

# Income statement Group, January 1–December 31

| SEK thousands   | Note             | 2006            | 2005            |
|---|------------------|-----------------|-----------------|
| OPERATING REVENUE   | 4, 6             |                 |                 |
| Systems revenue   |                  | 364 945         | 233 337         |
| Other operating revenue   | 10               | 52 973          | 44 775          |
| <b>Operating revenue</b>  |                  | <b>417 918</b>  | <b>278 112</b>  |
| OPERATING EXPENSES  | 5, 6             |                 |                 |
| Purchase cost of goods sold   |                  | -19 768         | -15 583         |
| External expenses   |                  |                 |                 |
| Cost of premises  |                  | -20 493         | -17 703         |
| Telecom expenses  |                  | -6 934          | -9 275          |
| Consulting fees*  |                  | -1 248          | -2 573          |
| Other external expenses   | 9, 10            | -79 640         | -55 843         |
| Personnel costs   | 7, 25            | -205 383        | -133 311        |
| Work performed by the company for its own use and capitalized   |                  | 6 394           | -               |
| Depreciation, amortization and write-downs  | 4, 8             | -23 567         | -16 166         |
| <b>Operating expenses</b>   |                  | <b>-350 639</b> | <b>-250 454</b> |
| <b>Operating income</b>   | <b>4, 11, 17</b> | <b>67 279</b>   | <b>27 658</b>   |
| FINANCIAL ITEMS   |                  |                 |                 |
| Income from participation in associated companies   | 13               | -278            | 92              |
| Financial income  | 14               | 1 548           | 9 265           |
| Financial expenses  |                  | -367            | -3 947          |
| <b>Net financial income</b>   |                  | <b>903</b>      | <b>5 410</b>    |
| <b>Income after financial items</b>   |                  | <b>68 182</b>   | <b>33 068</b>   |
| Tax on net income for the year  | 16               | -17 318         | -12 577         |
| <b>Net income for the year</b>  | <b>11</b>        | <b>50 864</b>   | <b>20 491</b>   |
| Net income for the year attributable to the minority interest   |                  | 891             | 410             |
| Net income for the year attributable to the Parent company's shareholders   |                  | 49 973          | 20 081          |
| Earnings per share, SEK**   | 24               | 3.30            | 1.40            |
| Number of outstanding shares at year-end, reduced by Orc Software's repurchase of own shares, thousands             | 24               | 15 202          | 14 337          |
| Average number of outstanding shares during the year, reduced by Orc Software's repurchase of own shares, thousands | 24               | 15 126          | 14 337          |

\* Consulting fees include consulting fees for product development.

\*\* Orc Software has options issued to employees with a maximum dilution effect of 2.6 percent. As of December 31, 2006, the options did not imply any dilution effect as the average share price did not exceed the exercise price. Orc Software has no outstanding convertible loans.

