

Quarterly Report Q1-2005



Mamut ASA

Mamut ASA – Q1 2005

Mamut ASA increased its operating revenues by 27% to MNOK 48.6 in 1Q05 compared to MNOK 38.2 in 1Q04. Operating profit (EBIT) for 1Q05 was MNOK 4.4, compared to MNOK 3.1 for 1Q04. After the successful launch of Mamut Business Software in the Netherlands and the UK in 2004, the company will launch Mamut Business Software in Denmark and Ireland during 2005.

Highlights

- Operating revenues of MNOK 48.6 in 1Q05, up from MNOK 38.2 in 1Q04, a 27% growth
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 6.6 in 1Q05 compared to MNOK 4.2 in 1Q04
- Continued growth in all markets, over 5,000 new customers added in Q1
- Preparing for launch of Mamut Business Software in Denmark and Ireland during 2005
- Mamut Business Software awarded Best in Test in Sweden and accredited by SRA in the Netherlands
- Continued preparations for launch of additional products and services and initiatives with local technology partners in all markets

Financials

1Q05 is based on IFRS accounting principles and this report is made in accordance with IAS 34 (Interim Financial Reporting). All Q1 2005 statements are IFRS with pro forma IFRS statements for Q1 2004 for comparison. The columns labeled N-GAAP are identical to presented statements in 2004 under Norwegian General Accepted Accounting Principles. All information regarding the transition from N-GAAP to IFRS including the reconciliation tables as required by IFRS 1 are presented in the Annual Report 2004 and in the 4Q04 interim report.

Mamut ASA increased its operating revenues by 27% to MNOK 48.6 in 1Q05 compared to MNOK 38.2 in 1Q04. Operating profit before depreciation (EBITDA) for 1Q05 was MNOK 6.6, compared to MNOK 4.2 in 1Q04. EBIT for 1Q05 was MNOK 4.4, compared to MNOK 3.1 in 1Q04. Profit before tax for 1Q05 was MNOK 4.6, compared to MNOK 3.2 in 1Q04.

Cash and cash equivalents were MNOK 45.7 at the end of 1Q05, compared with MNOK 18.4 at 1Q04. Equity ratio was 75% and deferred revenues reached MNOK 20.1. Diluted earnings per share (EPS) were NOK 0.07 for 1Q05, compared with NOK 0.05 in 1Q04.

Mamut software licence sales and service agreements amounts to 94% of total revenues in 1Q05 and 93% in 2004.

At the end of 1Q05, the Company had 181 employees compared to 149 at the end of 1Q04 and 169 at the end of 2004.

Markets

Mamut experienced strong growth in all markets in 1Q05 as a result of launch of new products and services and partner agreements.

Operating revenues from Norway reached MNOK 38.8 in 1Q05, up from MNOK 33.0 in 1Q04, a 17% growth with EBITDA margin of 30%, reaching MNOK 11.6.

Operating revenues from Sweden reached MNOK 5.0 in 1Q05, up from MNOK 4.1 in 1Q04, a 22% growth. EBITDA in 1Q05 was MNOK 0.3 in Sweden.

Operating revenues from the Netherlands and the UK reached MNOK 4.7 in 1Q05, up from MNOK 1.1 in 1Q04. EBITDA in 1Q05 was MNOK -3.2 in NL and UK.

Total operating expenses in other markets were MNOK 2.1 in 1Q05, compared with MNOK 0.3 in 1Q04.

Mamut added more than 5,000 customers in 1Q05 exceeding more than 46,000 customers in total.

New Markets

In 2004, Mamut has prepared for a launch of Mamut Business Software in additional European markets and will launch its products in Denmark and Ireland in 2005.

Business Update

Mamut has launched Small Business Concierge in cooperation with Microsoft in four markets. The initiative might be extended with new partners in additional markets in 2005.

Mamut Business Software was awarded "Best in Test" in the Swedish IT magazine "Mikrodatorn" annual test of business solutions for small and medium-sized enterprises. Mamut Business Software has received the SRA 2005 accredited in the Netherlands.

The company has continued preparations for launch of additional products and services and initiatives with local technology partners in all markets.

