

**Mamut ASA  
Quarterly Report  
Q2 - 2010**

Quarterly Report

# Mamut ASA – Quarterly report – 1H 2010

Mamut ASA reached operating revenues of MNOK 244.2 in 1H10, compared to MNOK 251.4 in 1H09. The company reached EBITDA of MNOK 50.8 and EBIT of MNOK 21.4 for 1H10, an EBIT margin of 9%. Mamut reached EBIT of MNOK 11.3 in 2Q10, an improvement of 18% compared with 2Q09. As part of the company's streamlining process, Mamut has in 2010 reduced cost base, headcount and investment level to improve its financial scalability and prepare for future growth.

## Highlights

- Operating revenues of MNOK 118.0 in 2Q10, compared to MNOK 121.6 in 2Q09
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 25.8 in 2Q10 compared to MNOK 24.9 in 2Q09. EBIT of MNOK 11.3 in 2Q10 compared to MNOK 9.6 in 2Q09
- Mamut has continued streamlining of operations, including reduced cost base, headcount, investments and long term debt
- Cash flow from operations reached MNOK 17.3 in 1H10, compared with MNOK 4.3 in 1H09
- The next major release of Mamut One has entered external test phase and will also introduce new cloud based services, application hosting and new web hosting services during second half of 2010
- Mamut has recently won three awards, including "Editor's Choice SaaS Award 2010" by ChannelPartner in Germany in August 2010
- Mamut has more than 400,000 customers in 12 European markets and will increase its focus on new features and user value to strengthen the recurring revenue business model

## First half 2010

For the first six months of 2010 operating revenues amounted to MNOK 244.2, compared with MNOK 251.4 for the same period in 2009. EBITDA of MNOK 50.8 per 1H10, compared to MNOK 51.2 for the same period in 2009. EBIT of MNOK 21.4 per 1H10, compared to MNOK 20.8 for the same period in 2009. Profit before tax for 1H10 was MNOK 15.6, compared to MNOK 13.9 in 1H09.

## Second Quarter 2010

Mamut ASA reached operating revenues of MNOK 118.0 in 2Q10 compared to MNOK 121.7 in 2Q09. Operating profit before depreciation (EBITDA) for 2Q10 was MNOK 25.8, compared to MNOK 24.9 in 2Q09. EBIT for 2Q10 was MNOK 11.3, compared to MNOK 9.6 in 2Q09. Profit before tax for 2Q10 was MNOK 8.4, compared to MNOK 6.6 in 2Q09, an improvement of 27%.

Cash and cash equivalents were MNOK 56.6 at the end of 2Q10 compared with MNOK 77.1 at the end of first quarter 2010. Equity ratio was 52% and deferred revenues reached MNOK 77.0. Diluted earnings per share (EPS) were NOK 0.08 for 2Q10, compared with NOK 0.07 in 2Q09. At the end of 2Q10, the Company had 450 full time employees compared to 490 at the end of 2Q09 and 460 at the end of 1Q10.

## Segment information

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

### Nordic/HQ

Operating revenues reached MNOK 83.8 in 2Q10, EBITDA was MNOK 21.3 and EBIT was MNOK 14.8, an EBIT margin of 18 per cent. This region includes Norway, Sweden and Denmark. The company has approx. 240,000 customers in the region.

### Western Europe

Operating revenues reached MNOK 22.6 in 2Q10, EBITDA was MNOK 2.4 and EBIT was MNOK -1.2. This region includes the Netherlands, the UK, Republic of Ireland, Germany, Austria and Spain. The company has approx. 100,000 customers in the region.

### Central Europe

Operating revenues reached MNOK 11.6 in 2Q10, EBITDA was MNOK 2.1 and EBIT was MNOK 1.5, an EBIT margin of 13 per cent. This region includes the Czech Republic, Poland and Serbia. The company has approx. 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 to Mamut solutions shows a positive trend and will be further strengthened with new release of Mamut One in the second half of 2010.

### 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.

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. Migration of services to Windows Azure further reduces need for infrastructure investments.

