

Mamut ASA
Quarterly Report
Q1 - 2010

Quarterly Report

Mamut ASA – Quarterly report – Q1 2010

Mamut ASA reached operating revenues of MNOK 126.3 in 1Q10, compared to MNOK 129.7 in 1Q09. The company reached EBIT of MNOK 10.1, compared to 11.1 in first quarter 2009. The company improved cash flow from operations and strengthened balance sheet during the quarter due to continued streamlining of operations, including reduced cost base, headcount and investments.

Highlights Q1

- Operating revenues of MNOK 126.3 in 1Q10, compared to MNOK 129.7 in 1Q09
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 25.0 in 1Q10 compared to MNOK 26.3 in 1Q09. EBIT of MNOK 10.1 in 1Q10 compared to MNOK 11.1 in 1Q09
- Continued streamlining of operations, including reduced cost base, headcount and investments, have resulted in improved cash flow from operations and strengthened balance sheet
- Mamut One customer base grows with 30 per cent with expected increased growth in coming quarters
- Mamut is the world's first hosting partner to become a Microsoft Business Productivity Online Suite (BPOS) syndication partner with Microsoft Corp
- Mamut is one of the first companies to launch Software + Services solutions based on Microsoft's Windows Azure cloud platform
- Mamut has more than 400,000 customers in 12 European markets and will increase its focus on new features and increased user value to strengthen the recurring revenue business model

First Quarter 2010

Mamut ASA reached operating revenues of MNOK 126.3 in 1Q10 compared to MNOK 129.7 in 1Q09. Operating profit before depreciation (EBITDA) for 1Q10 was MNOK 25.0, compared to MNOK 26.3 in 1Q09. EBIT for 1Q10 was MNOK 10.1, compared to MNOK 11.1 in 1Q09. Profit before tax for 1Q10 was MNOK 7.3, compared to MNOK 7.4 in 1Q09.

Cash and cash equivalents were MNOK 77.0 at the end of 1Q10 compared with MNOK 70.4 at the end of 2009. Equity ratio was 48% and deferred revenues reached MNOK 91.4. Diluted earnings per share (EPS) were NOK 0.07 for 1Q10, compared with NOK 0.08 in 1Q09. At the end of 1Q10, the Company had 460 full time employees compared to 505 at the end of 1Q09 and 470 at the end of 2009.

Segment information

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

Nordic/HQ

Operating revenues reached MNOK 91.7 in 1Q10 (3 per cent decline), EBITDA was MNOK 20.7 and EBIT was MNOK 14.1, an EBIT margin of 15 per cent. This region includes Norway, Sweden and Denmark. The company has 240,000 customers in the region.

Western Europe

Operating revenues reached MNOK 23.9 in 1Q10 (2 per cent decline), EBITDA was MNOK 2.4 and EBIT was MNOK –1.3. This region includes the Netherlands, the UK, Republic of Ireland, Germany, Austria and Spain. The company has 100,000 customers in the region.

Central Europe

Operating revenues reached MNOK 10.6 in 1Q10 (1 per cent decline), EBITDA was MNOK 1.9 and EBIT was MNOK 1.3, an EBIT margin of 12 per cent. This region includes the Czech Republic, Poland and Serbia. The company has 70,000 customers in the region.

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Business Update

Mamut continues the streamlining of operations by reducing cost base, headcount and investments in 2010, in order to increase earnings capacity. The company has begun deployment of new internal developed back-office components in order to reduce overhead costs and increase cross-sell potential. Increased automation of services gives the company better scalability and future growth potential. The migration of customers from acquired accounting software solutions MYOB (UK), Microsoft Office Accounting (UK) and Stellar Business Software (DK) to Mamut solutions shows a positive trend and will be further strengthened during 2010.

In addition, Mamut will increase its operational flexibility, reduce costs and investments, reduce complexity in IT infrastructure and secure rapid deployment of new solutions, by leveraging Microsoft's new cloud services; Windows Azure and Microsoft Online Services.

Mamut is the world's first hosting partner that has signed a **BPOS** syndication partner agreement with Microsoft Corp. BPOS (Microsoft Business Productivity Online Suite) is one of Microsoft's major investments in online services and Microsoft has now increased its focus and offering towards the SME community. BPOS gives Mamut new opportunities in the SME segment, and these services will give Mamut's solutions richer functionality, and adding increased value to customers, without significant up front investments.

Moreover, Mamut is one of the first companies to launch Software + Services solutions on Microsoft's cloud platform; **Windows Azure**. Mamut has made a strategic decision to extend its offerings by leveraging Windows Azure. Rapid deployment, greater flexibility, and reduced operational costs are just a few of the benefits Mamut expects from the cloud based platform. Mamut Online Backup for Azure is the first solution to be launched on Microsoft's cloud platform. This professional backup tool is included in the award winning solution Mamut One. With support for file storage, SQL, and web based services, Microsoft Azure covers all web based storage requirements for all users' needs.