Outlook

Mamut is well positioned for further growth in its existing markets and several new products and services will be launched during 2005. The Company is working actively to build and develop strategic partnerships with international partners in order to extend its distribution of Mamut Business Software in new and existing markets.

Oslo, April 6 2005
The Board of Directors
Mamut AS

PROFIT AND LOSS STATEMENT

(All figures in NOK 1.000)

	IFRS Q1 2005	IFRS Q1 2004		IFRS 2004	N GAAP 2004	N GAAP 2003		N GAAP Q1 2004
Operating revenues	48 548	38 204	27 %	144 225	144 225	115 811	25 %	38 204
Cost of goods sold	3 016	2 743	10 %	9 634	9 634	7 560	27 %	2 743
Personnel costs	24 644	19 727	25 %	77 502	77 502	64 830	20 %	20 506
Other operating expenses	14 259	11 550	23 %	42 962	42 962	35 183	22 %	11 257
Total operating expenses	41 919	34 019	23 %	130 098	130 098	107 573	21 %	34 506
EBITDA	6 629	4 185	58 %	14 127	14 127	8 238	71 %	3 698
Ordinary depreciation	2 242	1 063	111 %	5 537	5 537	3 448	61 %	843
Goodwill dep./writedown	-	-		2 263	3 463	1 439		300
EBIT	4 386	3 121	41 %	6 327	5 127	3 351	53 %	2 555
Net financial items	209	57		70	70	50		57
Profit before tax	4 595	3 178	45 %	6 397	5 197	3 401	53 %	2 612
Tax	1 287	1 268		2 901	2 566	1 066		731
Net profit	3 309	1 910	73 %	3 495	2 631	2 336	13 %	1 880
<i>EBITDA - margin</i>	<i>14 %</i>	<i>11 %</i>		<i>10 %</i>	<i>10 %</i>	<i>7 %</i>		<i>10 %</i>
<i>EBIT - margin</i>	<i>9 %</i>	<i>8 %</i>		<i>4 %</i>	<i>4 %</i>	<i>3 %</i>		<i>7 %</i>
EPS (NOK)	0,08	0,06		0,08	0,06	0,07		0,05
EPS diluted (NOK)	0,07	0,05		0,08	0,06	0,06		0,05
Outstanding shares (mill.)	42,18	34,54		42,12	42,12	33,51		34,54
No. of employees	181	149		169	169	138		149

REVENUES DISTRIBUTION

	IFRS Q1 2005	IFRS Q1 2004		IFRS 2004	N GAAP 2004	N GAAP 2003		N GAAP Q1 2004
Norway / HQ	38 805	33 040	17 %	115 529	115 529	101 549	14 %	33 040
Operating revenues	27 202	22 590	20 %	81 499	81 499	72 553	12 %	22 818
Operating expenses	11 603	10 450	11 %	34 030	34 030	28 996	17 %	10 222
Depreciation	1 241	890	39 %	4 213	5 413	4 639	17 %	1 080
EBIT	10 361	9 560	8 %	29 817	28 617	24 357	17 %	9 142
Sweden	5 012	4 112	22 %	18 640	18 640	13 895	34 %	4 112
Operating revenues	4 689	5 534	-15 %	19 370	19 370	17 924	8 %	5 748
Operating expenses	323	(1 422)	(730)	(730)	(730)	(4 029)	(1 636)	
Depreciation	248	107		2 946	2 946	248		63
EBIT	75	(1 529)	(3 677)	(3 677)	(3 677)	(4 277)	(1 699)	
NL / UK	4 731	1 052	10 056	10 056	367	1 052		
Operating revenues	7 944	5 583		26 337	26 337	17 096		5 628
Operating expenses	(3 213)	(4 531)	(16 281)	(16 281)	(16 281)	(16 729)	(4 576)	
Depreciation	514	44		427	427	-		-
EBIT	(3 727)	(4 576)	(16 708)	(16 708)	(16 729)	(16 729)	(4 576)	
Other Markets	-	-	-	-	-	-	-	
Operating revenues	2 084	312		2 891	2 891	-		312
Operating expenses	(2 084)	(312)	(2 891)	(2 891)	(2 891)	-	(312)	
Depreciation	239	22		214	214	-		-
EBIT	(2 323)	(334)	(3 105)	(3 105)	-	-	(312)	
Revenues Source	24 121	18 479	31 %	72 213	72 213	60 349	20 %	18 479
Software Licenses	21 282	17 222	24 %	61 361	61 361	46 019	33 %	17 222
Software Service Agreements	3 145	2 503	26 %	10 651	10 651	9 443	13 %	2 503
Other Products & Services	48 548	38 204	27 %	144 225	144 225	115 811	25 %	38 204
Total	48 548	38 204	27 %	144 225	144 225	115 811	25 %	38 204

