Q3 2010 Presentation

Eilert Hanoa, CEO

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eilerth@mamut.com

Simplifying the way small organisations do their business by delivering software, services and knowledge

Highlights 3Q10 / YTD

Streamlining and improved margin, cash flow

Business Highlights

- Continued improved market sentiment and underlying growth, both in the software and the hosting segments
- Mamut has improved its financial scalability and continued streamlining of operations, including reduced cost base, headcount and long term debt
- Mamut has prepared for the Q4 launch of Mamut One 2011 Edition
- Mamut was one of six global launch partners on Microsoft Office 365
- Mamut introduced Mamut Application Hosting
- Mamut One is finalist in the 2010 Accountancy Age Software Awards

Financial Highlights

- Operating revenues flat in 3Q10 vs 3Q09
- Operating expenses reduced with 2% due to ongoing streamlining projects
- Cash flow from operations reached MNOK 11.2 in 3Q10 (MNOK 28.5 YTD)
- EBIT margin improved with 60% compared with 3Q09

Mamut Financials 3Q10 / YTD

Cost savings and margin improvements

PROFIT AND LOSS STATEMENT						
(All figures in NOK 1.000)						
	Group Q3 2010	Group Q3 2009		Group YTD 2010	Group YTD 2009	
Operating revenues	**113 379**	**113 842**	**0 %**	**357 586**	**365 218**	**-2 %**
Cost of goods sold	15 785	15 931		47 567	48 395	
Personnel costs	51 740	51 847		160 233	163 930	
Other operating expenses	26 344	28 112		79 446	83 757	
Total operating expenses	**93 870**	**95 890**	**-2 %**	**287 245**	**296 082**	**-3 %**
EBITDA	**19 509**	**17 952**	**9 %**	**70 341**	**69 137**	**2 %**
Depreciation Tangible assets	4 975	5 948		14 686	17 784	
Depreciation Capitalized R&D	6 007	5 315		17 872	16 015	
Depreciation Intangible assets	3 911	3 811		11 732	11 704	
EBIT	**4 616**	**2 878**	**60 %**	**26 051**	**23 634**	**10 %**

- Operating Revenues unchanged in 3Q10 vs 3Q09, down 2% YTD
- Cost reduction -2% in 3Q10, -3% YTD
- No. of employees 440 in 3Q10, down from 480 per 30.09.09
- EBITDA improved 9% in 3Q10 to MNOK 19.5 (a 17% EBITDA margin)
- EBIT improved 60% in 3Q10 to MNOK 4.8 (a 4% EBIT margin)

Revenues per Region 3Q10 / YTD

Streamlining operations in all regions

SEGMENT INFORMATION

(All figures in NOK 1.000)

Nordic / HQ	Q3 2010	Q3 2009		YTD 2010	YTD 2009	
Operating revenues	**79 766**	**78 478**	**2 %**	**255 313**	**258 369**	**-1 %**
Operating expenses	63 434	62 852		196 952	197 804	
EBITDA	**16 332**	**15 626**		**58 361**	**60 565**	
Depreciation	6 806	6 784		19 923	20 274	
EBIT	**9 525**	**8 842**		**38 438**	**40 292**	
EBITDA - margin	20 %	20 %		23 %	23 %	
EBIT - margin	12 %	11 %		15 %	16 %	
Western Europe						
Operating revenues	**21 865**	**23 852**	**-8 %**	**68 326**	**72 455**	**-6 %**
Operating expenses	19 856	22 725		61 487	68 662	
EBITDA	**2 009**	**1 127**		**6 839**	**3 793**	
Depreciation	3 612	3 878		10 883	11 750	
EBIT	**(1 603)**	**(2 751)**		**(4 044)**	**(7 957)**	
EBITDA - margin	9 %	5 %		10 %	5 %	
EBIT - margin	-7 %	-12 %		-6 %	-11 %	
Central Europe						
Operating revenues	**11 748**	**11 512**	**2 %**	**33 947**	**34 394**	**-1 %**
Operating expenses	10 580	10 313		28 806	29 616	
EBITDA	**1 168**	**1 199**		**5 141**	**4 778**	
Depreciation	564	601		1 752	1 775	
EBIT	**604**	**598**		**3 389**	**3 003**	
EBITDA - margin	10 %	10 %		15 %	14 %	
EBIT - margin	5 %	5 %		10 %	9 %	

Segment reporting

- Nordic (NO, SE, DK)
- W.Europe (NL, UK, IE, DE, AU, ES)
- C.Europe (CZ, PL, SR)

Highlights from markets

- NO: 21% EBIT margin
- SE: 8% EBIT margin
- W.E: 9% EBITDA margin
- Central Europe: 5% EBIT margin

Segment revenues

- Business Software: 4% growth
- Hosting Services: 4% decline

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Balance Sheet and Cash Flow YTD