# Balance sheet Group, December 31

| SEK thousands                                     | Note     | 2006           | 2005           |
|---|----------|----------------|----------------|
| <b>ASSETS</b>                                     |          |                |                |
| Fixed assets                                      |          |                |                |
| Intangible assets                                 | 18       |                |                |
| Capitalized development expenditure               |          | 4 729          | 5 964          |
| Goodwill  |          | 171 962        | 476            |
| Other intangible fixed assets                     |          | 80 840         | 680            |
| Tangible assets                                   | 17, 19   |                |                |
| Equipment   |          | 23 670         | 16 364         |
| Shares in associated companies                    | 20, 21   | –              | 87             |
| Available-for-sale investments                    | 20       | 3 082          | 3 082          |
| Other long-term financial fixed assets            | 20       | 2 338          | 1 670          |
| Deferred tax receivable                           | 16       | 10 572         | 2 027          |
| <b>Total fixed assets</b>                         |          | <b>297 193</b> | <b>30 350</b>  |
| Current assets                                    |          |                |                |
| Current receivables                               |          |                |                |
| Accounts receivable                               | 22       | 83 597         | 48 062         |
| Prepaid tax                                       | 16       | 4 135          | 2 312          |
| Other receivables                                 | 10       | 6 249          | 6 790          |
| Prepaid expenses and accrued income               | 23       | 9 249          | 7 617          |
| Short-term investments                            | 31       | 765            | 164 852        |
| Cash and bank balances                            | 28, 31   | 73 899         | 61 999         |
| <b>Total current assets</b>                       |          | <b>177 894</b> | <b>291 632</b> |
| <b>TOTAL ASSETS</b>                               | <b>4</b> | <b>475 087</b> | <b>321 982</b> |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>       |          |                |                |
| Shareholders' equity                              | 11, 24   |                |                |
| Share capital                                     |          | 1 520          | 1 485          |
| Other contributed capital                         |          | 125 829        | 60 115         |
| Reserves  |          | –8 196         | 2 113          |
| Retained earnings                                 |          | 136 753        | 126 380        |
| Equity attributable to the minority interest      |          | 2 945          | 2 099          |
| <b>Total shareholders' equity</b>                 |          | <b>258 851</b> | <b>192 192</b> |
| Long-term liabilities                             |          |                |                |
| Deferred tax liability                            | 16       | 51 219         | 26 260         |
| <b>Total long-term liabilities</b>                |          | <b>51 219</b>  | <b>26 260</b>  |
| Current liabilities                               |          |                |                |
| Accounts payable                                  | 26       | 11 602         | 9 487          |
| Tax liabilities                                   | 16       | 12 802         | 1 812          |
| Other liabilities                                 | 10       | 6 747          | 4 273          |
| Accrued expenses and prepaid income               | 27       | 133 866        | 87 958         |
| <b>Total current liabilities</b>                  | <b>4</b> | <b>165 017</b> | <b>103 530</b> |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b> |          | <b>475 087</b> | <b>321 982</b> |
| Pledged assets                                    |          | None           | None           |
| Contingent liabilities                            |          | None           | None           |

## Shareholders' equity Group, January 1–December 31

| SEK thousands   | 2006           | 2005           |
|---|----------------|----------------|
| Opening balance January 1   | 192 192        | 199 192        |
| The effect of the implementation of IAS 39, January 1, 2005             | –              | –2 184         |
| <b>Adjusted opening balance</b>   | <b>192 192</b> | <b>197 008</b> |
| Dividend  | –50 016        | –22 729        |
| Transfer of repurchased shares  | 46 215         | –              |
| New share issue   | 31 255         | –              |
| Fair value of Available-for-sale investments                            | –              | –140           |
| Market valuation hedge instruments                                      | –144           | 144            |
| Change in subsidiaries (buy-out of minorities etc.)                     | –412           | –6 755         |
| Change in minorities  | –45            | 1 452          |
| Change in associated companies  | –              | 205            |
| Options program   | 28             | –              |
| Translation difference related to intangible assets                     | –9 408         | –58            |
| Translation difference  | –1 678         | 2 574          |
| Net income for the period attributable to Parent company's shareholders | 49 973         | 20 081         |
| Net income for the period attributable to minority interest             | 891            | 410            |
| <b>Closing balance December 31, 2006</b>                                | <b>258 851</b> | <b>192 192</b> |
| Shareholders' equity attributable to the Parent company's shareholders  | 255 906        | 190 093        |
| Shareholders' equity attributable to the minority interest              | 2 945          | 2 099          |

The sum of revenue and expenses for the period, i.e. calculated as the sum of revenue and expenses, which are accounted for on the income statement and directly against shareholders' equity, amounted to SEK 40 (23) million as of December 31, 2006. Of this amount, SEK 39 (23) million is attributable to the Parent company's shareholders and SEK 0.9 (0.4) million is attributable to the minority interest.

