




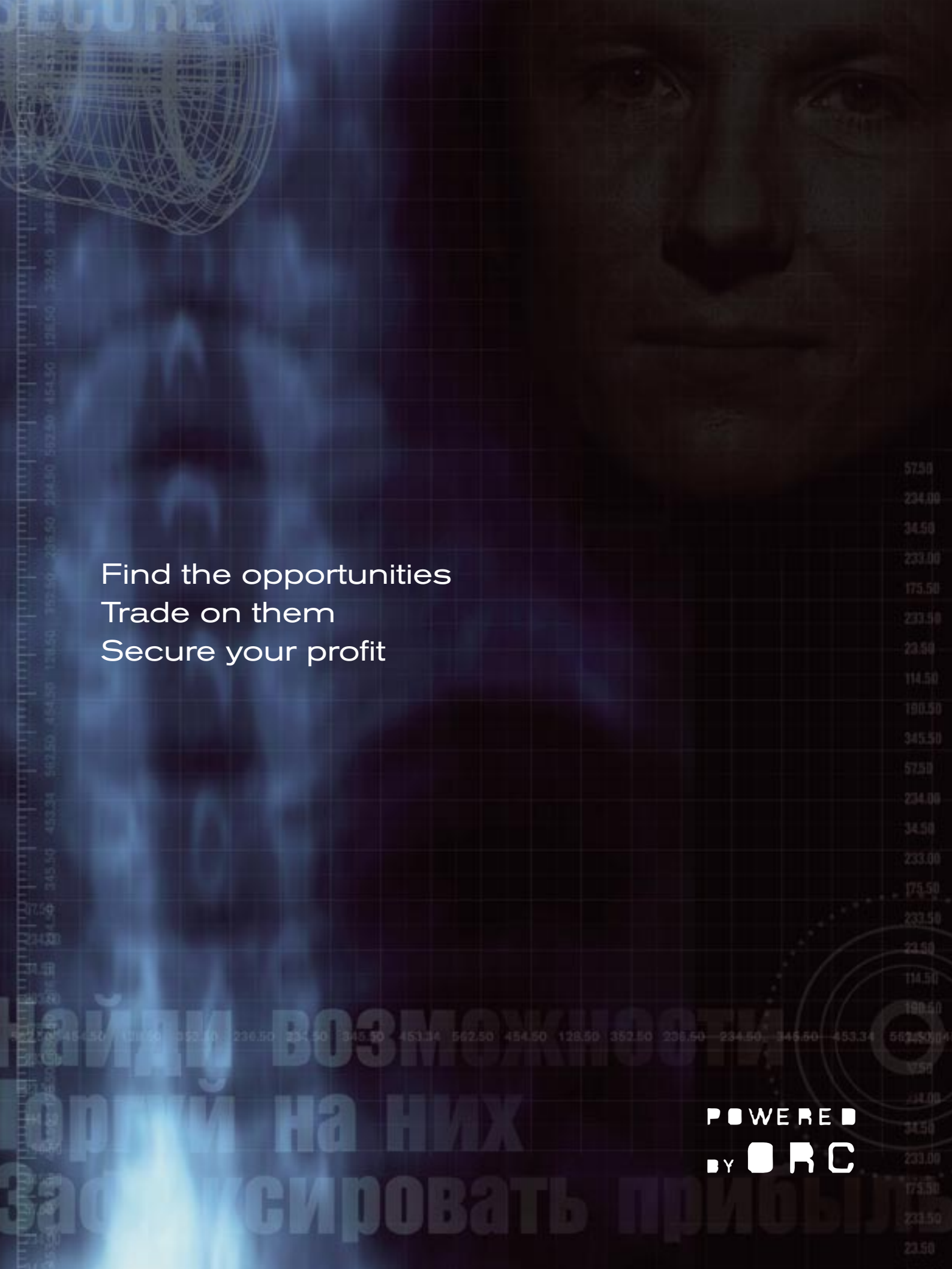
ORC

Orc Software



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234 367 453 453 2112 45



Find the opportunities
Trade on them
Secure your profit


Найди возможности
Торуй на них
Закфиксируй прибыль

POWERED
BY ORC



Orc Software provides business-critical, dynamic and turnkey technology that enables participants who trade on electronic marketplaces to fully realize their market and revenue potential on a global scale.

