

**Mamut ASA
Quarterly Report
Q3 - 2008**

Quarterly Report

Mamut ASA – Quarterly report – Q3 2008

Mamut ASA continues its growth and reached operating revenues of MNOK 367.8 YTD 2008. This represents growth in sales of 14 per cent (15 per cent growth in 3Q08). The company increases its revenues with MNOK 45.2 compared with YTD 2007 and improves its pro forma operating profit (EBIT) for YTD 2008 with MNOK 10.7, reaching MNOK 24.7. The company started a strategic process in Q3 and the company has now received indicative offers and entered the initial phase of the due diligence process.

Highlights Q3

- Operating revenues of MNOK 116.2 in 3Q08, up from MNOK 100.6 in 3Q07
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 20.4 in 3Q08 compared to MNOK 15.5 in 3Q07. EBIT of MNOK 6.1 in 3Q08
- Continued growth in all existing markets and well positioned for future growth and profitability
- Mamut has over 400,000 customers in total
- Integration of MYOB and KlubbenOnline are proceeding according to plan
- Co-operation with Lexware in Germany is according to plan
- Mamut has been awarded **Best in test** by the Magazine PC World Norway for the fifth consecutive year
- Mamut has been nominated as finalist with two solutions in the 2008 UK Accountancy Age Awards
- Preparing for forthcoming launches of new strategic partnerships built on Mamut Business Platform
- The company started a strategic process in Q3 and the company has now received indicative offers and entered the initial phase of the due diligence process

YTD 2008

For the first nine months of 2008 operating revenues amounted to MNOK 367.8, compared with MNOK 332.5 for the same period in 2007, a growth of 14 per cent. EBITDA of MNOK 67.0 per 30.09.2008, compared to MNOK 51.5 for the same period in 2007. EBIT of MNOK 24.7 per 30.09.2008 compared to MNOK 14.0 for the same period in 2007. Profit before tax for the first nine months of 2008 was MNOK 14.8, compared to MNOK 4.9 for the same period in 2007.

Third Quarter 2008

Mamut ASA increased its operating revenues to MNOK 116.2 in 3Q08 compared to MNOK 100.6 in 3Q07. Operating profit before depreciation (EBITDA) for 3Q08 was MNOK 20.4, compared to MNOK 15.5 in 3Q07. EBIT for 3Q08 was MNOK 6.1, compared to MNOK 2.0 in 3Q07. Profit before tax for 3Q08 was MNOK 3.1, compared to MNOK -0.9 in 3Q07.

Cash and cash equivalents were MNOK 43.6 at the end of 3Q08 compared with MNOK 34.1 at the end of 3Q07. Equity ratio was 46% and deferred revenues reached MNOK 98.3. Diluted earnings per share (EPS) were NOK 0.03 for 3Q08, compared with NOK -0.01 in 3Q07. At the end of 3Q08, the Company had 495 employees compared to 435 at the end of 3Q07 and 480 at the end of 2Q08.

Segment information

Segment reporting consolidates all business units in three regions; Nordic/HQ, Western Europe and Central Europe.

Nordic/HQ

Operating revenues reached MNOK 79.7 in 3Q08 (11% growth), EBITDA was MNOK 18.3 and EBIT was MNOK 11.7, an EBIT margin of 15 per cent. This region includes Norway, Sweden, Denmark and Finland.

Western Europe

Operating revenues reached MNOK 25.8 in 3Q08 (25% growth), EBITDA was MNOK 0.7 and EBIT was MNOK -2.5. This region includes the Netherlands, the UK, Republic of Ireland, Germany, Austria, Belgium, France, Switzerland and Spain.

Central Europe

Operating revenues reached MNOK 10.6 in 3Q08 (34% growth), EBITDA was MNOK 1.4 and EBIT was MNOK 0.9, an EBIT margin of 9 per cent. This region includes the Czech Republic, Poland and Serbia.

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Business Update

3Q08 is the 55th consecutive quarter with double digit percentage growth for Mamut. Mamut has increased its activity level in all markets with strong sales of software and services to new and existing customers. In addition Mamut has combined the introduction of several new products and services, strengthening the company's position for future growth and profitability. Mamut has over 400,000 customers in total.