Mamut has already won a number of awards in 2010, including "Editor's Choice SaaS Award 2010" by ChannelPartner in Germany, "100% SME Proof" in the online software category in WINMAG Pro and Baaz Magazine and "Norwegian ISV of the Year 2010" by Microsoft at the Microsoft Worldwide Partner Conference.

### 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 on November 10.

### Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2010 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the (Company's and) Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Oslo, August 26 2010  
The Board of Directors and CEO  
Mamut ASA

Jan M. Moberg  
Chairman of the Board

Nini Høegh Nergaard  
Board Member

Anne-Cecilie Fagerlie  
Board Member

Line Beate Jebesen  
Board Member

Christina Karlsson  
Board Member

Paal E. Johnsen  
Board Member

Audun Wickstrand Iversen  
Board Member

Leif Persson  
Board Member

Måns Hultman  
Board Member

Eilert Hanoa  
CEO

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### PROFIT AND LOSS STATEMENT - GROUP

(All figures in NOK 1.000)

	Group Q2 2010	Group Q2 2009		Group H1 2010	Group H1 2009		Group 2009
<b>Operating revenues</b>	<b>117 955</b>	<b>121 637</b>	<b>-3 %</b>	<b>244 208</b>	<b>251 376</b>	<b>-3 %</b>	<b>496 639</b>
Cost of goods sold	14 937	16 310		31 782	32 464		68 625
Personnel costs	50 696	52 807		108 492	112 083		228 335
Other operating expenses	26 511	27 611		53 101	55 645		116 484
<b>Total operating expenses</b>	<b>92 144</b>	<b>96 728</b>	<b>-5 %</b>	<b>193 375</b>	<b>200 192</b>	<b>-3 %</b>	<b>413 443</b>
<b>EBITDA</b>	<b>25 811</b>	<b>24 910</b>	<b>4 %</b>	<b>50 832</b>	<b>51 185</b>	<b>-1 %</b>	<b>83 195</b>
Depreciation Tangible assets	4 667	6 050		9 711	11 836		23 814
Depreciation Capitalized R&D	6 001	5 451		11 865	10 700		22 132
Depreciation Intangible assets	3 819	3 791		7 821	7 893		16 070
<b>EBIT</b>	<b>11 324</b>	<b>9 618</b>		<b>21 435</b>	<b>20 756</b>		<b>21 180</b>
Net financial items	(2 957)	(3 035)		(5 813)	(6 821)		(11 416)
<b>Profit before tax</b>	<b>8 367</b>	<b>6 583</b>		<b>15 622</b>	<b>13 935</b>		<b>9 763</b>
Tax	2 343	1 845		4 374	3 905		1 912
<b>Net profit</b>	<b>6 024</b>	<b>4 738</b>		<b>11 248</b>	<b>10 030</b>		<b>7 852</b>
Translation differences	(4 653)	(4 396)		(9 340)	(11 818)		(27 460)
<b>Total comprehensive income</b>	<b>1 371</b>	<b>342</b>		<b>1 908</b>	<b>(1 788)</b>		<b>(19 608)</b>
<i>EBITDA - margin</i>	<i>22 %</i>	<i>20 %</i>		<i>21 %</i>	<i>20 %</i>		<i>17 %</i>
<i>EBIT - margin</i>	<i>10 %</i>	<i>8 %</i>		<i>9 %</i>	<i>8 %</i>		<i>4 %</i>
EPS (NOK)	0,09	0,07		0,17	0,16		0,12
EPS diluted (NOK)	0,08	0,07		0,16	0,14		0,11
Outstanding shares (mill.)	65,17	64,55		65,17	64,55		65,17
<b>No. of employees</b>	<b>450</b>	<b>490</b>		<b>450</b>	<b>490</b>		<b>470</b>

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### SEGMENT INFORMATION

(All figures in NOK 1.000)