Orc Software's objective is to be the leading global supplier of technology for electronic trading and to constitute the core technology of the client's business operations. Orc Software shall be the first choice of third-party developers, consultants and business partners, and provide service and support of the highest quality.

A stylized, high-contrast, black and white image of a ship's hull, showing the curved structure of the hull and the deck area. The image is partially obscured by the text.

THE
MISSION



■ ■ N ' T TAKE
■ O U R W O R D F O R I T .
T A K E T H E I R S .





THE WORLD'S LEADING FINANCIAL INSTITUTIONS AS CLIENTS

Orc Software's clients are market participants who trade on electronic marketplaces. The majority work with complex financial transactions and therefore place very high demands on the effectiveness, functionality and reliability of their trading systems. Clients include investment banks, trading and market making firms, brokerage houses, Internet brokers, institutional investors, hedge funds and electronic exchanges. They use the Orc System for analysis, electronic and automated execution, as well as risk management.

Orc Software's clients include a large portion of the leading institutions in the international financial markets, such as Citibank, Dresdner Kleinwort Wasserstein, JP Morgan, Merrill Lynch, UBS Warburg, Crédit Lyonnais, Soros Fund Management and E*TRADE. At the end of 2001, the Orc System was used by 145 client sites in 18 countries in Europe, North America, Asia and Australia.

INVESTMENT BANKS

Investment banks use the most advanced components of the Orc System to trade on several markets simultaneously and in multiple currencies. For an international investment bank, it is important to be able to price and trade complex derivative products and to monitor their global risk in real-time.

TRADING AND MARKET MAKING FIRMS

Traders and market makers place very high demands on functionality, speed, reliability and user-friendliness. The Orc System's real-time pricing and automated quoting functions make it easy for market makers to fulfil their obligations. They also value the integrated position keeping and risk management in real-time, as well as the ability to trade on a large number of marketplaces globally.

BROKERAGE HOUSES

Traditional brokerage houses use the Orc System to improve the efficiency of order management and order execution. From a single workstation, a broker can trade on several marketplaces and in several instruments simultaneously. The Orc System also enables integration with the client's administrative systems, as well as an automatic control of the order flow – which together considerably reduce costs and risks for the client.

INTERNET BROKERS

Internet brokers place very high demands on effective system support that can ensure that the end-client's order is directly forwarded to the marketplace, and that the end-client can always see the order

status. Through the built-in order validation of the Orc System, an assessment of the end-client's credit-worthiness can be carried out in real-time, which reduces the risk for the brokerage house. Other advantages are the ability to trade on many marketplaces, that the Orc System can easily be integrated in existing infrastructures, and that the system can handle large transaction volumes.

INSTITUTIONAL INVESTORS

Institutional investors primarily require portfolio and risk management as well as order execution. Orc Software offers these institutions risk management in real-time and efficient execution via brokers in a large number of marketplaces, which in turn enables a reduction in the number of trading terminals.

HEDGE FUNDS

Like institutional investors, hedge funds use the Orc System for advanced portfolio and risk management and for order execution. Hedge funds also appreciate the ability to price and trade complex derivative products.

ELECTRONIC EXCHANGES

An electronic marketplace consists of the market's central system as well as the systems that the members use when trading. An increasing number of exchanges choose to offer or recommend the Orc System to their members, in line with the increase in demand for electronic trading systems. An example is the International Securities Exchange (ISE), an American derivatives exchange, where Orc Software via ISE has approximately 25 clients.



