

## Quarterly Report Q1-2006



**Mamut ASA**

# Mamut ASA – Q1 2006

Mamut ASA increased its operating revenues by 23% to MNOK 59.7 in 1Q06 compared to MNOK 48.6 in 1Q05. Operating profit (EBIT) for 1Q06 was MNOK 3.4, compared to MNOK 4.4 for 1Q05, due to high investments in new markets, products and services. Mamut is experiencing a solid growth in all markets. The successful launches in Denmark and Ireland, combined with several new offerings within Mamut Open Services, strengthen the company's position for future organic growth and increased geographic distribution.

## Highlights Q1

- Operating revenues of MNOK 59.7 in 1Q06, up from MNOK 48.6 in 1Q05, a 23% growth
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 7.2 in 1Q06 compared to MNOK 6.6 in 1Q05
- Continued growth in all existing markets and well positioned for future growth and profitability
- More than 3,000 new customers added in 1Q06
- Increased investments in new products and services, R&D and new markets
- Successful launch of several products and services within Mamut Open Services, including Mamut Teamwork, Mamut StartUp and Mamut Online Survey
- Mamut has reached 80,000 users of Mamut Open Services
- Several partner agreements, including Relate Software in Ireland

## Financials

Mamut ASA increased its operating revenues by 23% to MNOK 59.7 in 1Q06 compared to MNOK 48.6 in 1Q05. Operating profit before depreciation (EBITDA) for 1Q06 was MNOK 7.2, compared to MNOK 6.6 in 1Q05. EBIT for 1Q06 was MNOK 3.4, compared to MNOK 4.4 in 1Q05. Profit before tax for 1Q06 was MNOK 3.7, compared to MNOK 4.6 in 1Q05.

Cash and cash equivalents were MNOK 91.5 at the end of 1Q06, due to strong cash flow from operations in 1Q06, compared with MNOK 45.7 at 1Q05. Equity ratio was 79% and deferred revenues reached MNOK 22.3. Diluted earnings per share (EPS) were NOK 0,05 for 1Q06, compared with NOK 0.07 in 1Q05.

Mamut software licence sales and service agreements amounts to 94% of total revenues in 1Q06.

At the end of 1Q06, the Company had 220 employees compared to 181 at the end of 1Q05 and 199 at 31.12.2005.

## Markets

Mamut's primary segment reporting from Q1 2006 will be; Business Solutions Scandinavia, Business Solution Europe and New Solutions and other Markets

Attached to this report are all quarterly figures for 2005 restated to the new primary segment reporting format.

Mamut experienced strong growth in all markets in 1Q06 as a result of launch of new products and services and partner agreements.

## Business Solutions Scandinavia

Operating revenues reached MNOK 51.4 in 1Q06, up from MNOK 42.6 in 1Q05, a 21% growth with EBIT margin of 23%, reaching MNOK 11.9. This unit includes Norway, Sweden and Denmark.

## Business Solutions Europe

Operating revenues reached MNOK 6.6 in 1Q06, up from MNOK 4.9 in 1Q05, a 44% growth. EBITDA in 1Q06 was MNOK -4.2 in Europe. This unit includes the Netherlands, the UK and Ireland.

## New Solutions and other Markets

Operating revenues reached MNOK 1.7 in 1Q06, up from MNOK 1.3 in 1Q05. Total operating expenses were MNOK 4.4 in 1Q06, compared with MNOK 2.2 in 1Q05. This unit includes new solutions, other markets and Mamut Open Services.

## Business Update

1Q06 is the 45th consecutive quarter with double digit percentage growth for Mamut. Mamut has increased activity level in all markets. Strong license sales to new and existing customers, combined with the introduction of several new products and services, strengthen the company's position for future growth and profitability.

Mamut added over 3,000 business customers in 1Q06, reaching 56,000 customers.

Mamut Open Services is the extension of the existing product portfolio aimed at the SME and consumer markets. Mamut will continue the introduction of several new products and services in the category, including Mamut Business Network, Mamut Teamwork, Mamut Online Survey and Mamut StartUp.

Mamut reached 80,000 users of Mamut Open Services in 1Q06.

