

Online Resources Corporation

**Fourth Quarter & Full Year 2008
Earnings Conference Call**

February 26, 2009



Forward-looking Statements

The following information from Online Resources Corporation contains statements about future events and expectations of Online Resources, which are “forward-looking statements.” Any statement that is not a statement of historical fact may be deemed to be a forward-looking statement. These statements include:

- Forecasts of growth in and penetration of Online Resources’ financial institution customer base, increases in the number and pricing of transactions being processed by financial institution customers and the industry in general, and growth in the number of consumers using online banking and bill payment services;
- Statements regarding Online Resources’ plans for achieving greater profitability and its business outlook for 2009 and beyond;
- Statements regarding Online Resources longer-term profit targets, including but limited to user adoption rates, gross margin, and net margin targets;
- Statements regarding Online Resources’ cash position and its ability to cover operating losses; and
- Other statements, including statements containing words such as “anticipate,” “believe,” “plan,” “estimate,” “expect,” “seek,” “intend,” and other similar words that signify forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Specifically factors that might cause such a difference include, but are not limited to the Company’s: history of losses; dependence on the marketing efforts of third parties; potential fluctuations in operating results; ability to make and successfully integrate acquisitions of new businesses; potential need for additional capital; potential inability to prevent systems failures and security breaches; potential inability to expand services and related products in the event of substantial increases in demand; competition; ability to attract and retain skilled personnel; reliance on patents and other intellectual property; exposure to the early stage of market adoption of the services it offers; exposure to the consolidation of the banking and financial services industry; and additional risks and uncertainties discussed in filings made by the company with the Securities and Exchange Commission, including those risks and uncertainties contained under the heading “Risk Factors” in the company’s Form 10-K, latest 10-Q, and S-3 as filed with the Securities and Exchange Commission.

Investors, potential investors and other listeners are urged to consider these factors carefully in evaluating the forward looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this presentation and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.



4Q & Full Year 2008 Financial Results

Cathy Graham, EVP & CFO

4Q Operating Highlights

Ray Crosier, President & COO

Strategic Performance Review

Matt Lawlor, Chairman & CEO

1. Cash Flow Expectations

	2008	2009*
Pre-Debt Service Cash Flow	19	28
Debt Service	14	20
Free Cash Flow	5	8

2. Cash & Short Term Investments YE 2008 \$24 million

* mid-point of guidance in millions

4Q & Full Year 2008 Financial Results

Cathy Graham, EVP & CFO



4Q Operating Highlights

Ray Crosier, President & COO

Strategic Performance Review

Matt Lawlor, Chairman & CEO

	3Q08 (in millions)	4Q08 (in millions)
Banking		
Bill Payment Transactions	39.1	39.4
eCommerce		
User Paid Transactions	1.7	1.6
Biller Paid Transactions	11.3	11.8

ORCC Top 100 Clients

		Sold New	Renewed Existing
Banking	64	2	4
eCommerce	<u>36</u>	<u>3</u>	<u>7</u>
	100	5	11

Staying Ahead of the Curve

Spring '08

- **Hiring freeze**

Fall '08

- **Staff reduction to right-size business**
- **Halt non-essential CapEx**
- **Allow senior management to exchange some cash compensation for equity**