Total Group	Group			Group			Group	
	Q2 2010	Q2 2009		H1 2010	H1 2009		2009	
<b>Operating revenues</b>	<b>117 955</b>	<b>121 637</b>	-3 %	<b>244 208</b>	<b>251 376</b>	-3 %	<b>496 639</b>	
Operating expenses	92 144	96 728		193 375	200 192		413 443	
<b>EBITDA</b>	<b>25 811</b>	<b>24 910</b>		<b>50 832</b>	<b>51 185</b>		<b>83 195</b>	
Depreciation Tangible assets/R&D	10 668	11 501		21 576	22 536		45 945	
Depreciation Intangible assets	3 819	3 791		7 821	7 893		16 070	
<b>EBIT</b>	<b>11 324</b>	<b>9 618</b>		<b>21 435</b>	<b>20 756</b>		<b>21 180</b>	
<i>EBITDA - margin</i>	22 %	20 %		21 %	20 %		17 %	
<i>EBIT - margin</i>	10 %	8 %		9 %	8 %		4 %	

Nordic / HQ	Group			Group			Group	
	Q2 2010	Q2 2009		H1 2010	H1 2009		2009	
<b>Operating revenues</b>	<b>83 781</b>	<b>85 335</b>	-2 %	<b>175 548</b>	<b>179 891</b>	-2 %	<b>353 155</b>	
Operating expenses	62 480	63 590		133 518	134 952		276 118	
<b>EBITDA</b>	<b>21 301</b>	<b>21 745</b>		<b>42 030</b>	<b>44 939</b>		<b>77 037</b>	
Depreciation Tangible assets/R&D	6 494	6 901		13 117	13 490		27 879	
<b>EBIT</b>	<b>14 807</b>	<b>14 845</b>		<b>28 913</b>	<b>31 450</b>		<b>49 157</b>	
<i>EBITDA - margin</i>	25 %	25 %		24 %	25 %		22 %	
<i>EBIT - margin</i>	18 %	17 %		16 %	17 %		14 %	

Western Europe	Group			Group			Group	
	Q2 2010	Q2 2009		H1 2010	H1 2009		2009	
<b>Operating revenues</b>	<b>22 587</b>	<b>24 178</b>	-7 %	<b>46 461</b>	<b>48 603</b>	-4 %	<b>97 964</b>	
Operating expenses	20 179	22 985		41 631	45 937		98 536	
<b>EBITDA</b>	<b>2 408</b>	<b>1 193</b>		<b>4 830</b>	<b>2 666</b>		<b>(572)</b>	
Depreciation Tangible assets/R&D	3 587	3 987		7 271	7 872		15 607	
<b>EBIT</b>	<b>(1 179)</b>	<b>(2 794)</b>		<b>(2 441)</b>	<b>(5 206)</b>		<b>(16 179)</b>	
<i>EBITDA - margin</i>	11 %	5 %		10 %	5 %		-1 %	
<i>EBIT - margin</i>	-5 %	-12 %		-5 %	-11 %		-17 %	

Central Europe	Group			Group			Group	
	Q2 2010	Q2 2009		H1 2010	H1 2009		2009	
<b>Operating revenues</b>	<b>11 587</b>	<b>12 124</b>	-4 %	<b>22 199</b>	<b>22 882</b>	-3 %	<b>45 520</b>	
Operating expenses	9 485	10 153		18 226	19 303		38 790	
<b>EBITDA</b>	<b>2 102</b>	<b>1 971</b>		<b>3 973</b>	<b>3 579</b>		<b>6 730</b>	
Depreciation Tangible assets/R&D	587	613		1 188	1 174		2 459	
<b>EBIT</b>	<b>1 515</b>	<b>1 358</b>		<b>2 785</b>	<b>2 405</b>		<b>4 271</b>	
<i>EBITDA - margin</i>	18 %	16 %		18 %	16 %		15 %	
<i>EBIT - margin</i>	13 %	11 %		13 %	11 %		9 %	

### REVENUES SOURCE

(All figures in NOK 1.000)