Mamut has been awarded 'Best in test' by PC World Norway for the fifth consecutive year. In competition with 10 other accounting solutions, Mamut was able to repeat last year's triple prize grab, by taking the top three spots on the podium with its three participating solutions.

Accountancy Age has unveiled its shortlist for the 2008 UK Accountancy Age Awards where Mamut is represented with two finalists. Mamut has made the short list five years in a row and won in 2004, 2005 and 2006. The award ceremony is Nov 12th in London.

Mamut Business Platform and Mamut One

In Q3, Mamut commenced the launch of Mamut One in seven European markets, including Germany. Mamut One is the first Software + Services offering based on Mamut Business Platform combining the power and advantages of business software applications together with web-based solutions.



Mamut Business Platform provides all users with the right information on the right device, anywhere, at any time, without any additional investments in infrastructure.

The strategic aspects of the launch include a broader offering to existing and new customers in Europe, a strengthened ability for the company to enter into new strategic partnerships, and greater opportunity to explore possible acquisitions in European markets. Through deploying Mamut Business Platform BackOffice internally, Mamut expects to further improve the company's internal efficiency and scalability.

Strategic process

After being contacted by several parties regarding strategic alternatives, Mamut ASA has decided to engage ABG Sundal Collier ASA and Jefferies International Limited as financial advisors. The company has received indicative offers and entered the initial phase of the due diligence process.

Outlook

Mamut is well positioned for further growth and improved results in all markets. The company continues to maintain its focus on establishing and strengthening strategic alliances with international partners and increasing the distribution of Mamut's products and services. The company sees considerable growth potential following the launch of Mamut One in combination with existing customer bases in acquired companies.

Oslo, November 11 2008
The Board of Directors
Mamut ASA

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PROFIT AND LOSS STATEMENT - GROUP

(All figures in NOK 1.000)

	Group Q3 2008	Group Q3 2007		Group YTD 2008	Group YTD 2007		Group 2007
Operating revenues	116 179	100 638	15 %	367 748	322 537	14 %	445 115
Cost of goods sold	14 834	13 052	14 %	47 069	39 756	18 %	57 877
Personnel costs	51 075	47 532	7 %	160 130	148 858	8 %	198 726
Other operating expenses	29 837	24 577	21 %	93 538	82 471	13 %	124 981
Total operating expenses	95 746	85 161	12 %	300 737	271 084	11 %	381 585
EBITDA	20 433	15 477	32 %	67 011	51 453	30 %	63 530
Depreciation Tangible assets	5 425	3 312		16 626	13 379		18 787
Depreciation Capitalized R&D	4 994	3 787		14 258	10 735		15 072
Depreciation Intangible assets	3 948	6 354		11 431	13 334		14 598
EBIT	6 067	2 024		24 695	14 006		15 073
Net financial items	(2 934)	(2 941)		(9 945)	(9 082)		(12 328)
Profit before tax	3 133	(917)		14 750	4 924		2 745
Tax	879	(257)		4 129	1 378		918
Net profit	2 254	(660)		10 621	3 546		1 826
<i>EBITDA - margin</i>	<i>18 %</i>	<i>15 %</i>		<i>18 %</i>	<i>16 %</i>		<i>14 %</i>
<i>EBIT - margin</i>	<i>5 %</i>	<i>2 %</i>		<i>7 %</i>	<i>4 %</i>		<i>3 %</i>
EPS (NOK)	0,04	(0,01)		0,18	0,06		0,03
EPS diluted (NOK)	0,03	(0,01)		0,16	0,06		0,03
Outstanding shares (mill.)	59,45	55,32		59,45	55,32		58,70
No. of employees	495	435		495	435		440

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SEGMENT INFORMATION

(All figures in NOK 1.000)