Early '09

- **Staff salary reduction**
- **On-going control of discretionary spending**

4Q & Full Year 2008 Financial Results

Cathy Graham, EVP & CFO

4Q Operating Highlights

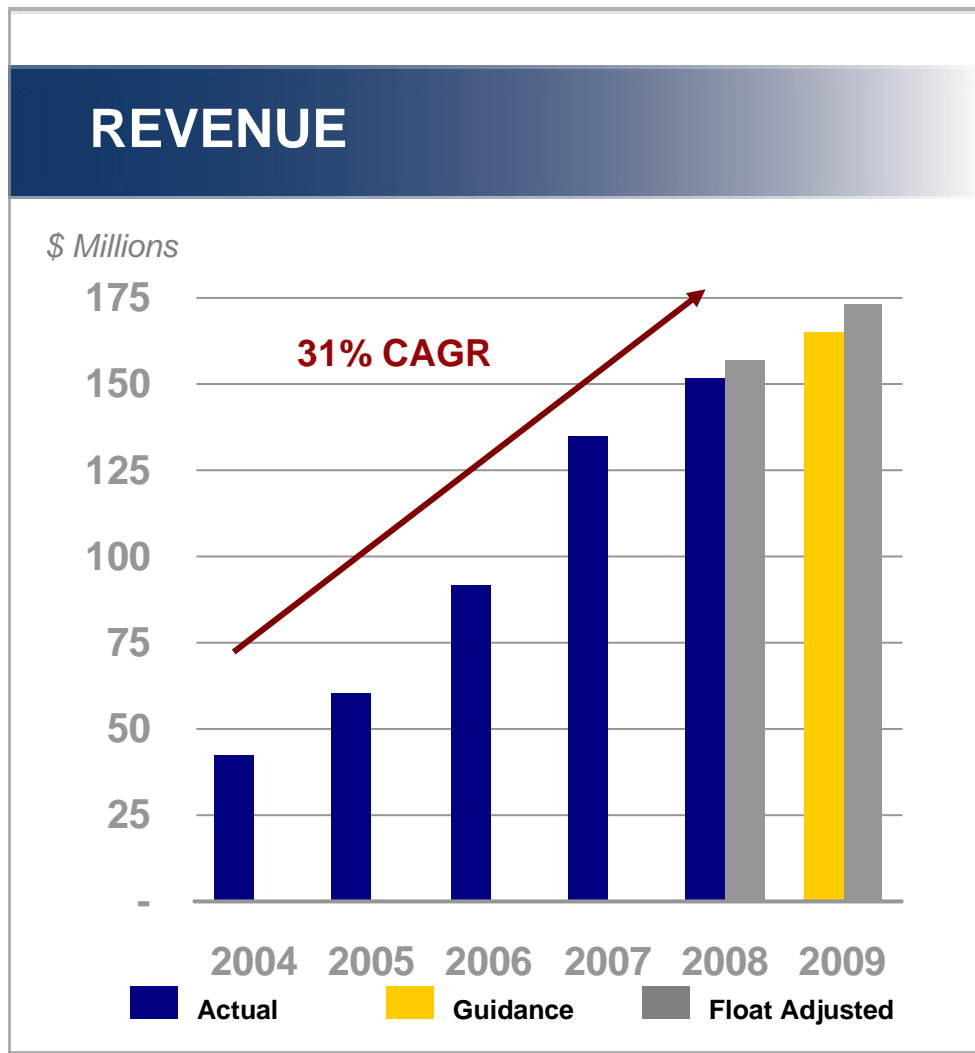
Ray Crosier, President & COO



Strategic Performance Review

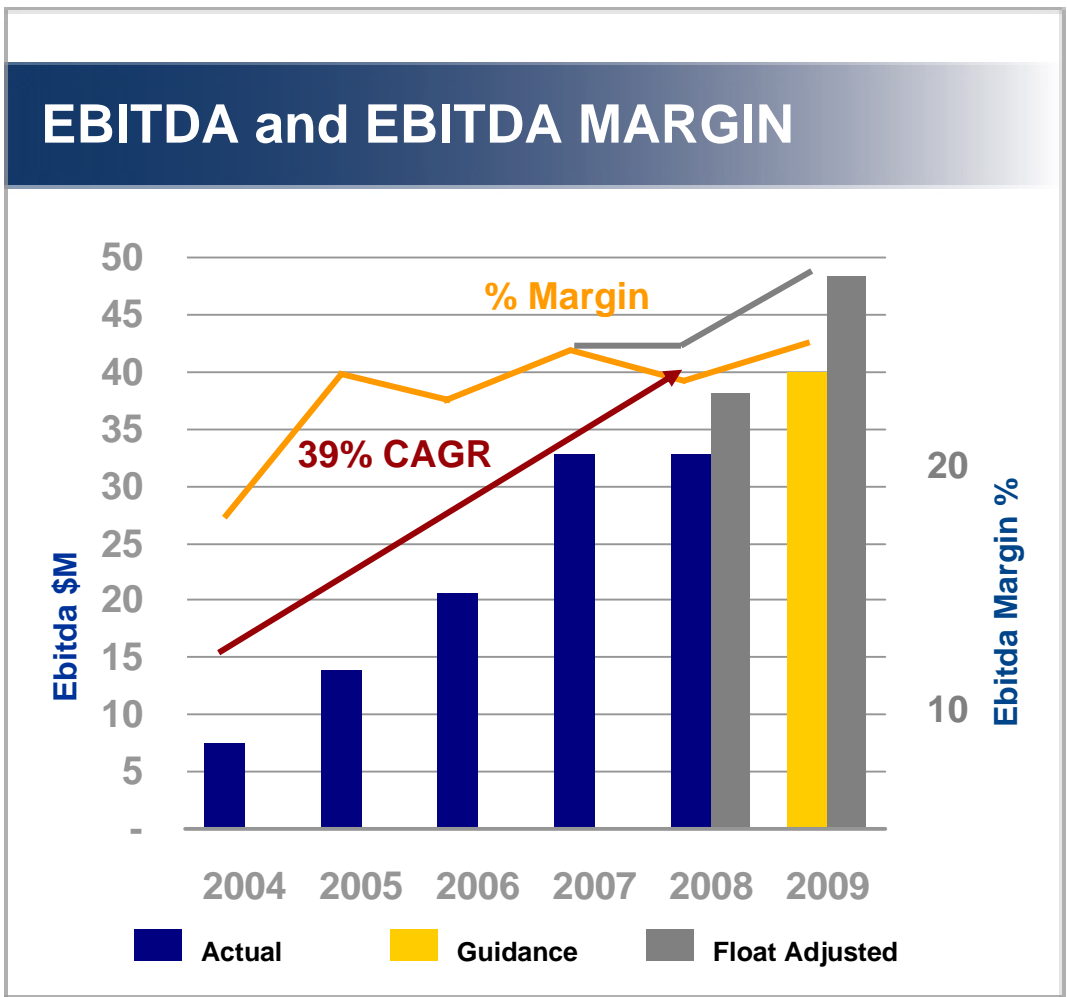
Matt Lawlor, Chairman & CEO

How We Performed – Versus Prior Periods



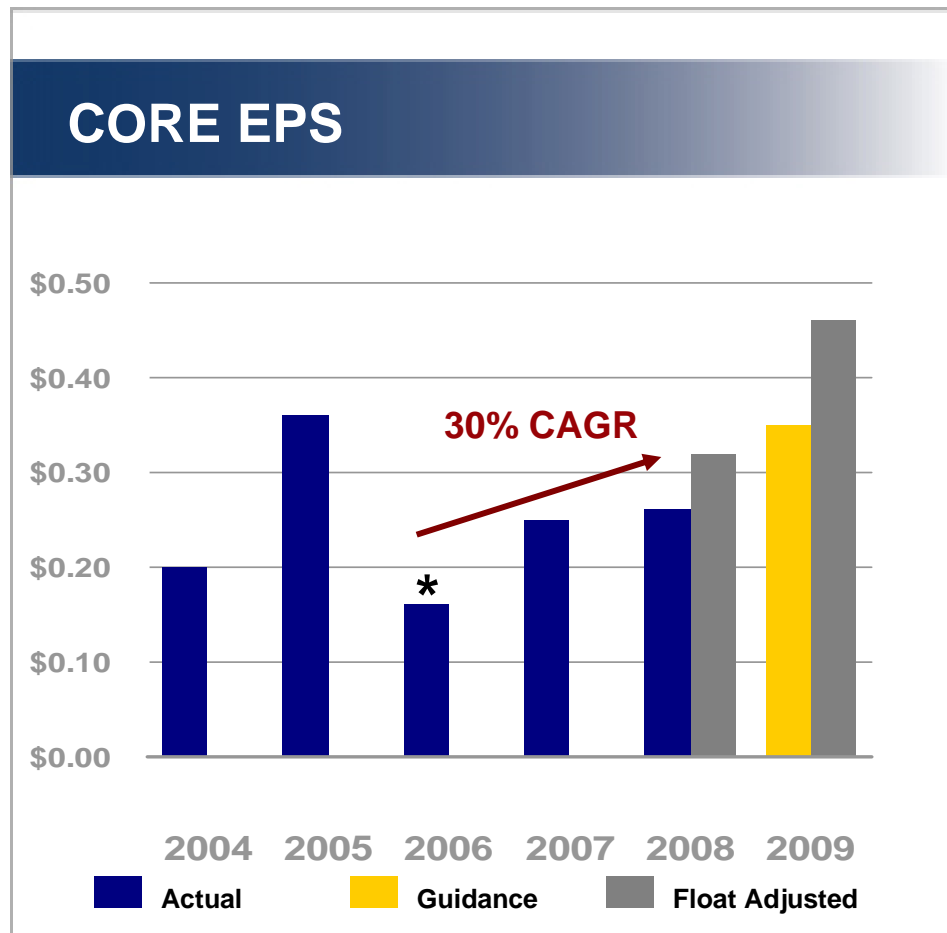
2009 Guidance
9% Growth
(at midpoint)

