

**Mamut ASA
Quarterly Report
Q3 - 2010**

Quarterly Report

Mamut ASA – Quarterly report – Q3 2010

Mamut improves margins in the third quarter 2010 and expects continued improvements in the fourth quarter. Mamut reached operating revenues of MNOK 113.4 in the third quarter of 2010, compared to MNOK 113.8 in the same period 2009. The company reaches EBIT of MNOK 4.6, representing an EBIT improvement of 60 per cent from the same period in 2009. As a result of underlying growth, both in the hosting and software segments, combined with continued streamlining of operations, the company has been able to improve financial scalability.

Highlights Q3

- Operating revenues of MNOK 113.4 in 3Q10, compared to MNOK 113.8 in 3Q09
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 19.5 in 3Q10 compared to MNOK 18.0 in 3Q09. EBIT of MNOK 4.6 in 3Q10 compared to MNOK 2.9 in 3Q09
- Mamut experiences underlying growth, both in the software and the hosting segments, and expects improved margins based on top line growth, reduced costs and improved financial scalability
- Mamut has prepared for the launch of Mamut One 2011 edition, introducing new cloud based services and web hosting services to improve user value for all customers. The roll-out starts in Q4 and will include all seven markets where Mamut Business Software is offered in 2011
- Mamut was one of six global launch partners on Microsoft Office 365, Microsoft's next generation cloud productivity service, that was launched in San Francisco on October 19th. By including Microsoft Office 365 as part of Mamut's offering, Mamut will further reduce investments, capital expenditure and operational costs in combination with improving the scope and quality of its total offering
- Mamut has introduced Mamut Application Hosting, a service that allows customers to have their Mamut Business Software and Microsoft Office applications operated and maintained on Mamut's virtual server platforms
- Mamut One is finalist in the 2010 Accountancy Age Awards in the software category

YTD 2010

For the first nine months of 2010 operating revenues amounted to MNOK 357.6, compared with MNOK 365.2 for the same period in 2009. EBITDA of MNOK 70.3 per 30.09.2010, compared to MNOK 69.1 for the same period in 2009. EBIT of MNOK 26.1 per 30.09.2010 compared to MNOK 23.6 for the same period in 2009. Profit before tax for the first nine months of 2010 was MNOK 17.7, compared to MNOK 15.0 for the same period in 2009.

Third Quarter 2010

Mamut ASA had operating revenues of MNOK 113.4 in 3Q10 compared to MNOK 113.8 in 3Q09. Operating profit before depreciation (EBITDA) for 3Q10 was MNOK 19.5, compared to MNOK 18.0 in 3Q09. EBIT for 3Q10 was MNOK 4.6, compared to MNOK 2.9 in 3Q09. Profit before tax for 3Q10 was MNOK 2.1, compared to MNOK 1.1 in 3Q09.

Cash and cash equivalents were MNOK 51.5 at the end of 3Q10 compared with MNOK 56.6 at the end of 2Q10. Equity ratio was 51.4 % and deferred revenues was MNOK 77.6. Diluted earnings per share (EPS) were NOK 0.02 for 3Q10, compared with NOK 0.01 in 3Q09. At the end of 3Q10, the Company had 440 employees compared to 480 at the end of 3Q09 and 450 at the end of 2Q10.

Segment information

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

Nordic/HQ

Operating revenues was MNOK 79.8 in 3Q10 (2% growth), EBITDA was MNOK 16.3 and EBIT was MNOK 9.5, an EBIT margin of 12 per cent. This region includes Norway, Sweden and Denmark.

Western Europe

Operating revenues was MNOK 21.9 in 3Q10 (-8% growth), EBITDA was MNOK 2.0 and EBIT was MNOK -1.6. This region includes the Netherlands, the UK, Republic of Ireland, Germany, Austria and Spain. Good growth in the UK, but overall decline in the region mainly due to strategic decision of discontinuing low margin product offerings in France, Switzerland and Belgium.

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Central Europe

Operating revenues was MNOK 11.7 in 3Q10 (2% growth), EBITDA was MNOK 1.2 and EBIT was MNOK 0.6, an EBIT margin of 5 per cent. This region includes the Czech Republic, Poland and Serbia.

Business Update

Mamut has prepared for the launch of Mamut One 2011 edition, introducing new cloud based services and web hosting services to improve user value for all customers. The roll-out starts in Q4 and will include all seven markets where Mamut Business Software is offered in 2011; Norway, Sweden, Denmark, the Netherlands, UK, Ireland and Germany. Mamut has over 300.000 customers in these markets.