Improved cash flow and reduced long term debt

BALANCE SHEET ITEMS - GROUP		
(All figures in NOK 1.000)	**Group**	**Group**
	30.09.2010	**30.09.2009**
Accounts receivable	104 863	104 743
Bank deposits, cash, etc.	51 502	42 196
Long term debt	165 619	162 702
Deferred revenue	77 549	85 727

CASH FLOW STATEMENT - GROUP		
(All figures in NOK 1.000)	**Group**	**Group**
	YTD 2010	**YTD 2009**
Profit before tax	17 741	15 011
Cash flow from operations	28 506	22 525
Net cash flow from investments	(27 249)	(36 025)
Cash flow from financing activities	(16 357)	16 336
Net cash flow	(18 851)	(3 208)
Cash and cash equivalents (end)	51 502	42 196

Highlights

- Cash flow from operations MNOK 28.5 YTD (MNOK 22.5 YTD 09)
- Reduced long term debt with MNOK 16.2 YTD
- Accounts receivable same level YoY, continued focus on further reduction
- Deferred Revenues increased with MNOK 1 from 2Q10
- CAPEX MNOK 10 per quarter run rate in 2010

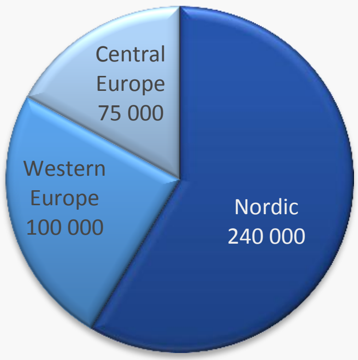
Company overview

Key Facts

- Established 1994 in Oslo, Norway
- Listed on Oslo Stock Exchange since May 04
- Over 400,000 customers in 12 countries
- 440 employees whereof 325 at HQ in Oslo
- Over 90% of revenue from direct sales
- Scalable ERP solution for SMEs based on a single source code for seven European markets

Customers and Organisation

Customers by Region



Organisation by Function

The Mamut Business Model

- Complete business and web based solutions and hosting services to the European SME market
- Feature-rich and user-friendly product and solutions with a low total cost of ownership (TCO)
- Direct, all-inclusive customer care for all products
- Additional distribution through strategic partnerships and joint ventures

Customers and Products

Mamut Business Software
+100 000 customers

Mamut Active Services
+330 000 customers

Mamut Open Services
+ 100 000 users

Mamut Business Network

Complete Offerings for the SME segment

Built on a scalable technology platform

Microsoft Office 365

- **Mamut One 2011 Edition**
  - Complete solution from one vendor for small business software, web based services for an all-inclusive subscription agreement
- **Embedded cloud based services**
  - Integrating new Windows Azure-based services and Microsoft Office 365 in the Mamut One Software + Services solution
- **Premium Hosting Services**
  - Enterprise technology hosting services optimised for SME's
- **Packaged "IT Outsourcing"**
  - Providing Application Hosting, bundled hosted email, collaboration and virtual desktop as a all-inclusive service

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Business Opportunities

Upgrade opportunities in all markets

- **Mamut One available in all core markets**
  - Award winning, feature-rich with low TCO compared to peers in all markets
  - Upgrade all customers to Mamut One solutions from €29 user/month
  - Premium edition licenses from €800 and from €100 user/month subscriptions
- **Upgrade Campaigns in all core 7 markets**
  - New major release of Mamut One 2011 edition (launch Q4)
  - Targeting existing customers with focus on increased user value / more users
  - Migration of Stellar (DK), MYOB (UK) and Office Accounting (UK) users, offering extended functionality and benefits
- **Premium Hosting Services Upgrade Initiative**
  - Introducing new premium hosting offerings in all core markets
  - Improved upgrade paths for all Active24 customers
  - New NGO solution to be launched (Klubben Online, NO)

Earnings Capacity

Key initiatives for further growth and scalability

Revenue Growth Potential

- Launch of new major release of Mamut One with new price structure including new add-on services such as application hosting
- Upgrade potential for 400,000 existing customers with Mamut One and new premium hosting packages
- Continued migration of MYOB and Microsoft Office Accounting user base
- Next phase of the Joint venture with Haufe Lexware based on the new Mamut One product line

Operational Scalability

- Centralised organisation to handle increased volumes from core markets
- Reducing cost base to ensure operational flexibility
- Improved back office solutions and infrastructure
- More resources dedicated to customer service

Outlook and growth drivers

Focus on financial scalability and growth potential

- **Goals for 2010**
  - Focus on margin improvements
  - Continue to streamline operations and reduce cost base
  - Ensure financial scalability with market improvements

- **Strategic Opportunities**
  - Focus on strategic partnerships to increase the distribution of Mamut's products and services in established core markets

- **Long Term Goals**
  - A more detailed outline of growth, costs and long term planning will be presented at the company’s Capital Markets Day on November 10th 2010

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Q&A

investor@mamut.com

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