	Group Q3 2008	Group Q3 2007		Group YTD 2008	Group YTD 2007		Group 2007
Total Group							
Operating revenues	116 179	100 638	15 %	367 748	322 537	14 %	445 115
Operating expenses	95 746	85 161		300 737	271 084		381 585
EBITDA	20 433	15 477		67 011	51 453		63 530
Depreciation Tangible assets/R&D	10 418	7 099		30 885	24 113		33 859
Depreciation Intangible assets	3 948	6 354		11 431	13 334		14 598
EBIT	6 067	2 024		24 695	14 006		15 073
<i>EBITDA - margin</i>	<i>18 %</i>	<i>15 %</i>		<i>18 %</i>	<i>16 %</i>		<i>14 %</i>
<i>EBIT - margin</i>	<i>5 %</i>	<i>2 %</i>		<i>7 %</i>	<i>4 %</i>		<i>3 %</i>

	Q3 2008	Q3 2007		YTD 2008	YTD 2007		2007
Nordic / HQ							
Operating revenues	79 748	72 140	11 %	261 204	235 602	11 %	324 584
Operating expenses	61 498	55 024		199 878	178 965		244 330
EBITDA	18 250	17 116		61 326	56 637		80 254
Depreciation Tangible assets/R&D	6 597	6 130		20 027	16 219		21 895
EBIT	11 653	10 986		41 299	40 417		58 358
<i>EBITDA - margin</i>	<i>23 %</i>	<i>24 %</i>		<i>23 %</i>	<i>24 %</i>		<i>25 %</i>
<i>EBIT - margin</i>	<i>15 %</i>	<i>15 %</i>		<i>16 %</i>	<i>17 %</i>		<i>18 %</i>

	Q3 2008	Q3 2007		YTD 2008	YTD 2007		2007
Western Europe							
Operating revenues	25 819	20 588	25 %	74 717	62 272	20 %	86 508
Operating expenses	25 074	23 254		73 456	70 373		107 216
EBITDA	745	(2 666)		1 261	(8 101)		(20 708)
Depreciation Tangible assets/R&D	3 289	2 817		9 332	7 856		10 368
EBIT	(2 544)	(5 483)		(8 071)	(15 957)		(31 076)
<i>EBITDA - margin</i>	<i>3 %</i>	<i>-13 %</i>		<i>2 %</i>	<i>-13 %</i>		<i>-24 %</i>
<i>EBIT - margin</i>	<i>-10 %</i>	<i>-27 %</i>		<i>-11 %</i>	<i>-26 %</i>		<i>-36 %</i>

	Q3 2008	Q3 2007		YTD 2008	YTD 2007		2007
Central Europe							
Operating revenues	10 612	7 910	34 %	31 827	24 664	29 %	34 024
Operating expenses	9 174	6 883		27 403	21 746		30 039
EBITDA	1 438	1 027		4 424	2 918		3 985
Depreciation Tangible assets/R&D	532	443		1 526	1 183		1 596
EBIT	906	584		2 898	1 735		2 389
<i>EBITDA - margin</i>	<i>14 %</i>	<i>13 %</i>		<i>14 %</i>	<i>12 %</i>		<i>12 %</i>
<i>EBIT - margin</i>	<i>9 %</i>	<i>7 %</i>		<i>9 %</i>	<i>7 %</i>		<i>7 %</i>

REVENUES SOURCE

(All figures in NOK 1.000)

	Group Q3 2008	Group Q3 2007		Group YTD 2008	Group YTD 2007		Group 2007
Mamut Business Software	64 147	52 182	23 %	213 842	177 523	20 %	249 268
Mamut Active Services	47 137	43 178	9 %	140 369	129 561	8 %	173 146
Other	4 895	5 278	-7 %	13 537	15 454	-12 %	22 701
Total	116 179	100 638	15 %	367 748	322 537	14 %	445 115

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BALANCE SHEET - GROUP

(All figures in NOK 1.000)

