

Proposal of the Board of Directors of Orc Software AB (publ), reg. no. 556313-4583, regarding dividend for the year 2005, including statement according to Chapter 18 paragraph 4 of the Companies Act (2005:551)

The Board proposes that the dividend for 2005 shall amount to SEK 3.29 per share (resulting in a total dividend for 2005 of SEK 50,015,507.78).

The record date for the dividend shall be March 29, 2006.

The Board of Directors makes the following statement, in accordance with Chapter 18 paragraph 4 of the Swedish Companies Act (2005:551), with respect to the proposed payment of dividend.

The proposed dividend to the shareholders reduces the solidity of the Company from 37 percent to 23 percent and the solidity of the group to 52 percent. The Solidity is adequate, based on that the operations of the Company and the group is still profitable. The liquidity of the Company and the group is assessed to be upheld on a likewise adequate level.

The opinion of the Board is that the proposed dividend does not prevent the Company or other in companies in the group, from fulfilling its obligations in the short and in the long term, nor to perform necessary investments. The proposed dividend is therefore justified in relation to Chapter 17 paragraph 3 of 2 and 3 of the Companies Act (rule of justification).

Stockholm February, 2006
Orc Software AB
Board of Directors