3 Year Strategic Goal
10-20% CAGR



2009 Guidance
28+% Margin
 (exiting 2009)

3 Year Strategic Goal
30+% Margin



2009 Guidance

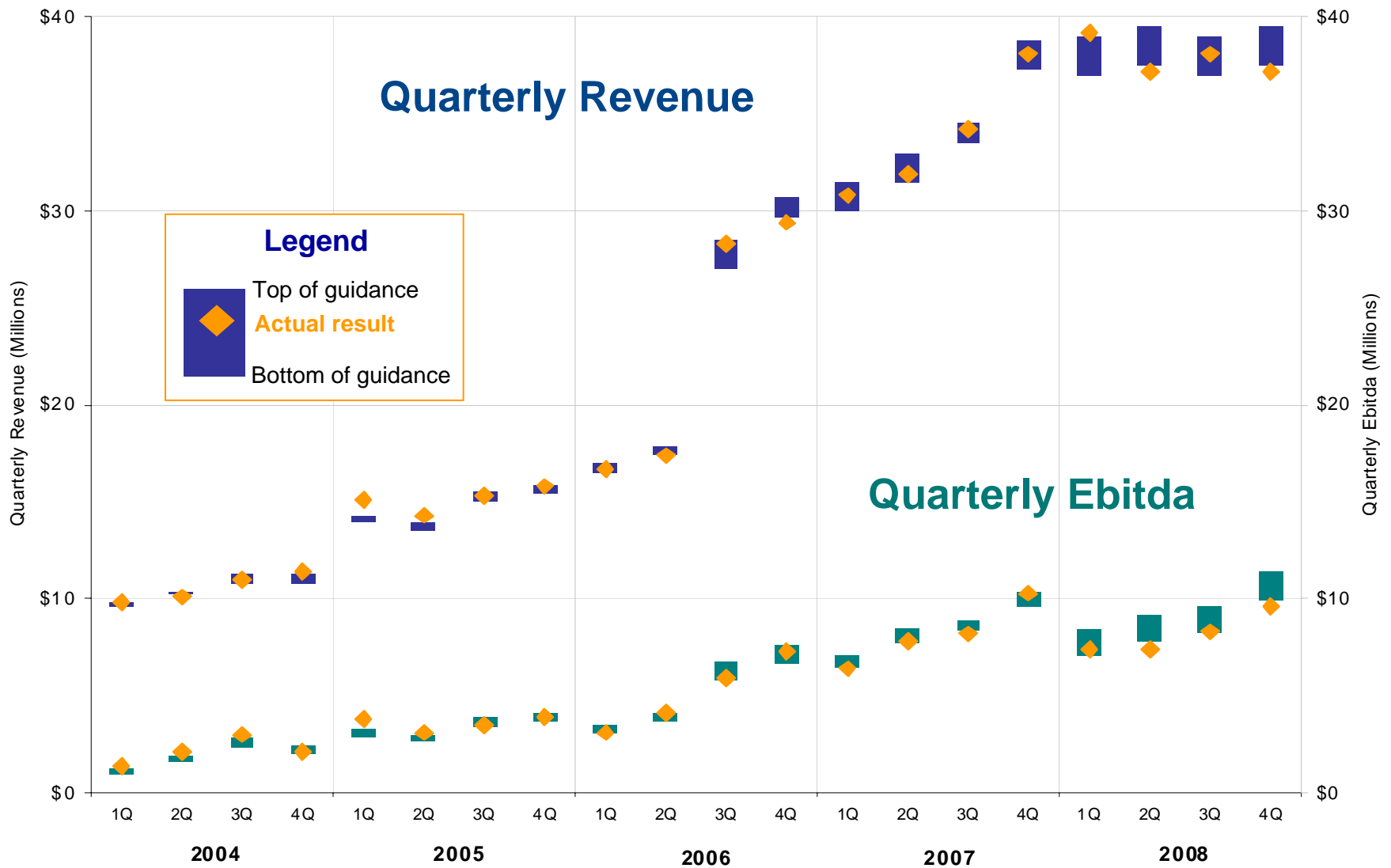
**46% Growth
(at midpoint)**

3 Year Strategic Goal

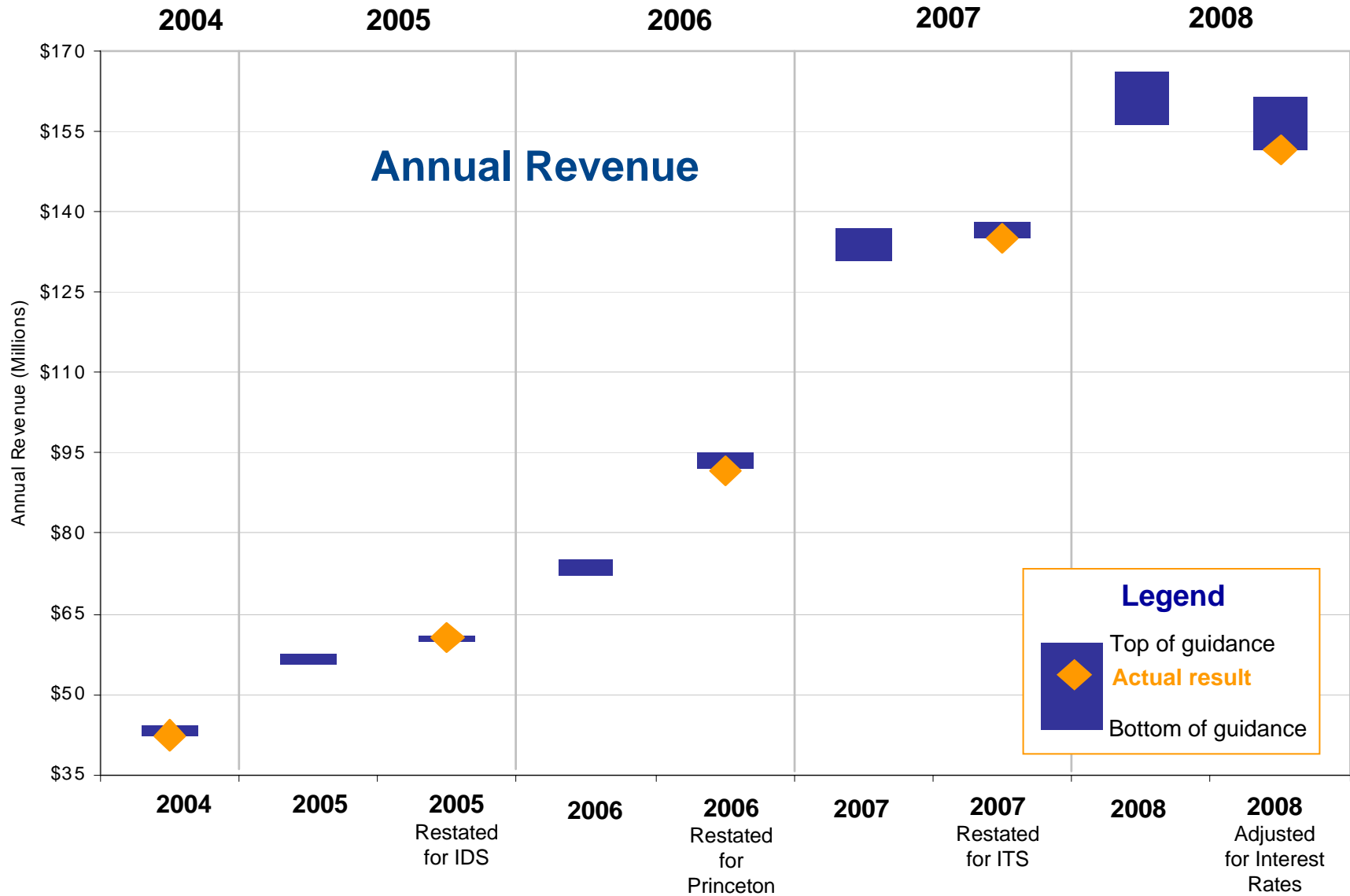