CUTTING EDGE
TRADING AND RISK
MANAGEMENT SOFTWARE

управление рисками



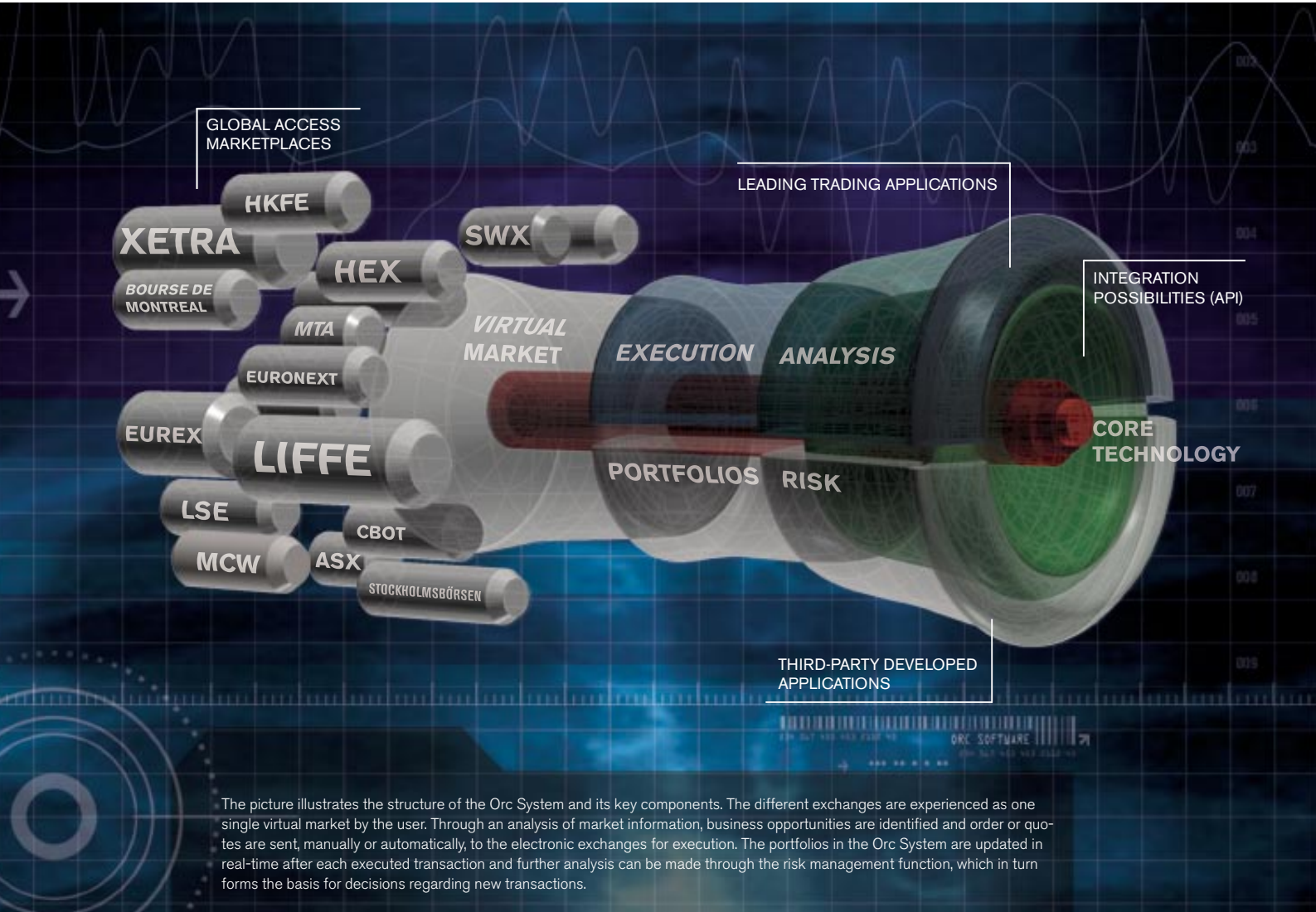
THE ORC SYSTEM



The Orc System is a standardized software system for trading in real-time. From a single workstation, a client can trade on several different electronic marketplaces simultaneously. The Orc System contains advanced calculation models for analysis and pricing of financial instruments. A further important component of the Orc System is integrated portfolio and risk management. The system is flexible and user-friendly as well as being easy to install and maintain.

