, 2011	Interim report for Q3
January 19, 2012	Interim report for Q4

The annual report and interim reports are available to shareholders on Orc Group's website www.orc-group.com and at the company's head office, Kungsgatan 36, in Stockholm.

This interim report has not been reviewed by Orc Group'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.