# Cash flow statement, January 1–December 31

| SEK thousands  | Note   | Group           |                | Parent company  |                |
|--|--------|-----------------|----------------|-----------------|----------------|
|  |        | 2006            | 2005           | 2006            | 2005           |
| <b>OPERATING ACTIVITIES</b>  |        |                 |                |                 |                |
| Operating income   |        | 67 279          | 27 658         | 45 429          | 16 923         |
| Adjustment for items not included in cash flow                               |        |                 |                |                 |                |
| Depreciation, amortization and write-downs                                   | 8      | 23 567          | 16 166         | 12 394          | 12 967         |
| Other adjustments for items not included in cash flow                        |        | 1 453           | -3 527         | 8 460*          | -930*          |
| Financial items  | 29     | 1 487           | 5 357          | 1 827           | 6 886          |
| Income tax paid  | 16     | -12 492         | -1 068         | -14 187         | 1 782          |
| <b>Cash flow from operating activities before changes in working capital</b> |        | <b>81 294</b>   | <b>44 586</b>  | <b>53 923</b>   | <b>37 628</b>  |
| <b>CHANGES IN WORKING CAPITAL</b>  |        |                 |                |                 |                |
| Changes in accounts receivable   |        | -23 339         | -4 149         | -21 798         | -3 343         |
| Changes in operating assets  |        | -1 189          | -1 225         | 4 096           | -2 827         |
| Changes in accounts payable  |        | -956            | 2 535          | 338             | 2 247          |
| Changes in operating liabilities   |        | 37 943          | 9 301          | 67 819          | 7 695          |
| <b>Total change in working capital</b>                                       |        | <b>12 459</b>   | <b>6 462</b>   | <b>50 455</b>   | <b>3 772</b>   |
| <b>Cash flow from operating activities</b>                                   |        | <b>93 753</b>   | <b>51 048</b>  | <b>104 378</b>  | <b>41 400</b>  |
| <b>INVESTMENT ACTIVITIES</b>   |        |                 |                |                 |                |
| Investments in intangible fixed assets                                       | 18     | -6 394          | -              | -6 394          | -              |
| Investments in tangible fixed assets   | 19     | -15 034         | -6 211         | -7 054          | -2 719         |
| Investments in businesses**  | 20, 30 | -169 205        | -6 853         | -175 814        | -10 449        |
| Divestment of businesses   |        | -501            | -              | 846             | -              |
| Changes in financial fixed assets  | 20     | -937            | 20 982         | -48             | 20 350         |
| <b>Cash flow from investment activities</b>                                  |        | <b>-192 071</b> | <b>7 918</b>   | <b>-188 464</b> | <b>7 182</b>   |
| <b>FINANCING ACTIVITIES</b>  |        |                 |                |                 |                |
| Dividend   | 24     | -50 016         | -22 729        | -50 016         | -21 505        |
| <b>Cash flow from financing activities</b>                                   |        | <b>-50 016</b>  | <b>-22 729</b> | <b>-50 016</b>  | <b>-21 505</b> |
| Change in liquid funds   |        | -148 334        | 36 237         | -134 102        | 27 077         |
| Opening liquid funds   | 31     | 226 851         | 186 166        | 186 597         | 157 210        |
| Translation difference/exchange differences in liquid funds                  | 31     | -3 853          | 4 448          | -2 070          | 2 310          |
| Closing liquid funds   | 31     | 74 664          | 226 851        | 50 425          | 186 597        |

\* Of which, for 2006, SEK 6 733 thousands, and for 2005, SEK 1 008 thousands, was attributable to untaxed reserves.

\*\* The part of the acquisition value assignable to Cameron Systems that consists of Orc shares does not affect the cash flow for the Group.

# Income statement Parent company, January 1–December 31

| SEK thousands   | Note      | 2006            | 2005            |
|---|-----------|-----------------|-----------------|
| OPERATING REVENUE   | 4, 6      |                 |                 |
| Systems revenue   |           | 296 037         | 227 748         |
| Work performed by the company for its own use and capitalized |           | 6 394           | –               |
| Other operating revenue                                       |           | 33 459          | 30 777          |
| <b>Operating revenue</b>                                      |           | <b>335 890</b>  | <b>258 525</b>  |
| OPERATING EXPENSES  | 6         |                 |                 |
| Purchase cost of goods sold                                   |           | –14 215         | –10 456         |
| External expenses   |           |                 |                 |
| Cost of premises  |           | –8 422          | –8 617          |
| Telecom expenses  |           | –2 345          | –2 662          |
| Consulting fees*  |           | –               | –418            |
| Other external expenses                                       | 9         | –177 208        | –146 974        |
| Personnel costs   | 7         | –75 877         | –59 508         |
| Depreciation, amortization and write-downs                    | 8         | –12 394         | –12 967         |
| <b>Operating expenses</b>                                     |           | <b>–290 461</b> | <b>–241 602</b> |
| <b>Operating income</b>                                       | <b>17</b> | <b>45 429</b>   | <b>16 923</b>   |
| FINANCIAL ITEMS   |           |                 |                 |
| Financial income  | 14        | 893             | 10 640          |
| Financial expenses  |           | –213            | –8 052          |
| <b>Net financial income</b>                                   |           | <b>680</b>      | <b>2 588</b>    |
| <b>Income after financial items</b>                           |           | <b>46 109</b>   | <b>19 511</b>   |
| Year-end appropriations                                       | 15        | –6 733          | –1 008          |
| Tax on net income for the year                                | 16        | –8 949          | –9 210          |
| <b>Net income for the year</b>                                |           | <b>30 427</b>   | <b>9 293</b>    |