With the Orc System, clients can quickly identify and price business opportunities, effectively and safely carry out transactions via fast and reliable market connections, as well as monitor their total risk via the system's risk management functionality in a single system. All in real-time. Examples of financial instruments traded are equities, options, futures, bonds, commodities and energy contracts, as well as currencies.

THE ORC SYSTEM

**GLOBAL MARKET ACCESS**

An Orc System user can currently be connected to more than 35 different electronic marketplaces in real-time. This implies that a client can act simultaneously on marketplaces in several countries and in different instruments without having local representation. The client can trade via the direct market connections wherever they hold exchange membership. Using the Orc System, a client can also place orders via a broker in marketplaces where the client is not a member. In addition to different marketplaces, the Orc System can be connected to

several information services. The number of marketplaces and information services is increasing continuously in line with the establishment of further electronic marketplaces.

LEADING TRADING APPLICATIONS

The Orc System offers several trading applications that have been specially designed for different kinds of users and areas of use.

Orc Software's most advanced trading application is designed for professional traders and market makers whose business activity is characterized by

MARKETPLACES, DECEMBER 31, 2001**Equities**

Australian Stock Exchange						
seats market	ASX	Australia	Hong Kong Futures Exchange	HKFE	China	
Copenhagen Stock Exchange	CSE	Denmark	International Securities Exchange	ISE	USA	
Euronext		France	Italian Derivatives Market	IDEM	Italy	
		/Belgium	London International Financial			
		/Holland	Futures and Options Exchange	LIFFE	United Kingdom	
HEX equities	HSE	Finland	Mercato Covered Warrants	MCW	Italy	
Jiway	JIWAY	Global	Oslo Stock Exchange	OSE	Norway	
London Stock Exchange	SETS	United Kingdom	Stockholmsbörsen		Sweden	
Mercato Telematico Azionario	MTA	Italy				
Nordic Growth Market	NGM	Sweden				
Oslo Stock Exchange	OSE	Norway				
Russian Trading System	RTS	Russia				
Stockholmsbörsen		Sweden				
Swiss Exchange	SWX	Switzerland				
TLX	TLX	Italy				
virt-x		United Kingdom				
		/Switzerland				
Xetra	XETRA	Germany				
Xetra Vienna	WBAG	Austria				

Derivatives

Australian Stock Exchange						
options market	ASX Opt	Australia				
Austria Stock and						
Options Exchange	ÖTOB	Austria				
Bourse de Montréal	ME	Canada				
Chicago Board of Trade	CBOT	USA				
Eurex	EUREX	Switzerland				
		/Germany				
Euronext	MONEP/MATIF	France				
		/Belgium				
		/Holland				
HEX derivatives	SOM	Finland				

Bonds

Copenhagen Stock Exchange	CSE	Denmark
Stockholmsbörsen		Sweden

Energy

Nordic Power Exchange	Nord Pool	Denmark
		/Finland
		/Norway
		/Sweden

Pulp

Pulpex		United Kingdom
		/Sweden

Order Routing Networks

Bridge Trading		Global
Lexit		USA
NeoNet		Europe

Information Vendors

BridgeFeed		Global
Open Trade		United Kingdom
RendezVous		Global
Reuters SSL		Global

very transaction-intensive trading and complex risk management. The product enables rapid pricing of a large number of financial instruments, as well as advanced automatic execution and automatic hedging functionality. Portfolios are updated immediately and key figures for risk are calculated in real-time.

The Orc System also offers trading applications that are specially designed for brokers who need rapid price information and the ability to place large transaction volumes. With the help of the system, order validation takes place via direct credit control of the end-client's account. In addition, the user can

quickly and easily produce reports of transactions carried out.

For clients with simpler needs, there are trading applications for use over the Internet. The client can receive price information in real-time, place orders directly to the market, as well as monitor orders and positions. These applications in turn enable Orc Software's clients to provide their institutional and retail clients access to a tool created for professional traders.