20-25% CAGR

** Incurred \$160m in debt and preferred financing to acquire Princeton eCom*

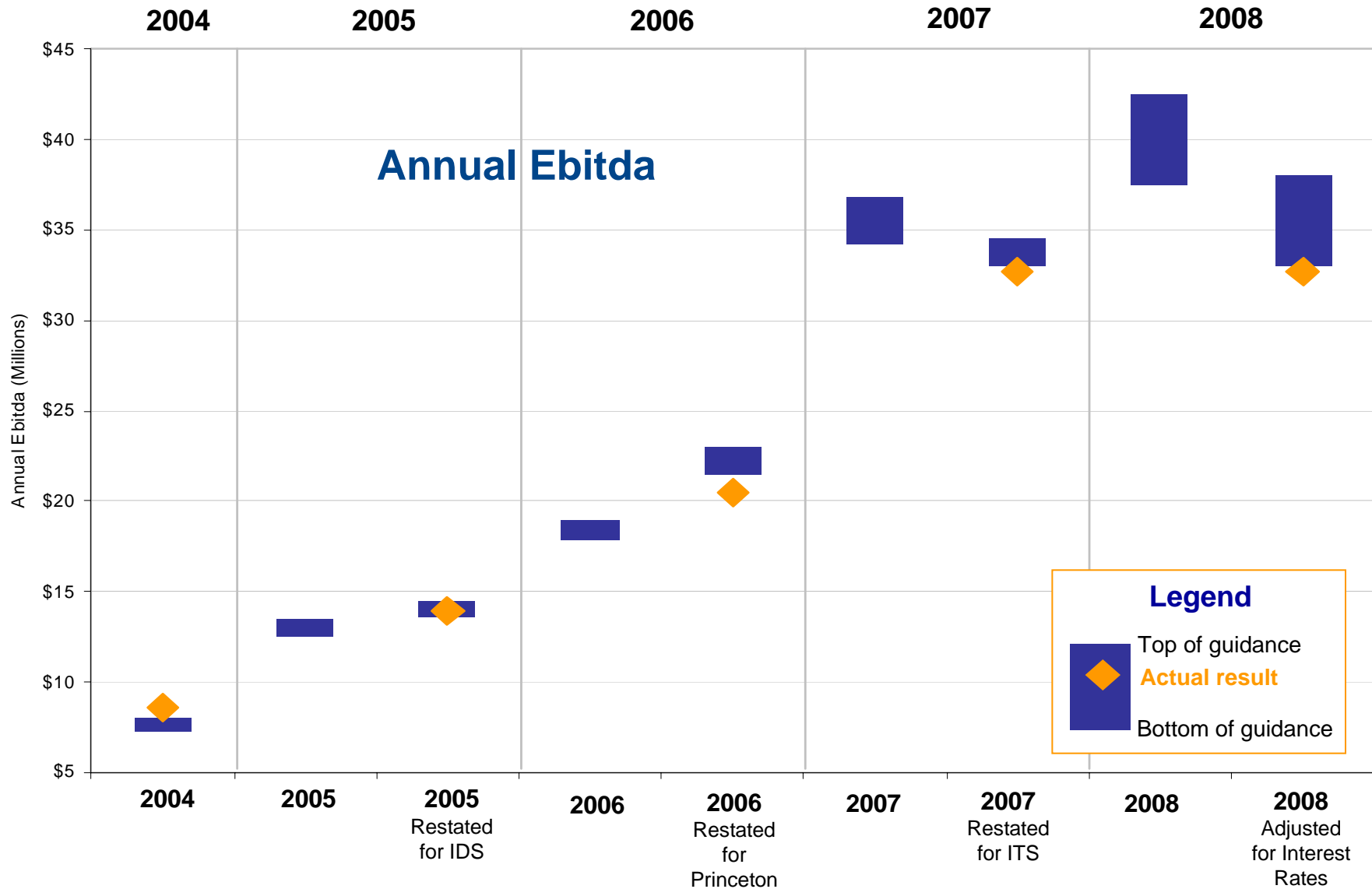
How We Performed – Versus Guidance



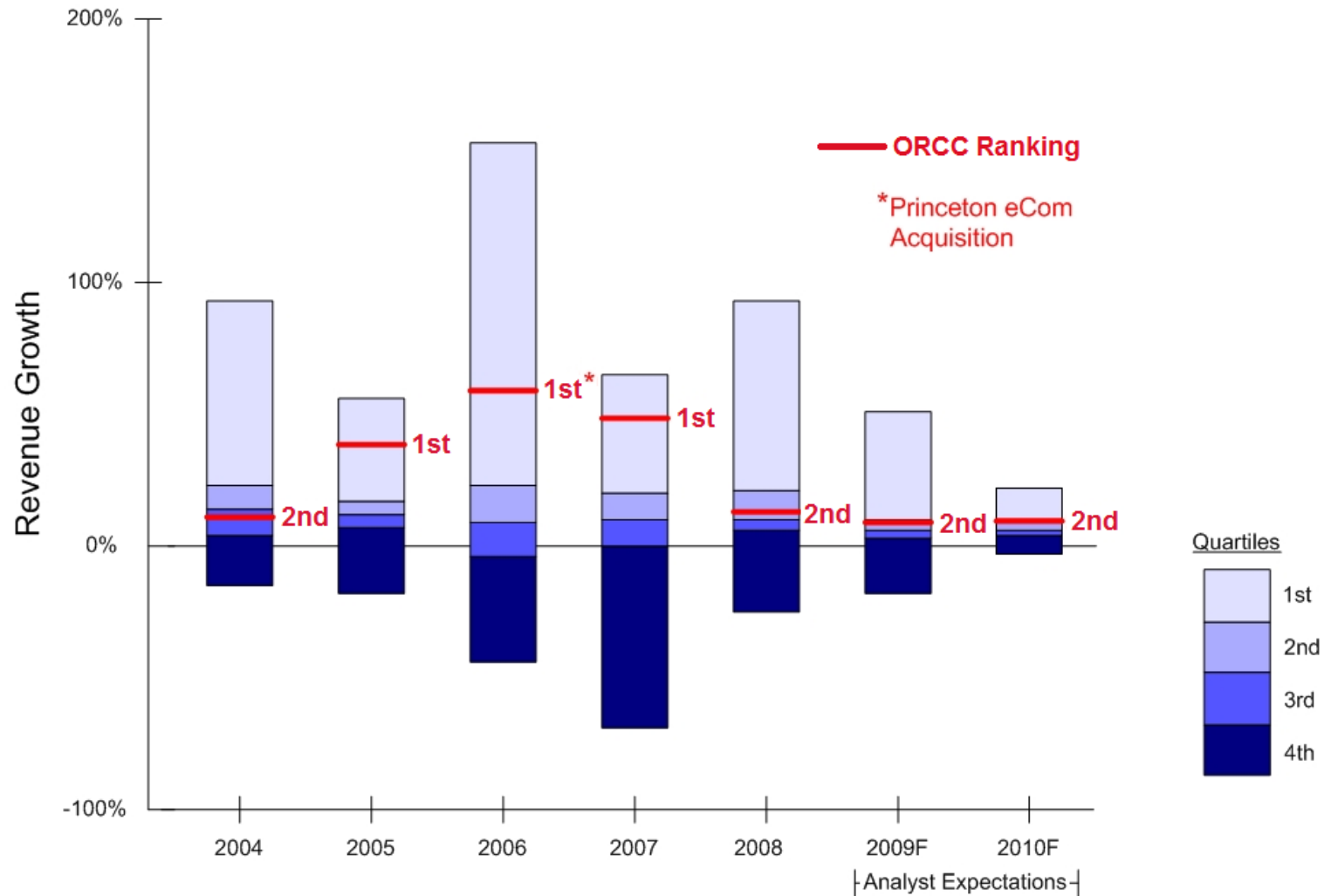
How We Performed – Versus Guidance