	Group			Group			Group	
	Q2 2010	Q2 2009		H1 2010	H1 2009		2009	
Mamut Business Software	73 589	71 850	2 %	153 075	150 385	2 %	295 311	
Mamut Active Services	41 251	45 846	-10 %	84 740	93 635	-9 %	185 959	
Other	3 115	3 941	-21 %	6 393	7 356	-13 %	15 368	
<b>Total</b>	<b>117 955</b>	<b>121 637</b>	<b>-3 %</b>	<b>244 208</b>	<b>251 376</b>	<b>-3 %</b>	<b>496 639</b>	

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### BALANCE SHEET - GROUP

(All figures in NOK 1.000)

	Group 30.06.2010	Group 30.06.2009	Group 31.12.2009
<b>Assets</b>			
<b>Fixed assets</b>			
Capitalized R&D	32 622	32 308	33 687
Other Intangible assets	118 123	129 629	126 216
Goodwill	124 280	125 048	123 752
Deferred tax assets	142 395	143 404	146 770
Tangible fixed assets	30 654	36 927	35 219
Financial fixed assets	3 757	3 436	3 518
<b>Total fixed assets</b>	<b>451 832</b>	<b>470 752</b>	<b>469 162</b>
<b>Current assets</b>			
Inventory/Deferred COGS	29 493	31 965	28 989
Accounts receivable	90 991	104 972	103 723
Other short-term receivables /Prepaid exp.	8 851	12 380	14 567
Bank deposits, cash, etc.	56 580	41 477	70 353
<b>Total current assets</b>	<b>185 916</b>	<b>190 794</b>	<b>217 632</b>
<b>Total assets</b>	<b>637 748</b>	<b>661 546</b>	<b>686 794</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>330 627</b>	<b>340 819</b>	<b>327 519</b>
Long term debt financing	170 000	165 000	180 000
Long term debt/Leasing	769	2 916	1 976
<b>Long term debt</b>	<b>170 769</b>	<b>167 916</b>	<b>181 976</b>
<b>Current liabilities</b>			
Accounts payable	14 204	22 956	21 770
Tax payable	(33)	1 436	341
Public duties payable	26 218	19 305	38 683
Other short-term liabilities	19 013	17 715	27 512
Deferred revenue	76 951	91 398	88 993
<b>Total current liabilities</b>	<b>136 352</b>	<b>152 811</b>	<b>177 299</b>
<b>Total equity and liabilities</b>	<b>637 748</b>	<b>661 546</b>	<b>686 794</b>

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### CASH FLOW STATEMENT - GROUP

(All figures in NOK 1.000)

	Group Q2 2010	Group Q2 2009	Group H1 2010	Group H1 2009	Group 2009
<b>Profit before tax</b>	<b>8 367</b>	<b>6 583</b>	<b>15 622</b>	<b>13 935</b>	<b>9 763</b>
Taxes paid	(326)	(2 005)	(374)	(1 950)	(1 337)
Depreciation	14 487	15 292	29 397	30 429	62 016
Changes in inventory, AR and AP	4 610	1 453	3 336	2 937	(1 030)
Wages employee options	650	375	1 200	725	3 389
Changes in other balance sheet items	(30 996)	(29 008)	(31 852)	(41 780)	(29 143)
<b>Cash flow from operations</b>	<b>(3 207)</b>	<b>(7 311)</b>	<b>17 331</b>	<b>4 295</b>	<b>43 658</b>
Investments in tangible fixed assets	(3 112)	(3 322)	(6 516)	(7 217)	(18 120)
Investments in intangible fixed assets	(5 850)	(6 900)	(10 800)	(12 885)	(27 113)
Acquisition	-	(6 150)	-	(6 150)	(6 150)
<b>Net cash flow from investments</b>	<b>(8 962)</b>	<b>(16 372)</b>	<b>(17 316)</b>	<b>(26 252)</b>	<b>(51 383)</b>
Proceeds from long term debt	(5 000)	(5 000)	(10 000)	(7 500)	7 500
Proceeds from equity issue	-	32 425	-	32 425	34 532
Own shares	-	-	-	-	(1 268)
Net paid leasing	(612)	(1 518)	(1 207)	(3 374)	(4 342)
<b>Cash flow from financing activities</b>	<b>(5 612)</b>	<b>25 907</b>	<b>(11 207)</b>	<b>21 551</b>	<b>36 422</b>
Translation differences	(2 706)	(1 869)	(2 581)	(3 521)	(3 749)
<b>Net cash flow</b>	<b>(20 487)</b>	<b>355</b>	<b>(13 772)</b>	<b>(3 927)</b>	<b>24 948</b>
Cash and cash equivalents (beginning)	77 067	41 122	70 353	45 404	45 405
<b>Cash and cash equivalents (end)</b>	<b>56 580</b>	<b>41 477</b>	<b>56 580</b>	<b>41 477</b>	<b>70 353</b>