On October 19, Microsoft Office 365 was announced as Microsoft's next generation cloud productivity service in San Francisco with Mamut as one of the six global launch partners. Microsoft Office 365 brings together SharePoint, Exchange, Lync, and Office WebApps in an always-up-to-date cloud service, a productivity backbone for modern businesses, and offers true enterprise level features and reliability to small businesses.

By including Microsoft Office 365 as part of the company's Software + Services offering, Mamut will further reduce investments, capital expenditure and operational costs in combination with improving the scope and quality of its total offering. In total, this provides Mamut with new opportunities in the SME segment, and these services will give Mamut's solutions richer functionality, and increasing customer value.

Microsoft Office 365 combined with the Microsoft Office 2010 suite will further enable Mamut to offer the most complete and integrated solutions providing enterprise class functionality for the small business segment in Europe. Microsoft Office 365 will gradually be offered to all Mamut's customers across Europe and will positively affect all Mamut's subsidiaries, including Active 24, Loopia and Mamut Lexware.

The next release of Mamut One includes new cloud based services built on Windows Azure in addition to including Microsoft Office 365. Mamut was one of the first companies to launch Software + Services solutions embedding Microsoft's cloud platform to ensure rapid deployment, greater flexibility, and reduced operational costs. Mamut already delivers comprehensive online solutions for SMEs with Mamut Online Backup for Azure as the first solution to be launched on Microsoft's cloud platform.

Mamut has also introduced its next edition of Mamut Application Hosting for Mamut One customers. This service allows customers to have their Mamut Business Software and Microsoft Office applications operated and maintained on Mamut's virtual server platforms, while giving the users secure and flexible access to their applications via the Internet.

For the seventh year in a row Mamut has been announced as a shortlisted finalist for the UK Accountancy Age Awards. This year, Mamut is finalist in the software category. This year's winners of the 16th Annual Accountancy Age Awards will be announced Wednesday 17th November 2010 in London. Mamut has won the award in 2004, 2005, 2006, 2008 and 2009.

Mamut will provide a broader update regarding the company's strategic plans at a Capital Markets Day in Oslo on the 10th of November 2010.

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.

Oslo, October 28 2010
The Board of Directors
Mamut ASA

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PROFIT AND LOSS STATEMENT - GROUP

(All figures in NOK 1.000)

	Group Q3 2010	Group Q3 2009		Group YTD 2010	Group YTD 2009		Group 2009
Operating revenues	113 379	113 842	0 %	357 586	365 218	-2 %	496 639
Cost of goods sold	15 785	15 931		47 567	48 395		68 625
Personnel costs	51 740	51 847		160 233	163 930		228 335
Other operating expenses	26 344	28 112		79 446	83 757		116 484
Total operating expenses	93 870	95 890	-2 %	287 245	296 082	-3 %	413 443
EBITDA	19 509	17 952	9 %	70 341	69 137	2 %	83 195
Depreciation Tangible assets	4 975	5 948		14 686	17 784		23 814
Depreciation Capitalized R&D	6 007	5 315		17 872	16 015		22 132
Depreciation Intangible assets	3 911	3 811		11 732	11 704		16 070
EBIT	4 616	2 878	60 %	26 051	23 634	10 %	21 180
Net financial items	(2 497)	(1 802)		(8 310)	(8 623)		(11 416)
Profit before tax	2 119	1 076		17 741	15 011		9 763
Tax	565	301		4 940	4 206		1 912
Net profit	1 553	775		12 802	10 805		7 852
Translation differences	(1 922)	(5 919)		(11 262)	(17 737)		(27 460)
Total comprehensive income	(368)	(5 144)		1 539	(6 932)		(19 608)
<i>EBITDA - margin</i>	<i>17 %</i>	<i>16 %</i>		<i>20 %</i>	<i>19 %</i>		<i>17 %</i>
<i>EBIT - margin</i>	<i>4 %</i>	<i>3 %</i>		<i>7 %</i>	<i>6 %</i>		<i>4 %</i>
EPS (NOK)	0,02	0,01		0,20	0,17		0,12
EPS diluted (NOK)	0,02	0,01		0,18	0,15		0,11
Outstanding shares (mill.)	65,17	64,55		65,17	64,55		65,17
No. of employees	440	480		440	480		470

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SEGMENT INFORMATION

(All figures in NOK 1.000)

Total Group	Group		0 %	Group		-2 %	Group	
	Q3 2010	Q3 2009		YTD 2010	YTD 2009		2009	
Operating revenues	113 379	113 842	0 %	357 586	365 218	-2 %	496 639	
Operating expenses	93 870	95 890		287 245	296 082		413 443	
EBITDA	19 509	17 952		70 341	69 137		83 195	
Depreciation Tangible assets/R&D	10 982	11 263		32 558	33 799		45 945	
Depreciation Intangible assets	3 911	3 811		11 732	11 704		16 070	
EBIT	4 616	2 878		26 051	23 634		21 180	
<i>EBITDA - margin</i>	17 %	16 %		20 %	19 %		17 %	
<i>EBIT - margin</i>	4 %	3 %		7 %	6 %		4 %	