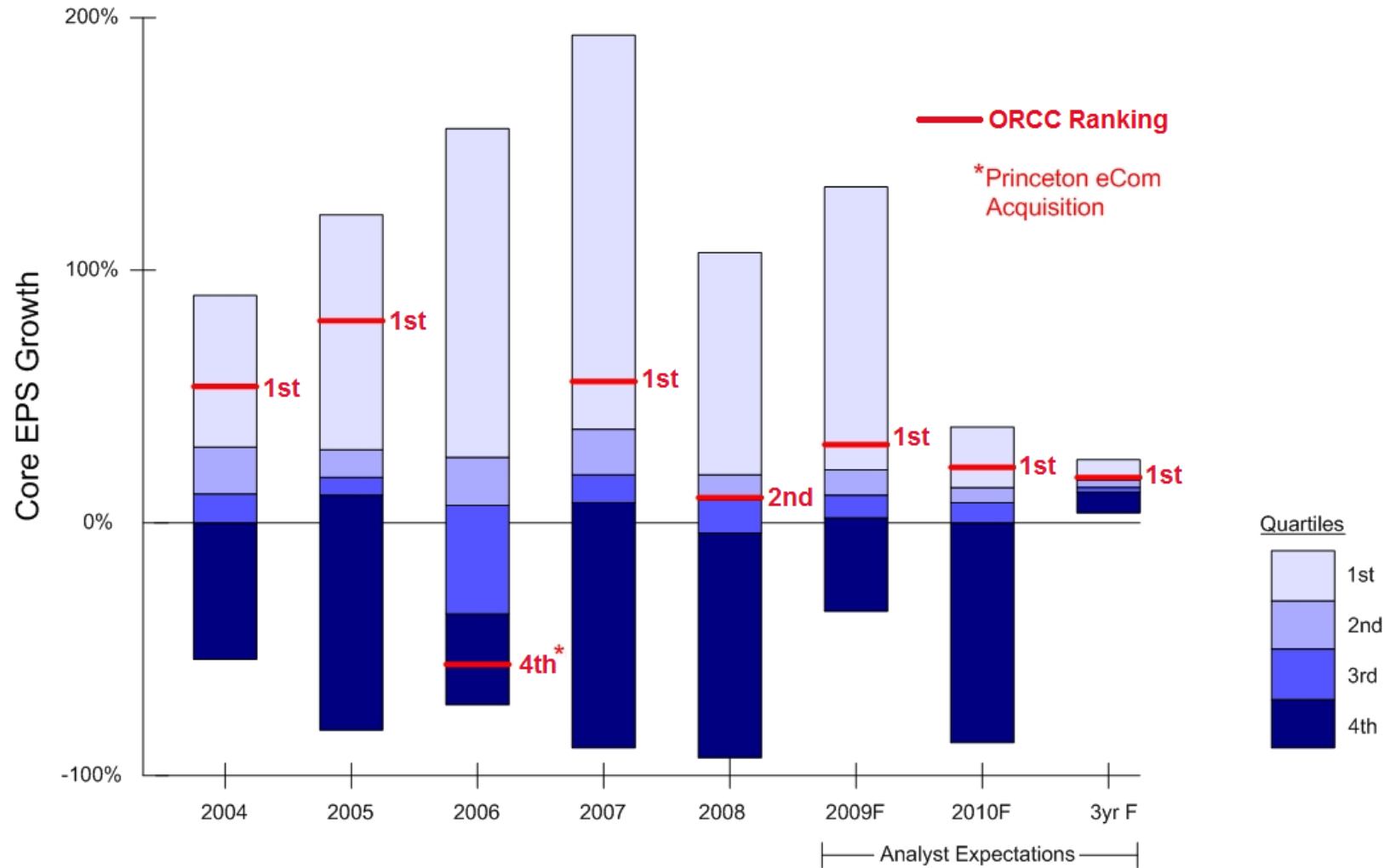
How We Performed – Versus Guidance



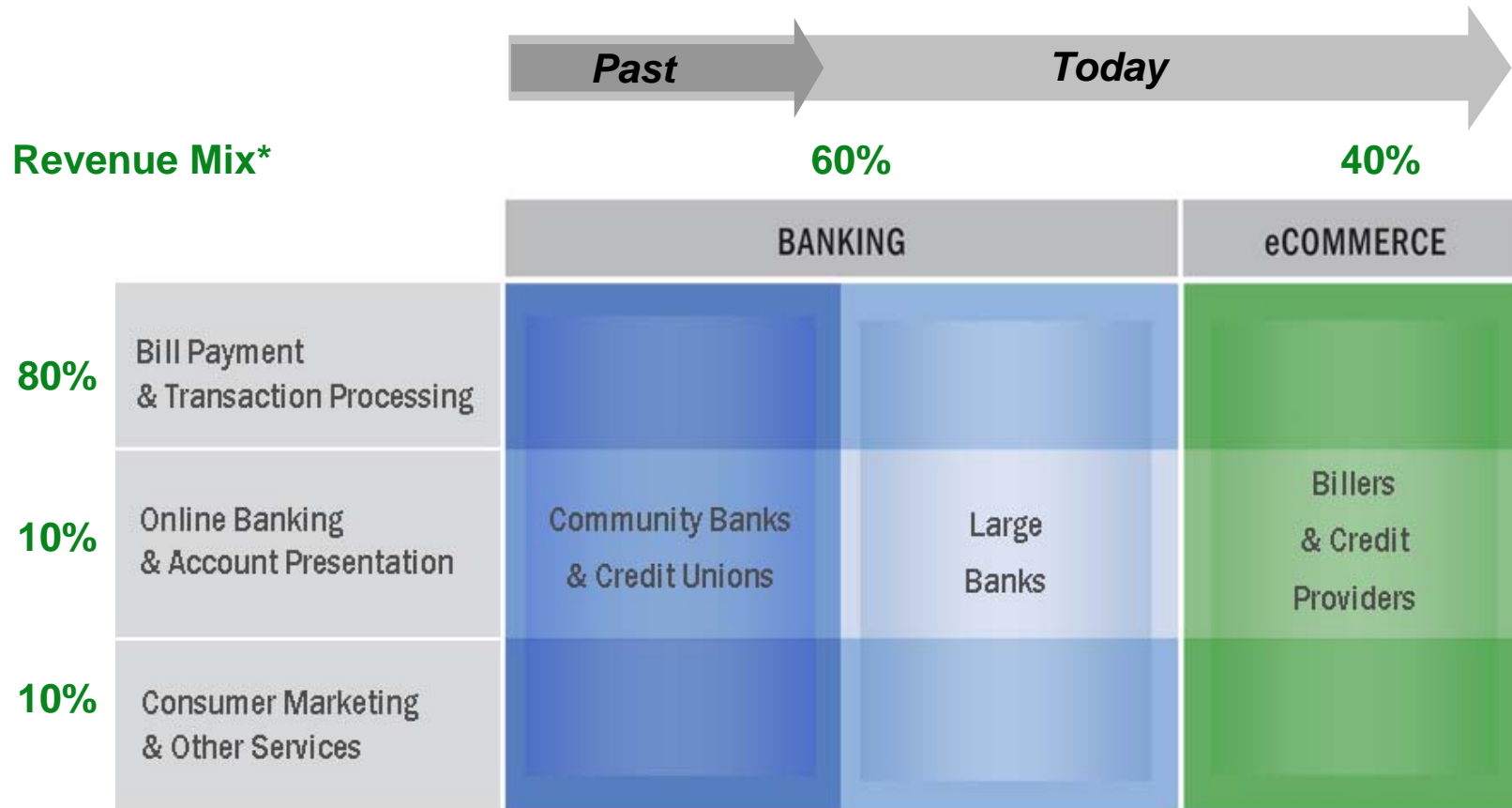
Revenue Growth Ranking by Quartiles



Core EPS Growth Ranking by Quartiles



Expanded Services and New Products in Complementary Markets