The administration and monitoring tools of the Orc System enable the client to add users and mar-

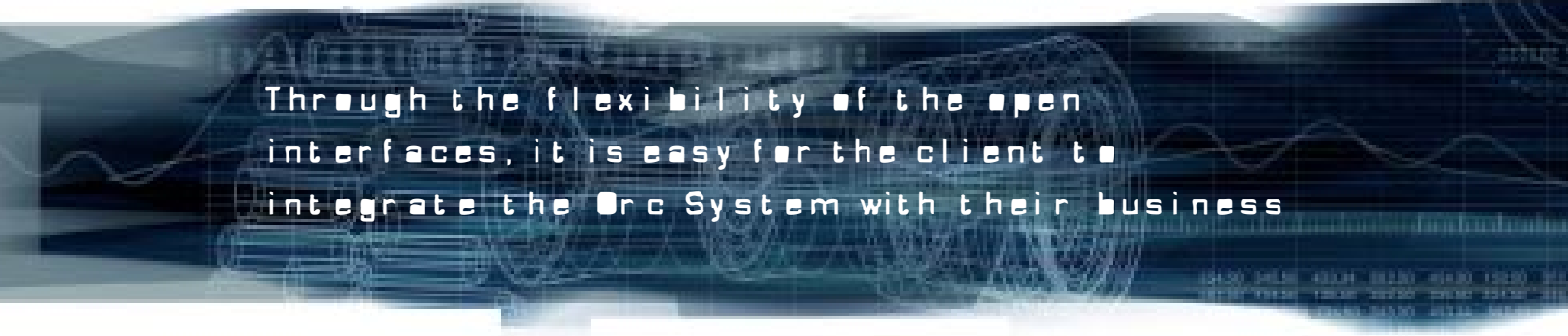
ket connections to the system, and to regulate authority. The client can also set security barriers that regulate the maximum risk a trader or end-client may take.

FLEXIBLE INTEGRATION POSSIBILITIES

Open interfaces are provided by Orc Software in order to facilitate the development of solutions that complement the Orc System. Through the flexibility of these open interfaces, it is easy for the client to

further development of the standard products. Through the developers of Orc Software having a close dialogue with clients, the Company is able to pick up new ideas at an early stage and to implement them in the system – thus enabling all clients to benefit from improvements and new features.

Most development takes place centrally at the Group's head office in Stockholm, although Orc Software also has a development office in Moscow that primarily works with new market connections,



Through the flexibility of the open interfaces, it is easy for the client to integrate the Orc System with their business

integrate the Orc System with their business systems, for example back-office systems, and to develop additions and adaptations such as pricing models. With the Orc System as a base, clients can also build their own products that can then be offered to end-clients. The Orc System thereby acts as a technological platform around which the various business systems of the client are designed.

THE ORC TECHNOLOGY

The various trading applications use a central server, where for example information about positions, orders and transactions is stored. It is also the server that is connected to the different electronic marketplaces. The server has a flexible design, is completely scalable and uses one of the most robust operating systems in the industry, Sun Solaris.

The trading applications are available for the Mac OS X and Windows NT/2000/XP operating systems, and the Internet-based applications are available for all Java-compatible platforms.

ONGOING PRODUCT DEVELOPMENT

The financial markets change continuously, and software must be adapted on an ongoing basis in order to maintain its competitive edge. To be at the forefront of technological development is a central part of Orc Software's strategy, and the Company invests considerable resources in product development. Orc Software develops standardized solutions and focuses its development resources on the

as well as development activities in St Petersburg, Frankfurt, London and Hong Kong.

LICENSE MODEL

Orc Software licenses the Orc System to clients, who pay a quarterly license fee per user and server software. The license fee includes service, ongoing support and new versions. This means that the client is aware of and can control total costs, and can avoid resource-demanding and expensive updating of internally developed systems. In addition, no large initial investments are required.

PARTNERSHIP CREATES NEW PRODUCTS

Orc Software's objective is that the Orc System shall be the platform on which clients base their securities trading. It is therefore in the interest of Orc Software to stimulate and to help other companies to integrate their products with the Orc System.