Mamut One

Mamut One is an all-inclusive business solution including software applications, web-based services and knowledge. Mamut One simplifies use and management of software and services for small businesses by increasing functionality and accessibility without the need for any additional investment in infrastructure. Fully integrated with Microsoft Office, Mamut One includes hosted services that give SMEs the flexibility to access the information they need, when and where they need it. By enabling SMEs to run their entire business – not just their accounts – more efficiently, it gives users improved visibility across all operational areas, a better understanding of their customers and more streamlined processes. Mamut won a number of awards in 2009, including 2009 Microsoft Worldwide Partner Award (Software + Services category), UK Accountancy Age Award, "Best in Test" in PC World Norway and WINMAG Pro "Best Choice Award 2009" in the Netherlands.



Outlook

Mamut is well positioned for improved results and further growth 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.

Mamut will give a broader update regarding the company's strategic plans at a Capital Markets Day in June.

Oslo, April 29 2010
The Board of Directors
Mamut ASA

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PROFIT AND LOSS STATEMENT - GROUP

(All figures in NOK 1.000)

	Group Q1 2010	Group Q1 2009		Group 2009	Group 2008	
Operating revenues	126 253	129 739	-3 %	496 639	500 613	-1 %
Cost of goods sold	16 845	16 154		68 625	64 787	
Personnel costs	57 796	59 276		228 335	224 463	
Other operating expenses	26 590	28 034		116 484	131 332	
Total operating expenses	101 231	103 464	-2 %	413 443	420 582	-2 %
EBITDA	25 022	26 275	-5 %	83 195	80 031	4 %
Depreciation Tangible assets	5 044	5 786		23 099	22 122	
Depreciation Capitalized R&D	5 864	5 249		22 132	19 332	
Depreciation Intangible assets	4 003	4 102		16 070	14 934	
EBIT	10 112	11 138		21 895	23 642	
Net financial items	(2 856)	(3 786)		(11 416)	(15 136)	
Profit before tax	7 255	7 352		10 478	8 506	
Tax	2 031	2 060		3 225	2 723	
Net profit	5 224	5 292		7 254	5 783	
<i>EBITDA - margin</i>	20 %	20 %		17 %	16 %	
<i>EBIT - margin</i>	8 %	9 %		4 %	5 %	
EPS (NOK)	0,08	0,09		0,11	0,10	
EPS diluted (NOK)	0,07	0,08		0,10	0,09	
Outstanding shares (mill.)	65,17	59,45		65,17	59,45	
No. of employees	460	505		470	505	

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SEGMENT INFORMATION

(All figures in NOK 1.000)

	Group	Group		Group	Group	
Total Group	Q1 2010	Q1 2009		2009	2008	
Operating revenues	126 253	129 739	-3 %	496 639	500 613	-1 %
Operating expenses	101 231	103 464		413 443	420 582	
EBITDA	25 022	26 275		83 195	80 031	
Depreciation Tangible assets/R&D	10 908	11 035		45 230	41 455	
Depreciation Intangible assets	4 003	4 102		16 070	14 934	
EBIT	10 112	11 138		21 895	23 643	
<i>EBITDA - margin</i>	20 %	20 %		17 %	16 %	
<i>EBIT - margin</i>	8 %	9 %		4 %	5 %	

Nordic / HQ	Q1 2010	Q1 2009		2009	2008	
Operating revenues	91 767	94 556	-3 %	353 155	356 775	-1 %
Operating expenses	71 038	71 362		276 118	281 025	
EBITDA	20 729	23 194		77 037	75 750	
Depreciation Tangible assets/R&D	6 623	6 589		27 464	26 482	
EBIT	14 106	16 605		49 573	49 268	
<i>EBITDA - margin</i>	23 %	25 %		22 %	21 %	
<i>EBIT - margin</i>	15 %	18 %		14 %	14 %	

Western Europe	Q1 2010	Q1 2009		2009	2008	
Operating revenues	23 874	24 425	-2 %	97 964	101 578	-4 %
Operating expenses	21 452	22 952		98 536	103 116	
EBITDA	2 422	1 473		(572)	(1 538)	
Depreciation Tangible assets/R&D	3 684	3 885		15 357	12 901	
EBIT	(1 262)	(2 412)		(15 929)	(14 439)	
<i>EBITDA - margin</i>	10 %	6 %		-1 %	-2 %	
<i>EBIT - margin</i>	-5 %	-10 %		-16 %	-14 %	

Central Europe	Q1 2010	Q1 2009		2009	2008	
Operating revenues	10 612	10 758	-1 %	45 520	42 260	8 %
Operating expenses	8 741	9 150		38 790	36 441	
EBITDA	1 871	1 608		6 730	5 819	
Depreciation Tangible assets/R&D	601	561		2 409	2 072	
EBIT	1 270	1 047		4 321	3 747	
<i>EBITDA - margin</i>	18 %	15 %		15 %	14 %	
<i>EBIT - margin</i>	12 %	10 %		9 %	9 %	

REVENUES SOURCE

(All figures in NOK 1.000)