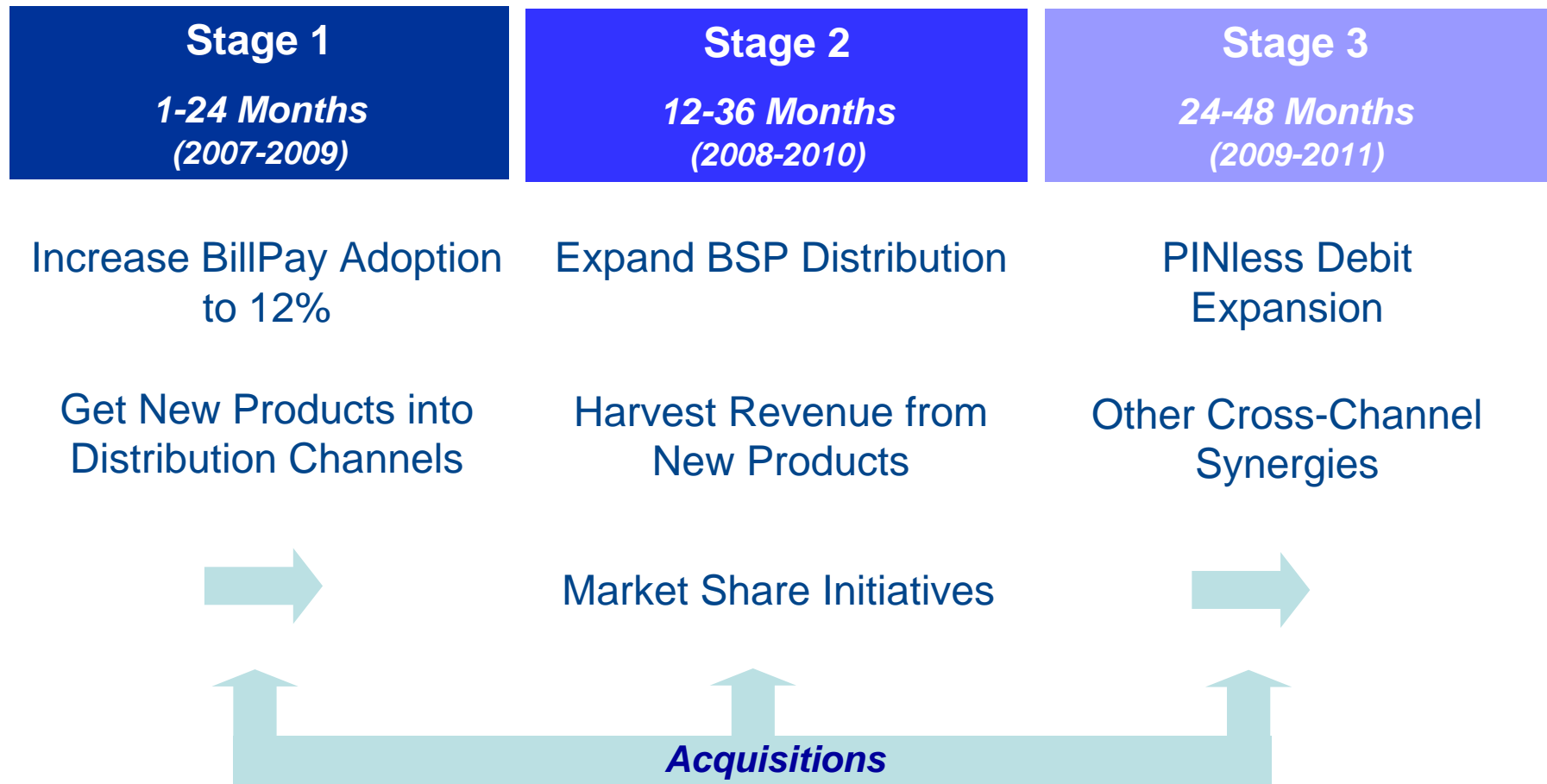
* approximate

	2004	Today
Revenues	\$42.3 million	\$151.6 million
Clients	700	1900
Employees	300	650
Billable Recurring Users	1 million	3 million
Total Active Users	1 million	13 million
