

Quarterly Report Q2-2005



Mamut ASA

Mamut ASA – Q2 2005

Mamut ASA increased its operating revenues by 26% to MNOK 43.3 in 2Q05 compared to MNOK 34.5 in 2Q04. Operating profit (EBIT) for 2Q05 was MNOK 1.8, compared to MNOK 2.9 for 2Q04. During the quarter, Mamut has increased the activity level, launched Mamut Open Services and entered into several agreements with expected revenue effects in 2005.

Highlights

- Operating revenues of MNOK 43.3 in 2Q05, up from MNOK 34.5 in 2Q04, a 26% growth
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 4.3 in 2Q05 compared to MNOK 4.1 in 2Q04
- Continued growth in all markets, over 2,500 new customers added in Q2
- Preparing for launch of Mamut Business Software in Denmark and Ireland during 2005
- Mamut has entered into a strategic OEM agreement with Wolters Kluwer subsidiary Magnus Informatik A/S in Denmark
- Mamut has launched Mamut Open Services and Mamut Online Backup
- Mamut has established a co-operation with Dell and Microsoft in the Netherlands
- Mamut awarded finalist in two categories for Microsoft Worldwide Partner Awards with Small Business Concierge and the Dell and Microsoft partnership in Netherlands

Financials

Mamut ASA increased its operating revenues by 26% to MNOK 43.3 in 2Q05 compared to MNOK 34.5 in 2Q04. Operating profit before depreciation (EBITDA) for 2Q05 was MNOK 4.3, compared to MNOK 4.1 in 2Q04. EBIT for 2Q05 was MNOK 1.8, compared to MNOK 2.9 in 2Q04. Profit before tax for 2Q05 was MNOK 2.1, compared to MNOK 3.1 in 2Q04.

Cash and cash equivalents were MNOK 40.9 at the end of 2Q05, compared with MNOK 53.3 at 2Q04. Equity ratio was 81% and deferred revenues reached MNOK 12.7. Diluted earnings per share (EPS) were NOK 0.03 for 2Q05, compared with NOK 0.04 in 2Q04.

Mamut software licence sales and service agreements amounts to 96% of total revenues in 2Q05 and 95% in 1H05.

At the end of 2Q05, the Company had 189 employees compared to 155 at the end of 2Q04 and 181 at the end of 1Q05.

Markets

Mamut experienced strong growth in all markets in 2Q05 as a result of launch of new products and services and partner agreements.

Operating revenues from Norway reached MNOK 33.5 in 2Q05, up from MNOK 28.7 in 2Q04, a 17% growth with EBIT margin of 30%, reaching MNOK 10.1.

Operating revenues from Sweden reached MNOK 4.7 in 2Q05, up from MNOK 3.7 in 2Q04, a 26% growth. EBITDA in 2Q05 was MNOK 0.4 in Sweden.

Operating revenues from the Netherlands and the UK reached MNOK 5.1 in 2Q05, up from MNOK 2.0 in 2Q04. EBITDA in 2Q05 was MNOK -4.5 in NL and UK.

Total operating expenses in other markets including Mamut Open Services were MNOK 3.5 in 2Q05, compared with MNOK 0.4 in 2Q04.

Mamut added over 2,500 customers in 2Q05 exceeding more than 48,000 customers in total.

New Markets

In 2004 and 2005, 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. Mamut has entered into a strategic OEM agreement with Magnus Informatik A/S in Denmark. The co-operation with the Danish Wolters Kluwer subsidiary is based on the existing co-operation with Wolters Kluwer units Norstedts Juridik in Sweden and Akelius in Norway.

Business Update

Mamut has launched Mamut Open Services as an extension of the existing product portfolio aimed at the SME and consumer markets. Mamut Online Backup is the first service to be launched as part of part of Mamut Open Services. Mamut Online Backup is offered for free to all smaller companies and private individuals.

Mamut has launched Small Business Concierge in co-operation with Microsoft in four markets. The initiative will be extended with new partners in additional markets in 2005.

In the Netherlands, the Small Business Concierge has been extended and includes a co-operation with Dell and Microsoft with the aim of offering a complete business solution for smaller businesses. The cooperation includes joint marketing and sales initiatives in the Netherlands.