CUSTOMER BASE

	Q1 2005	Q1 2004	2004	2003
Norway	17 700	14 000	16 500	13 000
Sweden	4 500	2 500	4 000	2 000
NL / UK	2 600	270	1 800	100
Other	-	-	-	-
Norway Small Off./Home Off.	21 500	17 500	19 000	17 000
Total	46 300	34 270	41 300	32 100

BALANCE SHEET*(All figures in NOK 1.000)*

	IFRS 31.03.05	IFRS 31.03.04	IFRS 31.12.04	IFRS 01.01.04	N GAAP 31.03.04
Assets					
Fixed assets					
Trademarks	-	-	-	-	1 581
Other intangible assets	10 331	2 428	8 459	-	-
Goodwill	14 711	17 078	14 711	17 078	16 585
Deferred tax assets	36 192	35 394	37 478	36 357	35 221
Total intangible assets	61 234	54 901	60 648	53 435	53 388
Total tangible fixed assets	8 252	4 877	5 233	4 595	4 877
Total financial fixed assets	2 701	2 653	2 701	2 653	3 526
Total fixed assets	72 187	62 431	68 583	60 683	61 791
Current assets					
Inventory	1 651	1 436	1 651	1 156	1 436
Accounts receivable	40 893	32 096	41 553	31 237	32 096
Other short-term receivables	2 070	1 629	4 368	790	1 629
Bank deposits, cash, etc.	45 881	21 465	43 976	11 663	21 365
Total current assets	90 495	56 626	91 548	44 846	56 526
Total assets	162 682	119 057	160 132	105 529	118 317
Equity and liabilities					
Total equity	121 907	77 595	118 985	71 256	78 307
Deferred tax liability	125	102	125	102	-
Current liabilities					
Bank overdraft	204	3 029	529	2 702	3 029
Accounts payable	4 085	3 952	7 526	4 607	3 952
Tax payable	337	324	340	250	324
Public duties payable	12 167	11 188	17 122	12 935	11 188
Other short-term liabilities	3 724	5 726	3 474	4 058	4 376
Deferred revenue	20 134	17 141	12 029	9 619	17 141
Total current liabilities	40 650	41 360	41 021	34 171	40 010
Total equity and liabilities	162 682	119 057	160 132	105 529	118 317

CASH FLOW STATEMENT

	Q1 2005	Q1 2004	2004
Profit before tax	4 595	3 178	6 397
Taxes paid	-	-	77
Depreciation	2 242	1 063	7 800
Changes in inventory, AR and AP	(2 781)	(1 794)	(7 892)
Calculated wages employee options	1 050	812	3 522
Changes in other balance sheet items	5 698	6 604	2 387
Cash flow from operations	10 804	9 863	12 291
Investments in tangible fixed assets	(4 128)	(1 065)	(3 884)
Investments in intangible fixed assets	(3 005)	(2 649)	(10 596)
Net cash flow from investments	(7 133)	(3 714)	(14 480)
Cash flow from financing activities	(1 462)	3 357	36 859
Translation differences	22	(31)	(85)
Net cash flow	2 231	9 475	34 586
Cash and cash equivalents (beginning)	43 447	8 961	8 861
Cash and cash equivalents (end)	45 678	18 436	43 447

MOVEMENT IN EQUITY

	Q1 2005	Q1 2004	2004
Equity at 1st of January	118 985	71 256	71 256
Share issue	240	3 617	46 737
Calculated wages employee options	1 050	812	3 522
Sale/Purc. own shares/exercised emp. options	(1 702)	-	(6 106)
Translation differences	25	-	81
Net profit/loss for the year	3 309	1 910	3 495
Equity end of period	121 907	77 595	118 985



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