Payments (\$ annual)	\$10 billion	\$110 billion
Transactions (annual)	36 million	200 million

Key Priorities

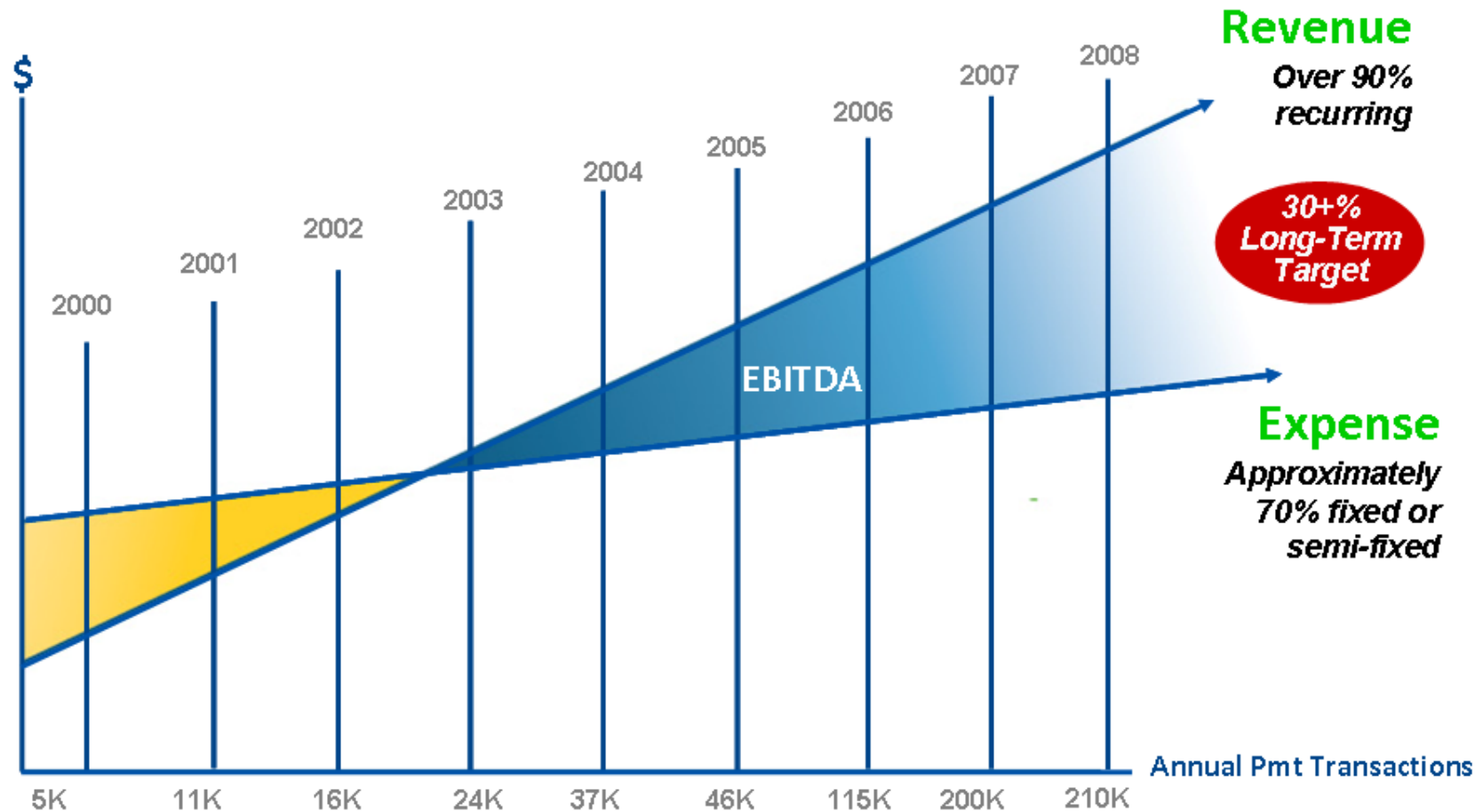
- Complete 5-Year Strategic Plan
- Drive Cash Flow and Earnings
- Navigate Choppy Waters

