

ORC

Orc Software

Providing Technology for Advanced Market Making,
Trading and Brokerage

Year-end report -
2003

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Software



Market Trends – Full Year

- Cost awareness
- Consolidation and fewer geographical hubs
- Accelerated transformation into electronic trading in the US



Highlights – Full Year

- Full product range was launched
- A number of high profiled partners were added to the Orc ExNet network
- 13 new direct market connections
- New organization as of September 1st



Highlights – Q4

- Increased technology investment activity
- Orc Liquidator launched
- High intensity in co-operation with Reuters
- Opening of Chicago office



Strategies

- Widening the use of the Orc Technology
 - Protects the investments of the clients
- Identify and prioritize existing and emerging markets
- Improve network of distributors and third-party vendors



Widening The Use of The Orc Technology

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- Order Management prioritized
- Making the trading edge sharper with Orc Liquidator
- Simplifying development and integration



Financials

Highlights – Financial Full Year

- Systems revenue is growing
- Investments in product development, marketing and sales
 - Lower margin today
- Capture future growth opportunities



Jan - Dec 2003

- Revenue decreased by 9% to MSEK 249
- Operating income decreased by 36% to MSEK 74
- Operating margin of 29.9%

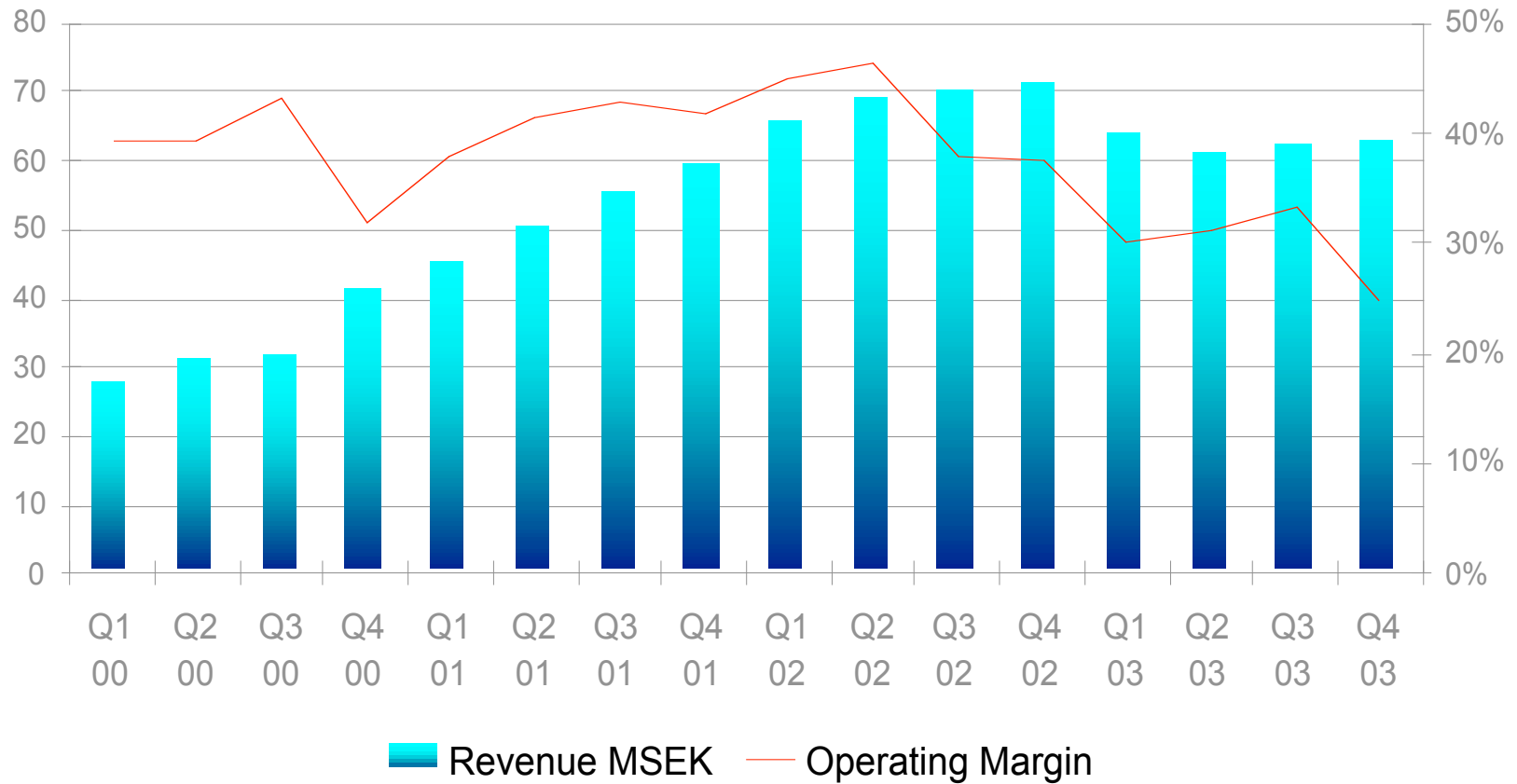


Oct - Dec 2003

- Revenue MSEK 62
- Operating costs MSEK 47
- Operating income MSEK 16
- Operating margin of 24.9%



Quarterly Performance



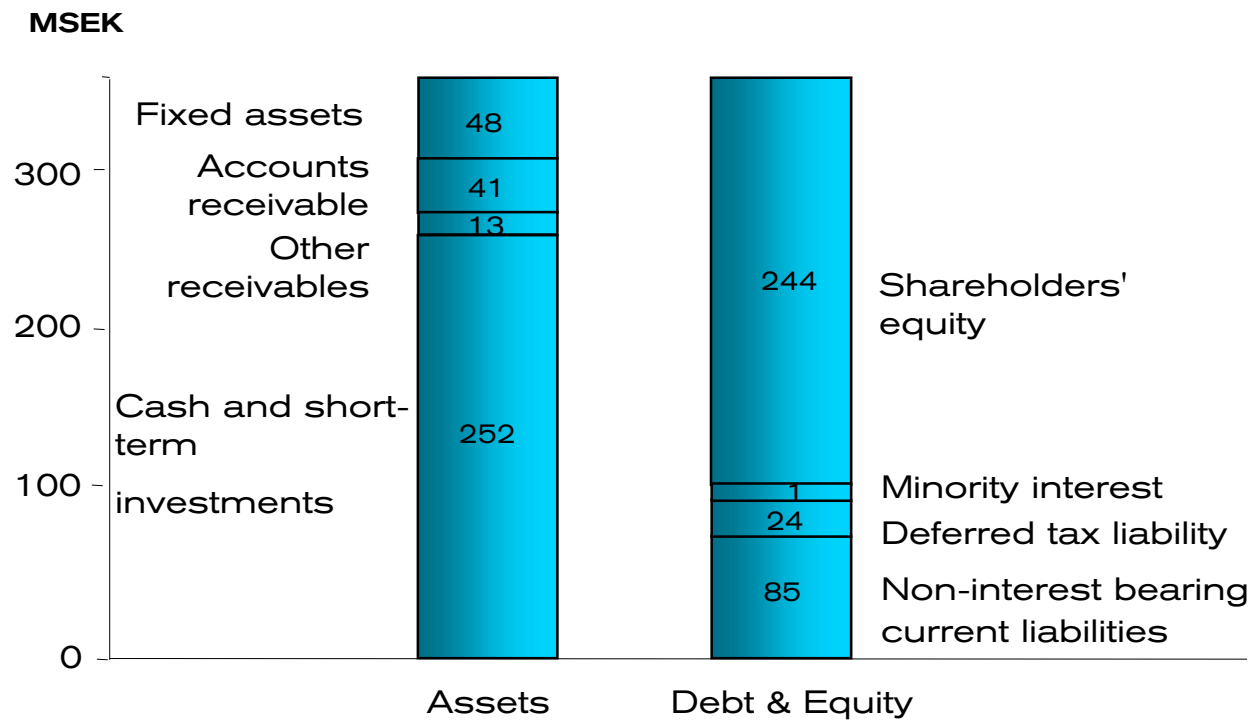
Change in Number of Client Sites from Q1 to Q4 2003

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	Q4	Q3	Q2	Q1	Total
New sites	6	7	7	7	27
Lost sites	9	19	6	3	37
Net change	-3	-12	+1	+4	-10



Balance Sheet - Dec 31, 2003



Outlook

- Investments in marketing and sales will positively contribute during the second half 2004
- Continued investments in marketing, sales and development



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