### MOVEMENT IN EQUITY - GROUP

(All figures in NOK 1.000)

	Group H1 2010	Group H1 2009	Group 2009
<b>Equity at 1st of January</b>	<b>327 519</b>	<b>309 457</b>	<b>309 457</b>
Share issue	-	32 425	35 549
Wages employee options	1 200	725	3 389
Sale/Purc. own shares/exercised emp. opt.	-	-	(1 268)
Translation differences	(9 340)	(11 818)	(27 460)
Net profit/loss for the year	11 248	10 030	7 852
<b>Equity end of period</b>	<b>330 627</b>	<b>340 819</b>	<b>327 519</b>

### Shareholders 24.08.2010

Name	Shares	Percent
LUDVIG LORENTZEN AS	7 900 000	12,12 %
AS REAL-FORVALTNING*	6 713 814	10,30 %
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	2 105 000	3,23 %
BANAN AS	1 963 300	3,01 %
GLAAMENE INDUSTRIER	1 893 021	2,90 %
CONTI AS	1 700 872	2,61 %
Other	27 020 805	41,46 %
<b>Total number of shares</b>	<b>65 169 650</b>	<b>100,00 %</b>

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

\*\* Includes Trekka AS shareholding

## Mamut ASA – Quarterly report – 1H 2010

### Notes to the financial statement (unaudited) Mamut ASA

#### Note 1 Introduction

Mamut ASA is headquartered in Norway. The financial report for the 2<sup>nd</sup> quarter of 2010 and accumulated at 30.06.2010 comprises Mamut ASA and its subsidiaries (collectively "the group").

#### Note 2 Confirmation of financial framework

The group's principles for managing financial risk are in accordance with the description in the group financial statement for 2009. The preparation of the interim financial report involves the use of valuations, estimates and assumptions which affect the application of accounting principles and the posted amounts of assets and liabilities, revenues and costs. The actual results may differ from these estimates. The principal valuations in the application of accounting principles and the most significant sources of uncertainty are the same for the preparation of the interim report as for the group financial statement for 2009.

The group financial report for the 2<sup>nd</sup> quarter is prepared in accordance with stock exchange prescriptions and regulations and IAS 34 "Interim financial reporting". The interim report does not cover all of the information required in a full annual financial statement and should be read in conjunction with the published group financial statement for 2009. The 2009 financial statement can be obtained in printed form from Mamut ASA, or downloaded from [www.mamutinvestor.com](http://www.mamutinvestor.com). No new IFRS standards or interpretations have been issued since completion of the 2009 group financial statement and which affect the published interim financial report as at 31.03.10. The interim report as at 30.06.2010 was approved by the Board on 25 August 2010.

#### Note 3 Accounting principles

There have been no changes to the accounting principles used since publication of the annual financial statement for 2009. The group financial statement for 2009 was prepared in accordance with the regulations in the Norwegian Accounting Act and international standards for financial reporting laid down by the EU.

#### Note 4 Estimates

The preparation of the interim financial report involves the use of valuations, estimates and assumptions which affect the application of accounting principles and the posted amounts of assets and liabilities, revenues and costs. The actual results may differ from these estimates. The principal valuations in the application of accounting principles and the most significant sources of uncertainty are the same for the preparation of the interim report as for the group financial statement for 2009.

#### Note 5 Management of financial risk

The group's principles for managing financial risk are in accordance with the description in the group financial statement for 2009.



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