\* Consulting fees include consulting fees for product development.

# Balance sheet Parent company, December 31

| SEK thousands                                     | Note   | 2006           | 2005           |
|---|--------|----------------|----------------|
| <b>ASSETS</b>                                     |        |                |                |
| Fixed assets                                      |        |                |                |
| Intangible assets                                 | 18     |                |                |
| Capitalized development expenditure               |        | 4 729          | 5 964          |
| Tangible assets                                   | 17, 19 |                |                |
| Equipment   |        | 13 247         | 11 059         |
| Financial assets                                  | 20, 21 |                |                |
| Shares in Group companies                         |        | 273 866        | 19 928         |
| Shares in associated companies                    |        | –              | 1 500          |
| Other long-term financial fixed assets            |        | 3 478          | 4 276          |
| Deferred tax receivables                          | 16     | 1 684          | 117            |
| <b>Total fixed assets</b>                         |        | <b>297 004</b> | <b>42 844</b>  |
| Current assets                                    |        |                |                |
| Current receivables                               |        |                |                |
| Accounts receivable                               | 22     | 63 788         | 41 990         |
| Receivables, Group companies                      |        | 2 348          | 5 495          |
| Receivables, associated companies                 |        | –              | 970            |
| Prepaid tax                                       | 16     | 3 240          | 2 225          |
| Other receivables                                 |        | 1 484          | 3 270          |
| Prepaid expenses and accrued income               | 23     | 6 296          | 4 489          |
| Short-term investments                            | 31     | –              | 164 324        |
| Cash and bank balances                            | 28, 31 | 50 425         | 22 273         |
| <b>Total current assets</b>                       |        | <b>127 581</b> | <b>245 036</b> |
| <b>TOTAL ASSETS</b>                               |        | <b>424 585</b> | <b>287 880</b> |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>       |        |                |                |
| 11, 24  |        |                |                |
| Shareholders' equity                              |        |                |                |
| Restricted equity                                 |        |                |                |
| Share capital                                     |        | 1 520          | 1 485          |
| Restricted reserves                               |        | 37 437         | 37 437         |
| Non-restricted equity                             |        |                |                |
| Non-restricted reserves                           |        | 93 721         | 57 009         |
| Net unrealized gains reserves                     |        | –140           | 4              |
| Net income for the year                           |        | 30 427         | 9 293          |
| <b>Total shareholders' equity</b>                 |        | <b>162 965</b> | <b>105 228</b> |
| <b>Untaxed reserves</b>                           |        |                |                |
|   |        | <b>99 768</b>  | <b>93 035</b>  |
| Provisions  |        |                |                |
| Deferred tax liability                            | 16     | 323            | 402            |
| <b>Total provisions</b>                           |        | <b>323</b>     | <b>402</b>     |
| Current liabilities                               |        |                |                |
| Accounts payable                                  | 26     | 8 557          | 8 219          |
| Liabilities, Group companies                      |        | 50 011         | 5 155          |
| Tax liabilities                                   | 16     | 5 052          | 895            |
| Other liabilities                                 |        | 1 110          | 1 130          |
| Accrued expenses and prepaid income               | 27     | 96 799         | 73 816         |
| <b>Total current liabilities</b>                  |        | <b>161 529</b> | <b>89 215</b>  |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b> |        | <b>424 585</b> | <b>287 880</b> |
| Pledged assets                                    |        |                |                |
|   |        | None           | None           |
| Contingent liabilities                            |        |                |                |
|   |        | None           | None           |