	Group 30.09.08	Group 30.09.07	Group 31.12.07
Assets			
Fixed assets			
Capitalized R&D	30 111	22 467	28 019
Other Intangible assets	138 445	127 298	134 358
Goodwill	124 136	95 822	98 852
Deferred tax assets	173 686	181 351	177 917
Tangible fixed assets	36 571	37 370	39 915
Financial fixed assets	3 247	3 487	3 236
Total fixed assets	506 195	467 795	482 296
Current assets			
Inventory/Deferred COGS	27 498	19 541	26 141
Accounts receivable	107 485	89 123	98 267
Other short-term receivables /Prepaid exp.	13 726	19 856	13 514
Bank deposits, cash, etc.	43 643	34 132	60 929
Total current assets	192 352	162 652	198 851
Total assets	698 548	630 447	681 148
Equity and liabilities			
Total equity	318 473	272 044	309 493
Deferred tax liability	27 755	30 866	30 485
Long term debt/Leasing	6 609	12 680	15 002
Long term debt financing	175 000	140 000	150 000
Long term debt	181 609	152 680	165 002
Current liabilities			
Accounts payable	16 727	13 947	20 491
Tax payable	(603)	674	(164)
Public duties payable	31 466	27 899	33 362
Other short-term liabilities	24 772	28 748	22 223
Deferred revenue	98 348	103 589	100 255
Total current liabilities	170 711	174 857	176 168
Total equity and liabilities	698 548	630 447	681 148

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CASH FLOW STATEMENT - GROUP

(All figures in NOK 1.000)

	Group Q3 2008	Group Q3 2007	Group YTD 2008	Group YTD 2007	Group 2007
Profit before tax	3 133	(917)	14 750	4 924	2 745
Taxes paid	34	(125)	439	(464)	434
Depreciation	14 366	13 453	42 316	37 448	48 457
Changes in inventory, AR and AP	(22 630)	(3 124)	(14 338)	(8 278)	(17 479)
Wages employee options	891	987	2 865	3 682	4 003
Changes in other balance sheet items	8 713	(3 721)	(9 517)	(9 097)	(2 738)
Cash flow from operations	4 508	6 553	36 514	28 214	35 423
Investments in tangible fixed assets	(5 146)	(3 919)	(15 183)	(15 118)	(23 124)
Investments in intangible fixed assets	(8 445)	(5 200)	(21 745)	(13 060)	(29 850)
Goodwill due to acquisition	(936)	-	(25 284)	-	(8 930)
Acquisition of technology/Customer Base	(368)	-	(3 633)	(12 374)	(7 473)
Net cash flow from investments	(14 895)	(9 119)	(65 845)	(40 552)	(69 377)
Proceeds from long term debt	-	(17 500)	22 500	(20 000)	(22 500)
Proceeds from equity issue	-	-	3 356	16 888	64 432
Own shares	-	-	-	-	(1 604)
Net paid leasing	(2 693)	(2 909)	(8 394)	(7 189)	(4 704)
Cash flow from financing activities	(2 693)	(20 409)	17 462	(10 301)	35 624
Translation differences	(1 314)	(274)	(5 418)	(1 084)	1 404
Net cash flow	(14 394)	(23 249)	(17 286)	(23 723)	3 074
Cash and cash equivalents (beginning)	58 037	57 381	60 929	57 855	57 855
Cash and cash equivalents (end)	43 643	34 132	43 643	34 132	60 929

MOVEMENT IN EQUITY - GROUP

(All figures in NOK 1.000)

	Group YTD 2008	Group YTD 2007	Group 2007
Equity at 1st of January	309 493	247 929	247 929
Share issue	3 356	16 888	65 933
Wages employee options	2 865	3 682	4 003
Sale/Purc. own shares/exercised emp. opt.	-	-	(1 604)
Translation differences	(7 861)		(8 594)
Net profit/loss for the year	10 621	3 545	1 826
Equity end of period	318 474	272 044	309 493

Shareholders 10.11.2008

Name	Shares	Percent
AS Real-Forvaltning* (CEO)	6 596 814	11,10 %
Goldman Sachs Int- Security Clilent Segr.	3 670 100	6,17 %
Alden AS	3 249 000	5,47 %
Orkla ASA	2 933 788	4,94 %
Braganza AS	2 780 000	4,68 %
SBL Vintage 1999 LTD	2 250 000	3,78 %
Banan AS	1 896 300	3,19 %
Conti AS	1 700 872	2,86 %
RO invest	1 593 000	2,68 %
AG Invest AS	1 500 000	2,52 %
Other	31 276 376	52,61 %
Total number of shares	59 446 250	100,00 %

*AS Real-forvaltning is 100% owned by CEO Eilert Hanoa



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