An increasing number of companies that deliver products and services to Orc Software's clients would like to make their products compatible with the Orc System. There is also considerable interest being shown by many clients, particularly by brokerage houses, for specific adaptations of the system. In order to satisfy these demands, Orc Software has started several strategic partnerships with the objective of providing brokers and other companies increased opportunities to offer end-clients customized solutions with the Orc technology as a base. For example, suppliers of information systems such

as Ecovision and Infront have included an order-entry feature, and can thereby offer a trading application based on Orc technology.

Through a partnership with Nordnet, Orc Software and Nordnet can sell joint technology to banks and brokerage houses who want to offer their retail clients electronic trading over the Internet.

Other types of third-party products and services that build on Orc technology are under development, which will enable Orc Software's clients to

ber of European marketplaces without the clients requiring membership status.

In the beginning of 2002, an agreement was also signed with Lexit Capital, LLC, an American brokerage house with access to all the major US stock exchanges, and mainly orientated towards European institutions and banks. The purpose of the agreement is to provide Orc Software's clients with the opportunity to trade on American marketplaces without requiring exchange memberships.



quickly and easily have access to integrated trading solutions and a large range of cost-effective consultancy services.

ORC EXNET

Orc ExNet Transaction Services was formed in the autumn of 2001. Orc ExNet's business concept is to offer Orc Software's clients access to marketplaces where the client is not a member. Many of Orc Software's clients currently use different order-entry systems for different marketplaces. This implies that a broker desk or a trading department often has one system to trade directly on its primary market and a number of other terminals in order to reach secondary markets.

Orc ExNet offers a service where the order-entry systems are integrated with the Orc System. The client therefore requires only one terminal and one system. This provides several advantages for clients:

- Increased and better functionality
- Reduced risk of incorrect registrations
- Risk management in real-time for all trading
- Fewer terminals

Orc Software has previously signed agreements with NeoNet and Bridge Trading Technologies. These agreements are now managed by Orc ExNet. Through the agreement with NeoNet, Orc ExNet can provide Orc Software's clients access to a num-

Orc ExNet's service creates the opportunity for Orc Software to broaden its product range and, amongst other things, offer institutional clients and other non market-members new trading opportunities in the Orc System.

ORC TRADELAB

Orc Tradelab Robotic Trading develops the Orc TradeBot software, which constitutes a valuable complement to the Orc System. Orc TradeBot can automatically match orders that clients have electronically placed with the broker. The order is analysed in accordance with decision criteria established by the user, and completion then takes place if these criteria are fulfilled. A broker can handle a considerably larger order-flow by using the system as opposed to manual handling. The technology is already being used with very good results.

Orc Tradelab is the result of a cooperation between Orc Software and Tradelab.

ORC EDUCATION

Orc Education offers a number of different training courses for users of the Orc System, from introductory courses to advanced courses in basket trading, volatility management, automatic quotation and risk management. The objective is for users to learn to fully benefit from all of the advantages of the Orc System.

ORC SOFTWARE AROUND THE WORLD

Sales and support of Orc Software's products is carried out from Stockholm and offices in Copenhagen, Frankfurt, Hong Kong, London, Milan, New York, Sydney and Zurich, as well as Montreal and Toronto from the first quarter 2002. Sales and support is carried out from these offices to the local and surrounding markets. Orc Software's international presence enables the Company to provide support in all time zones.

Orc Software offers high quality support that is guaranteed by employees who possess a solid knowledge of equities and derivatives trading, financial mathematics and technology. In order to prevent

potential problems, the support personnel offer advice and training so that clients can utilize Orc Software's products in the best possible way. A close cooperation globally between the support, sales and development functions ensures that knowledge is spread and that new functionality and new market connections can quickly be implemented for the client.

Orc Software's strategy is to establish sales and support offices in all major markets. It ensures that Orc Software can handle sales and delivery at a fast pace whilst maintaining high quality.