The company continues 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 and several new products and services will be launched during the next 12 months. 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 2006  
The Board of Directors  
Mamut ASA

## PROFIT AND LOSS STATEMENT

(All figures in NOK 1.000)

	IFRS Q1 2006	IFRS Q1 2005		IFRS 2005	IFRS 2004	
<b>Operating revenues</b>	<b>59 693</b>	<b>48 548</b>	<b>23 %</b>	<b>180 143</b>	<b>144 225</b>	<b>25 %</b>
Cost of goods sold	3 755	3 016	24 %	10 501	9 634	9 %
Personnel costs	31 120	24 644	26 %	94 977	77 502	23 %
Other operating expenses	17 570	14 259	23 %	56 951	42 962	33 %
<b>Total operating expenses</b>	<b>52 445</b>	<b>41 919</b>	<b>25 %</b>	<b>162 429</b>	<b>130 098</b>	<b>25 %</b>
<b>EBITDA</b>	<b>7 248</b>	<b>6 629</b>		<b>17 714</b>	<b>14 127</b>	
Ordinary depreciation	3 825	2 242		11 255	5 537	
Goodwill writedown	-	-		-	2 263	
<b>EBIT</b>	<b>3 423</b>	<b>4 386</b>		<b>6 459</b>	<b>6 327</b>	
Net financial items	263	209		520	70	
<b>Profit before tax</b>	<b>3 686</b>	<b>4 595</b>		<b>6 979</b>	<b>6 397</b>	
Tax	1 032	1 287		2 948	2 901	
<b>Net profit</b>	<b>2 654</b>	<b>3 309</b>		<b>4 031</b>	<b>3 495</b>	
<i>EBITDA - margin</i>	<i>12 %</i>	<i>14 %</i>		<i>10 %</i>	<i>10 %</i>	
<i>EBIT - margin</i>	<i>6 %</i>	<i>9 %</i>		<i>4 %</i>	<i>4 %</i>	
EPS (NOK)	0.06	0.08		0.09	0.09	
EPS diluted (NOK)	0.05	0.07		0.08	0.08	
Outstanding shares (mill.)	48.16	42.12		48.05	42.12	
<b>No. of employees</b>	<b>220</b>	<b>181</b>		<b>199</b>	<b>169</b>	

## SEGMENT INFORMATION\*

	IFRS Q1 2006	IFRS Q1 2005		IFRS 2005	IFRS 2004	
<b>Business Solutions Scandinavia (NO/SE/DK)</b>						
<b>Operating revenues</b>	<b>51 405</b>	<b>42 630</b>	<b>21 %</b>	<b>153 061</b>	<b>130 221</b>	<b>18 %</b>
Operating expenses	37 184	31 577	18 %	113 214	97 994	16 %
<b>EBITDA</b>	<b>14 221</b>	<b>11 053</b>	<b>29 %</b>	<b>39 847</b>	<b>32 228</b>	<b>24 %</b>
Depreciation	2 289	1 531		6 827	7 159	
<b>EBIT</b>	<b>11 932</b>	<b>9 521</b>	<b>25 %</b>	<b>33 020</b>	<b>25 068</b>	<b>32 %</b>
<i>EBITDA - margin</i>	<i>28 %</i>	<i>26 %</i>		<i>26 %</i>		
<i>EBIT - margin</i>	<i>23 %</i>	<i>22 %</i>		<i>22 %</i>		
<b>Business Solutions Europe (NL/UK/IE)</b>						
<b>Operating revenues</b>	<b>6 599</b>	<b>4 581</b>	<b>44 %</b>	<b>22 195</b>	<b>10 056</b>	<b>121 %</b>
Operating expenses	10 874	8 176	33 %	36 942	25 350	46 %
<b>EBITDA</b>	<b>(4 275)</b>	<b>(3 595)</b>		<b>(14 747)</b>	<b>(15 294)</b>	
Depreciation	1 169	570		3 362	427	
<b>EBIT</b>	<b>(5 444)</b>	<b>(4 165)</b>		<b>(18 109)</b>	<b>(15 721)</b>	
<b>New Solutions and other markets</b>						
<b>Operating revenues</b>	<b>1 689</b>	<b>1 337</b>	<b>26 %</b>	<b>4 887</b>	<b>3 948</b>	<b>24 %</b>
Operating expenses	4 387	2 166	103 %	12 273	6 754	82 %
<b>EBITDA</b>	<b>(2 698)</b>	<b>(829)</b>		<b>(7 386)</b>	<b>(2 806)</b>	
Depreciation	367	141		1 066	214	
<b>EBIT</b>	<b>(3 065)</b>	<b>(970)</b>		<b>(8 452)</b>	<b>(3 020)</b>	