Mamut has been nominated as finalist in two categories in the 2005 Microsoft Worldwide Partner Awards for the Small Business Concierge concept and the Microsoft, Dell and Mamut co-operation in the Netherlands. Winners are announced on July 9th.

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, July 5 2005
The Board of Directors
Mamut ASA

PROFIT AND LOSS STATEMENT

(All figures in NOK 1.000)

	IFRS Q2 2005	IFRS Q2 2004		IFRS H1 2005	IFRS H1 2004		IFRS 2004	N GAAP Q2 2004
Operating revenues	43 284	34 477	26 %	91 832	72 681	26 %	144 225	34 477
Cost of goods sold	2 273	2 073	10 %	5 289	4 816	10 %	9 634	2 073
Personnel costs	23 398	17 914	31 %	48 042	37 641	28 %	77 502	18 724
Other operating expenses	13 294	10 357	28 %	27 553	21 906	26 %	42 962	10 028
Total operating expenses	38 965	30 344	28 %	80 884	64 364	26 %	130 098	30 825
EBITDA	4 319	4 133	5 %	10 948	8 317	32 %	14 127	3 652
Ordinary depreciation	2 524	1 253	101 %	4 766	2 316		5 537	829
Goodwill dep./writedown	-	-		-	-		2 263	300
EBIT	1 795	2 880	-38 %	6 181	6 001	3 %	6 327	2 523
Net financial items	273	213		482	270		70	213
Profit before tax	2 068	3 093	-33 %	6 663	6 271	6 %	6 397	2 736
Tax	579	1 188		1 866	2 456		2 901	766
Net profit	1 489	1 905	-22 %	4 797	3 815	26 %	3 495	1 970
<i>EBITDA - margin</i>	<i>10 %</i>	<i>12 %</i>		<i>12 %</i>	<i>11 %</i>		<i>10 %</i>	<i>11 %</i>
<i>EBIT - margin</i>	<i>4 %</i>	<i>8 %</i>		<i>7 %</i>	<i>8 %</i>		<i>4 %</i>	<i>7 %</i>
EPS (NOK)	0,03	0,05		0,11	0,09		0,08	0,05
EPS diluted (NOK)	0,03	0,04		0,10	0,08		0,08	0,04
Outstanding shares (mill.)	43,06	41,54		43,06	41,54		42,12	41,54
No. of employees	189	155		189	155		169	169

REVENUES DISTRIBUTION

	IFRS Q2 2005	IFRS Q2 2004		IFRS H1 2005	IFRS H1 2004		IFRS 2004	N GAAP Q2 2004
Norway / HQ								
Operating revenues	33 542	28 742	17 %	72 347	61 782	17 %	115 529	28 742
Operating expenses	22 338	18 739	19 %	49 540	41 329	20 %	81 499	18 975
EBITDA	11 204	10 003	12 %	22 807	20 453	12 %	34 030	9 767
Depreciation	1 131	978	16 %	2 372	1 868	27 %	4 213	1 066
EBIT	10 073	9 025	12 %	20 434	18 585	10 %	29 817	8 701
Sweden								
Operating revenues	4 680	3 708	26 %	9 692	7 820	24 %	18 640	3 708
Operating expenses	4 257	4 704	-10 %	8 946	10 238	-13 %	19 370	4 960
EBITDA	423	(996)		746	(2 418)		(730)	(1 252)
Depreciation	332	148		580	255		2 946	63
EBIT	91	(1 144)		166	(2 673)		(3 677)	(1 315)
NL / UK								
Operating revenues	5 062	2 027	150 %	9 793	3 079	218 %	10 056	2 027
Operating expenses	8 898	6 544	36 %	16 842	12 128	39 %	26 337	6 533
EBITDA	(3 836)	(4 517)		(7 049)	(9 049)		(16 281)	(4 506)
Depreciation	674	85		1 188	129		427	-
EBIT	(4 510)	(4 602)		(8 237)	(9 178)		(16 708)	(4 506)
Other Markets / Open Services								
Operating revenues	-	-		-	-		-	-
Operating expenses	3 472	357		5 556	669		2 891	357
EBITDA	(3 472)	(357)		(5 556)	(669)		(2 891)	(357)
Depreciation	387	42		626	64		214	-
EBIT	(3 859)	(399)		(6 182)	(733)		(3 105)	(357)
Revenues Source								
Software Licenses	21 124	15 934	33 %	45 245	34 413	31 %	72 213	15 934
Software Service Agreements	20 239	16 794	21 %	41 521	34 016	22 %	61 361	16 794
Other Products & Services	1 922	1 749	10 %	5 067	4 252	19 %	10 651	1 749
Total	43 284	34 477	26 %	91 832	72 681	26 %	144 225	34 477