Strategic Growth Plan



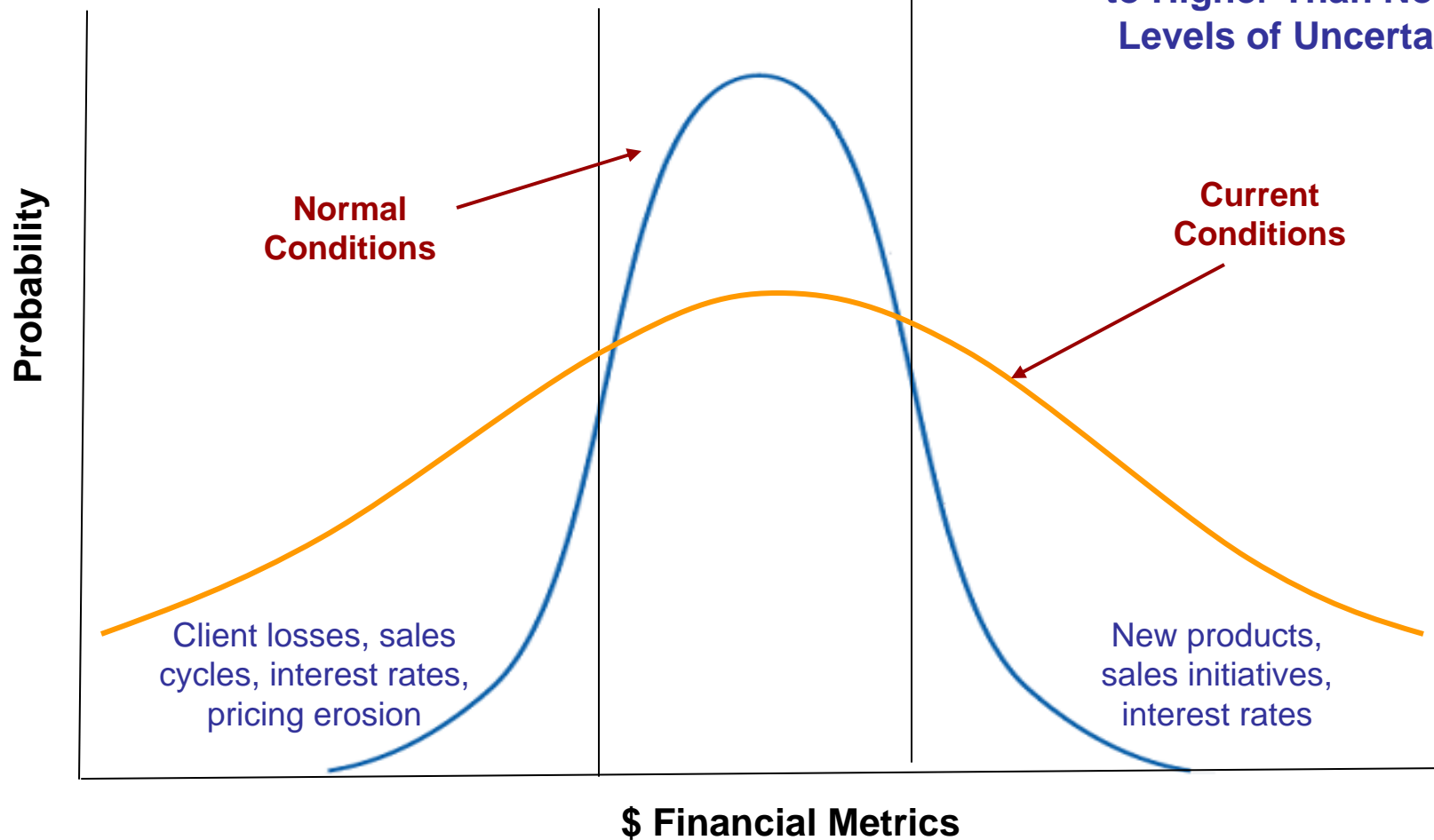
Priority #2: Drive Cash Flow and Profits

Higher Margins Achievable



Priority #3: Navigate Choppy Waters

Economic Conditions Lead to Higher Than Normal Levels of Uncertainty



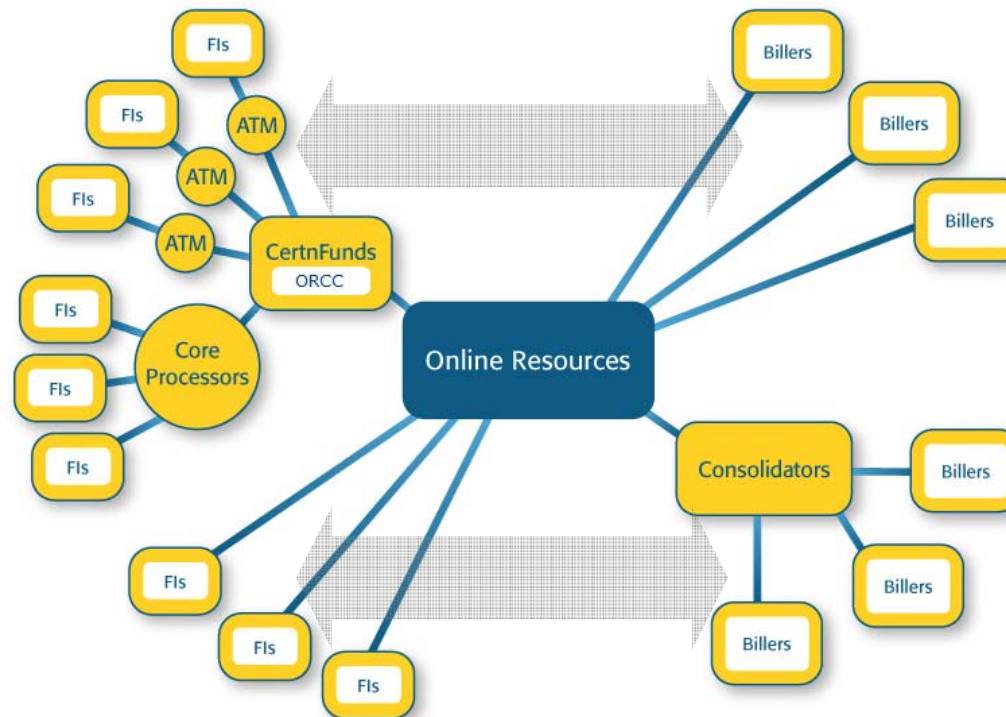
Cost Control is Key Given Revenue Uncertainties

Over 50% of electronic bank transactions are now “in-network” with little to no incremental cost

CertnFunds

Banks

access to over 90% of US consumer checking accounts



Biller Endpoint Network (BEN)

Billers

access to 6500 billers and lockbox providers

End-to-End Online Payments Network

Summary

Strong, but slowing financial growth

- Among top performers in industry
- 2008 hugely impacted by unprecedented drop in interest rates

Forecasts occasionally flawed; execution good; strategy right on

- Less controllable factors hurt us – interest rates, acquisition-related client turnover
- Revenue synergies are beginning to manifest themselves

Complete our strategic growth plan

- Focus on increased cash flow and earnings in 2009 given economic uncertainties
- Look to 2010 for added product, market share and revenue lift, with 2009 as upside

Online Resources Corporation

Question & Answer



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