\* See last page in this report for Segment definitions

## REVENUES SOURCE

	Q1 2006	Q1 2005		2005	2004	
Software Licenses	29 418	24 121	22 %	93 395	72 213	29 %
Software Service Agreements	26 815	21 282	26 %	74 493	61 361	21 %
Other Products & Services	3 460	3 145	10 %	12 256	10 651	15 %
<b>Total</b>	<b>59 693</b>	<b>48 548</b>	<b>23 %</b>	<b>180 143</b>	<b>144 225</b>	<b>25 %</b>

**BALANCE SHEET***(All figures in NOK 1.000)*

	IFRS 31.03.06	IFRS 31.03.05	IFRS 31.12.05	IFRS 31.12.04
<b>Assets</b>				
<b>Fixed assets</b>				
Capitalized R&D	17 860	10 331	16 942	8 459
Other Intangible assets	6 450	-	6 630	-
Goodwill	14 711	14 711	14 711	14 711
Deferred tax assets	35 091	36 192	36 055	37 478
Tangible fixed assets	12 093	8 252	11 808	5 233
Financial fixed assets	2 748	2 701	2 746	2 701
<b>Total fixed assets</b>	<b>88 952</b>	<b>72 187</b>	<b>88 893</b>	<b>68 583</b>
<b>Current assets</b>				
Inventory	1 649	1 651	1 648	1 651
Accounts receivable	51 510	40 893	48 605	41 553
Other short-term receivables	4 889	2 070	4 723	4 368
Bank deposits, cash, etc.	91 463	45 881	83 294	43 976
<b>Total current assets</b>	<b>149 510</b>	<b>90 495</b>	<b>138 269</b>	<b>91 548</b>
<b>Total assets</b>	<b>238 463</b>	<b>162 682</b>	<b>227 162</b>	<b>160 132</b>
<b>Equity and liabilities</b>				
<b>Total equity</b>	<b>188 647</b>	<b>121 907</b>	<b>188 699</b>	<b>118 985</b>
Deferred tax liability	133	125	133	125
<b>Current liabilities</b>				
Bank overdraft	-	204	-	529
Accounts payable	3 496	4 085	3 475	7 526
Tax payable	(329)	337	14	340
Public duties payable	16 859	12 167	17 393	17 122
Other short-term liabilities	7 328	3 724	3 161	3 474
Deferred revenue	22 329	20 134	14 285	12 029
<b>Total current liabilities</b>	<b>49 683</b>	<b>40 650</b>	<b>38 329</b>	<b>41 021</b>
<b>Total equity and liabilities</b>	<b>238 463</b>	<b>162 682</b>	<b>227 162</b>	<b>160 132</b>

**CASH FLOW STATEMENT**

	Q1 2006	Q1 2005	2005	2004
<b>Profit before tax</b>	<b>3 686</b>	<b>4 595</b>	<b>6 979</b>	<b>6 397</b>
Taxes paid	-	-	350	77
Depreciation	3 825	2 242	11 255	7 800
Changes in inventory, AR and AP	(2 886)	(2 781)	(11 099)	(7 892)
Wages employee options	845	1 050	3 517	3 522
Changes in other balance sheet items	11 511	5 698	1 464	2 387
<b>Cash flow from operations</b>	<b>16 981</b>	<b>10 804</b>	<b>12 467</b>	<b>12 291</b>
Investments in tangible fixed assets	(1 548)	(4 128)	(11 296)	(3 884)
Investments in intangible fixed assets	(3 300)	(3 005)	(14 830)	(10 596)
<b>Net cash flow from investments</b>	<b>(4 848)</b>	<b>(7 133)</b>	<b>(26 126)</b>	<b>(14 479)</b>
<b>Cash flow from financing activities</b>	<b>(3 530)</b>	<b>(1 462)</b>	<b>54 798</b>	<b>36 858</b>
Translation differences	(434)	22	(1 291)	(85)
<b>Net cash flow</b>	<b>8 169</b>	<b>2 231</b>	<b>39 848</b>	<b>34 585</b>
Cash and cash equivalents (beginning)	83 294	43 446	43 446	8 861
<b>Cash and cash equivalents (end)</b>	<b>91 463</b>	<b>45 678</b>	<b>83 294</b>	<b>43 446</b>