CUSTOMER BASE

	H1 2005	H1 2004	2004
Norway	18 500	15 000	16 500
Sweden	4 800	2 800	4 000
NL / UK	3 000	600	1 800
Other	-	-	-
Norway Small Off./Home Off.	22 600	17 500	19 000
Total	48 900	35 900	41 300

BALANCE SHEET*(All figures in NOK 1.000)*

	IFRS 30.06.05	IFRS 30.06.04	IFRS 31.12.04	IFRS 01.01.04	N GAAP 30.06.04
Assets					
Fixed assets					
Trademarks	-	-	-	-	1 567
Other intangible assets	18 646	4 441	8 459	-	-
Goodwill	14 711	17 078	14 711	17 078	16 244
Deferred tax assets	35 613	34 996	37 478	36 357	34 455
Total intangible assets	68 970	56 515	60 648	53 435	52 266
Total tangible fixed assets	10 544	4 710	5 233	4 595	4 710
Total financial fixed assets	2 705	2 612	2 701	2 653	3 485
Total fixed assets	82 219	63 837	68 583	60 683	60 461
Current assets					
Inventory	1 651	1 436	1 651	1 156	1 436
Accounts receivable	36 495	27 387	41 553	31 237	27 387
Other short-term receivables	2 031	349	4 368	790	349
Bank deposits, cash, etc.	41 100	54 216	43 976	11 663	54 116
Total current assets	81 276	83 388	91 548	44 846	83 288
Total assets	163 495	147 225	160 132	105 529	143 749
Equity and liabilities					
Total equity	131 980	119 017	118 985	71 256	118 143
Deferred tax liability	125	102	125	102	-
Current liabilities					
Bank overdraft	215	939	529	2 702	939
Accounts payable	6 874	4 810	7 526	4 607	4 810
Tax payable	48	200	340	250	200
Public duties payable	9 933	6 774	17 122	12 935	6 774
Other short-term liabilities	1 651	5 342	3 474	4 058	2 842
Deferred revenue	12 669	10 041	12 029	9 619	10 041
Total current liabilities	31 390	28 106	41 021	34 171	25 606
Total equity and liabilities	163 495	147 225	160 132	105 529	143 749

CASH FLOW STATEMENT

	Q2 2005	Q2 2004	H1 2005	H1 2004
Profit before tax	2 068	3 093	6 663	6 271
Taxes paid	312	40	312	40
Depreciation	2 524	1 253	4 766	2 316
Changes in inventory, AR and AP	7 188	5 567	4 407	3 773
Calculated wages employee options	1 050	806	2 100	1 618
Changes in other balance sheet items	(11 733)	(10 902)	(6 035)	(4 298)
Cash flow from operations	1 409	(143)	12 213	9 720
Investments in tangible fixed assets	(3 479)	(707)	(7 607)	(1 772)
Investments in intangible fixed assets	(2 810)	(2 437)	(5 815)	(5 086)
Acquisition of technology	(6 840)	-	(6 840)	-
Net cash flow from investments	(13 129)	(3 144)	(20 262)	(6 858)
Cash flow from financing activities	7 034	38 153	5 572	41 510
Translation differences	(106)	(25)	(84)	(56)
Net cash flow	(4 792)	34 841	(2 561)	44 316
Cash and cash equivalents (beginning)	45 678	18 436	43 447	8 961
Cash and cash equivalents (end)	40 885	53 277	40 885	53 277

MOVEMENT IN EQUITY

	H1 2005	H1 2004
Equity at 1st of January	118 985	71 256
Share issue	7 574	41 510
Calculated wages employee options	2 050	1 618
Sale/Purc. own shares/exercised emp. options	(2 002)	-
Translation differences	576	818
Net profit/loss for the year	4 797	3 815
Equity end of period	131 980	119 017



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