<p>ORC OFFICE < LONDON</p>  <p>ANNELIE EK KREPP, Manager of Orc Software United Kingdom "By creating a close client relationship with the international investment banks, Orc Software has quickly established a leading position in the British market."</p>	<p>ORC OFFICE < MILAN</p> 	
<p>ORC OFFICE < FRANKFURT</p> <p>ANDERS HENRIKSSON, Manager of Orc Software Germany "Orc Software has positioned itself as a standard within derivatives trading in the German market with several of the German market's key operators as clients."</p>	 	<p>MIKAEL KLINGMAN, Manager of Orc Software Italy "Orc Software has a very strong name as a supplier of systems for derivatives trading in Italy. Traders are now starting to understand that the system offers much more than this, which is also reflected in our growth figures."</p>
<p>ORC OFFICE < HONG KONG</p> <p>BERIT PETTERS, Manager of Orc Software Hong Kong "The positive reception of the Orc System in Hong Kong shows that we have a unique opportunity to provide the financial institutions in Asia with the best possible tool for execution and risk management in real-time."</p> 	<p>ORC OFFICE < COPENHAGEN</p>   <p>LARS PEHRSSON, Manager of Orc Software Denmark "Electronic trading with bonds is increasing in Denmark and has led to an increased interest in Orc Software's solution for bond trading."</p>	



<p>ORC OFFICE< ZURICH</p>  <p>YVO HOLLENSTEIN, Manager of Orc Software Switzerland "Orc Software is very well positioned for future expansion in Europe with market connections to all of the large European stock markets."</p>	<p>ORC OFFICE< STOCKHOLM</p>  <p>JESPER ALFREDSSON, Support Manager, Nordic Region "A business-critical system demands a robust solution in combination with high quality support and follow-up."</p>	
<p>ORC OFFICE< NEW YORK</p> <p>PER ANDERSSON, Manager of Orc Software North America "We are ready with one of the market's widest product ranges when screen-based trading becomes a reality in the US. Already today, Orc Software has a large number of clients in North America."</p>	 	<p>ORC OFFICE< STOCKHOLM</p>  <p>FREDRIK HJORTH, Sales Manager, Nordic Region "By understanding the client's business, we can deliver products that create revenue instead of costs."</p>
<p>ORC OFFICE< SYDNEY</p>  <p>MIKE GILBERT, Manager of Orc Software Australia "Having the ability to trade on both local and Asian markets from Australia on one platform with state-of-the-art real-time market access and portfolio management, is what all financial institutions in our market want."</p>	 <p>ORC OFFICE< STOCKHOLM</p>	

STOCKHOLM
COPENHAGEN
FRANKFURT
HONG KONG
LONDON
MOSCOW
MILAN
MONTREAL
NEW YORK
ST PETERSBURG
SYDNEY
TORONTO
ZURICH

12 < AFFÄRSIDE

Найди возможности
Торгуй на них
Зафиксируй прибыль

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Найди возможности





History

- 1987** Orc Software is founded by CEO Nils Nilsson and EVP Ulrika Hagdahl.
- 1992** Operations are focused on the development and sales of the Orc System. Own trading operations cease.
- 1993** Carnegie acquires 25 percent of the shares in Orc Software.
- 1995** First client outside the Nordic Region.
- 1997** OM acquires just over 50 percent of the shares in Orc Software.
- 1998** First sales and support office outside Sweden is opened in Denmark.
- 1999** Orc Software takes over OM's international distribution operations of the Orc System at OM's offices in Australia, Italy and the United Kingdom.
- 2000** Offices are established in Germany, Russia and the US. Orc Software's shares are listed on the O-list of Stockholmsbörsen.
- 2001** Orc ExNet and Orc Tradelab are started. Agreements are established with NeoNet, Nordnet, Ecovision and Infront. Offices are opened in Hong Kong, St Petersburg and Switzerland. Orc Software receives award for best IPO prospectus.

About Orc

Orc Software develops and markets standardized software for trading in real-time. The Orc System includes trading with equities, derivatives, bonds, commodities and energy contracts, as well as currencies, and enables the client to trade simultaneously on more than 35 marketplaces around the world.

Orc Software is a leading international supplier with clients in 18 countries and offices in 11 countries. The Company's most important clients include investment banks, trading and market making firms, brokerage houses, Internet brokers and institutional investors. In 2001, the Company's total revenue amounted to SEK 210 million with an operating income of SEK 86 million.

ORC

Orc Software

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