**MOVEMENT IN EQUITY**

	Q1 2006	Q1 2005	2005	2004
<b>Equity at 1st of January</b>	<b>188 699</b>	<b>118 985</b>	<b>118 985</b>	<b>71 256</b>
Share issue	315	240	68 035	46 737
Wages employee options	845	1 050	3 517	3 522
Sale/Purc. own shares/exercised emp. opt.	(3 845)	(1 702)	(4 919)	(6 106)
Translation differences	(21)	25	(950)	81
Net profit/loss for the year	2 654	3 309	4 031	3 495
<b>Equity end of period</b>	<b>188 647</b>	<b>121 907</b>	<b>188 699</b>	<b>118 985</b>

**SEGMENT INFORMATION**

	IFRS Q1 2005	IFRS Q2 2005	IFRS Q3 2005	IFRS Q4 2005	IFRS 2005
<b>GROUP</b>					
<b>Operating revenues</b>	<b>48 548</b>	<b>43 284</b>	<b>36 520</b>	<b>51 791</b>	<b>180 143</b>
Operating expenses	41 919	38 965	35 917	45 628	162 429
<b>EBITDA</b>	<b>6 629</b>	<b>4 319</b>	<b>603</b>	<b>6 163</b>	<b>17 714</b>
Depreciation	2 242	2 524	2 988	3 500	11 255
<b>EBIT</b>	<b>4 386</b>	<b>1 795</b>	<b>(2 385)</b>	<b>2 663</b>	<b>6 459</b>

**Business Solutions Scandinavia (NO/SE/DK)**

<b>Operating revenues</b>	<b>42 630</b>	<b>37 135</b>	<b>30 240</b>	<b>43 056</b>	<b>153 061</b>
Operating expenses	31 577	26 763	23 578	31 296	113 214
<b>EBITDA</b>	<b>11 053</b>	<b>10 372</b>	<b>6 662</b>	<b>11 760</b>	<b>39 847</b>
Depreciation	1 531	1 555	1 713	2 027	6 827
<b>EBIT</b>	<b>9 521</b>	<b>8 817</b>	<b>4 949</b>	<b>9 733</b>	<b>33 020</b>

**Business Solutions Europe (NL/UK/IE)**

<b>Operating revenues</b>	<b>4 581</b>	<b>4 919</b>	<b>5 310</b>	<b>7 385</b>	<b>22 195</b>
Operating expenses	8 176	9 408	9 055	10 303	36 942
<b>EBITDA</b>	<b>(3 595)</b>	<b>(4 489)</b>	<b>(3 745)</b>	<b>(2 918)</b>	<b>(14 747)</b>
Depreciation	570	797	914	1 081	3 362
<b>EBIT</b>	<b>(4 165)</b>	<b>(5 286)</b>	<b>(4 659)</b>	<b>(3 999)</b>	<b>(18 109)</b>

**New Solutions and other markets**

<b>Operating revenues</b>	<b>1 337</b>	<b>1 230</b>	<b>970</b>	<b>1 350</b>	<b>4 887</b>
Operating expenses	2 166	2 794	3 284	4 029	12 273
<b>EBITDA</b>	<b>(829)</b>	<b>(1 564)</b>	<b>(2 314)</b>	<b>(2 679)</b>	<b>(7 386)</b>
Depreciation	141	172	361	392	1 066
<b>EBIT</b>	<b>(970)</b>	<b>(1 736)</b>	<b>(2 675)</b>	<b>(3 071)</b>	<b>(8 452)</b>

**Segment Information**

Mamuts primary segment reporting from Q1 2006 will be:

**Business Solutions Scandinavia**

Revenues and operating expenses from business solutions sold in Norway, Sweden and Denmark.

**Business Solutions Europe**

Revenues and operating expenses from business solutions sold in The Netherlands, the UK and Ireland.

**New Solutions and other markets**

Revenues and operating expenses from licenses and service agreements under Mamut Open Services to non-business customers. Investments in new geographical markets in addition to the six existing markets.

Above is all quarterly statements for 2005 restated to the new primary segment reporting format.



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