	Group	Group		Group	Group	
	Q1 2010	Q1 2009		2009	2008	
Mamut Business Software	79 486	78 535	1 %	295 311	294 037	0 %
Mamut Active Services	43 489	47 789	-9 %	185 959	188 646	-1 %
Other	3 278	3 415	-4 %	15 368	17 930	-14 %
Total	126 253	129 739	-3 %	496 639	500 613	-1 %

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BALANCE SHEET - GROUP

(All figures in NOK 1.000)

	Group 31.03.2010	Group 31.03.2009	Group 31.12.2009	Group 31.12.2008
Assets				
Fixed assets				
Capitalized R&D	32 774	32 358	32 779	32 207
Other Intangible assets	122 686	131 347	126 217	137 209
Goodwill	123 945	122 850	123 972	124 981
Deferred tax assets	142 525	142 964	144 428	147 606
Tangible fixed assets	33 723	39 671	35 363	41 592
Financial fixed assets	3 516	3 435	3 514	3 452
Total fixed assets	459 169	472 625	466 273	487 047
Current assets				
Inventory/Deferred COGS	28 404	31 518	28 989	31 868
Accounts receivable	98 015	104 070	103 723	117 653
Other short-term receivables /Prepaid exp.	13 448	14 351	14 106	15 521
Bank deposits, cash, etc.	77 067	41 122	70 353	45 404
Total current assets	216 934	191 061	217 171	210 446
Total assets	676 103	663 686	683 443	697 493
Equity and liabilities				
Total equity	325 255	298 885	324 168	309 457
Long term debt financing	175 000	170 000	180 000	172 500
Long term debt/Leasing	1 354	4 435	1 949	6 291
Long term debt	176 354	174 435	181 949	178 791
Current liabilities				
Accounts payable	15 477	26 655	21 770	32 604
Tax payable	293	1 462	341	1 678
Public duties payable	37 354	35 231	38 683	36 943
Other short-term liabilities	29 983	23 781	27 539	26 878
Deferred revenue	91 388	103 237	88 993	111 145
Total current liabilities	174 495	190 366	177 326	209 246
Total equity and liabilities	676 103	663 686	683 443	697 493

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CASH FLOW STATEMENT - GROUP

(All figures in NOK 1.000)

	Group Q1 2010	Group Q1 2009	Group 2009	Group 2008
Profit before tax	7 255	7 352	10 478	8 506
Taxes paid	(48)	55	(1 337)	(29)
Depreciation	14 910	15 137	61 301	56 389
Changes in inventory, AR and AP	(1 274)	1 484	1 915	(6 165)
Wages employee options	550	350	2 180	3 674
Changes in other balance sheet items	(856)	(12 772)	(30 820)	(9 910)
Cash flow from operations	20 538	11 606	43 717	52 465
Investments in tangible fixed assets	(3 404)	(3 895)	(15 468)	(23 251)
Investments in intangible fixed assets	(4 950)	(5 985)	(26 203)	(30 521)
Acquisition	-	-	(6 150)	(22 657)
Net cash flow from investments	(8 354)	(9 880)	(47 821)	(76 429)
Proceeds from long term debt	(5 000)	(2 500)	7 500	20 000
Proceeds from equity issue	-	-	33 532	1 656
Own shares	-	-	(952)	29
Net paid leasing	(595)	(1 856)	(4 342)	(8 711)
Cash flow from financing activities	(5 595)	(4 356)	35 738	12 974
Translation differences	125	(1 652)	(6 685)	(4 535)
Net cash flow	6 714	(4 282)	24 949	(15 525)
Cash and cash equivalents (beginning)	70 353	45 404	45 404	60 929
Cash and cash equivalents (end)	77 067	41 122	70 353	45 404

MOVEMENT IN EQUITY - GROUP

(All figures in NOK 1.000)

	Group Q1 2010	Group Q1 2009	Group 2009	Group 2008
Equity at 1st of January	324 168	309 457	309 457	309 493
Share issue	-	-	33 532	2 303
Wages employee options	550	350	2 180	3 674
Sale/Purc. own shares/exercised emp. op	-	-	(952)	-
Translation differences	(4 687)	(16 214)	(27 302)	(11 796)
Net profit/loss for the year	5 224	5 292	7 254	5 783
Equity end of period	325 255	298 885	324 168	309 457

Shareholders 27.04.2010

Name	Shares	Percent
LUDVIG LORENTZEN AS	6 600 000	10,13 %
AS REAL-FORVALTNING*	6 596 814	10,12 %
ALDEN AS**	5 277 000	8,10 %
BRAGANZA AS	5 062 050	7,77 %
ORKLA ASA	3 283 788	5,04 %
SBL VINTAGE 1999 LTD P565	2 250 000	3,45 %
RO INVEST AS	2 072 000	3,18 %
BANAN AS	1 963 300	3,01 %
CONTI AS	1 700 872	2,61 %
GLAAMENE INDUSTRIER	1 700 000	2,61 %
Other	28 663 826	43,98 %
Total number of shares	65 169 650	100,00 %

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

**Includes Trekka AS shareholding



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