Nordic / HQ	Group		2 %	Group		-1 %	Group	
	Q3 2010	Q3 2009		YTD 2010	YTD 2009		2009	
Operating revenues	79 766	78 478	2 %	255 313	258 369	-1 %	353 155	
Operating expenses	63 434	62 852		196 952	197 804		276 118	
EBITDA	16 332	15 626		58 361	60 565		77 037	
Depreciation Tangible assets/R&D	6 806	6 784		19 923	20 274		27 879	
EBIT	9 525	8 842		38 438	40 292		49 157	
<i>EBITDA - margin</i>	20 %	20 %		23 %	23 %		22 %	
<i>EBIT - margin</i>	12 %	11 %		15 %	16 %		14 %	

Western Europe	Group		-8 %	Group		-6 %	Group	
	Q3 2010	Q3 2009		YTD 2010	YTD 2009		2009	
Operating revenues	21 865	23 852	-8 %	68 326	72 455	-6 %	97 964	
Operating expenses	19 856	22 725		61 487	68 662		98 536	
EBITDA	2 009	1 127		6 839	3 793		(572)	
Depreciation Tangible assets/R&D	3 612	3 878		10 883	11 750		15 607	
EBIT	(1 603)	(2 751)		(4 044)	(7 957)		(16 179)	
<i>EBITDA - margin</i>	9 %	5 %		10 %	5 %		-1 %	
<i>EBIT - margin</i>	-7 %	-12 %		-6 %	-11 %		-17 %	

Central Europe	Group		2 %	Group		-1 %	Group	
	Q3 2010	Q3 2009		YTD 2010	YTD 2009		2009	
Operating revenues	11 748	11 512	2 %	33 947	34 394	-1 %	45 520	
Operating expenses	10 580	10 313		28 806	29 616		38 790	
EBITDA	1 168	1 199		5 141	4 778		6 730	
Depreciation Tangible assets/R&D	564	601		1 752	1 775		2 459	
EBIT	604	598		3 389	3 003		4 271	
<i>EBITDA - margin</i>	10 %	10 %		15 %	14 %		15 %	
<i>EBIT - margin</i>	5 %	5 %		10 %	9 %		9 %	

REVENUES SOURCE

(All figures in NOK 1.000)

	Group		4 %	Group		2 %	Group	
	Q3 2010	Q3 2009		YTD 2010	YTD 2009		2009	
Mamut Business Software	66 023	63 736	4 %	219 098	214 121	2 %	295 311	
Mamut Active Services	44 328	46 281	-4 %	129 068	139 916	-8 %	185 959	
Other	3 028	3 825	-21 %	9 421	11 181	-16 %	15 368	
Total	113 379	113 842	0 %	357 586	365 218	-2 %	496 639	

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BALANCE SHEET - GROUP

(All figures in NOK 1.000)

	Group 30.09.2010	Group 30.09.2009	Group 31.12.2009
Assets			
Fixed assets			
Capitalized R&D	31 790	32 482	33 687
Other Intangible assets	114 282	125 838	126 216
Goodwill	123 399	124 125	123 752
Deferred tax assets	141 882	147 158	146 770
Tangible fixed assets	30 629	34 781	35 219
Financial fixed assets	3 687	3 428	3 518
Total fixed assets	445 670	467 812	469 162
Current assets			
Inventory/Deferred COGS	28 952	33 214	28 989
Accounts receivable	104 863	104 743	103 723
Other short-term receivables /Prepaid exp.	12 988	14 936	14 567
Bank deposits, cash, etc.	51 502	42 196	70 353
Total current assets	198 305	195 090	217 632
Total assets	643 974	662 902	686 794
Equity and liabilities			
Total equity	331 008	336 205	327 519
Long term debt financing	165 000	160 000	180 000
Long term debt/Leasing	619	2 702	1 976
Long term debt	165 619	162 702	181 976
Current liabilities			
Accounts payable	15 156	22 435	21 770
Tax payable	(123)	1 532	341
Public duties payable	39 126	32 009	38 683
Other short-term liabilities	15 640	22 292	27 512
Deferred revenue	77 549	85 727	88 993
Total current liabilities	147 347	163 995	177 299
Total equity and liabilities	643 974	662 902	686 794

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CASH FLOW STATEMENT - GROUP

(All figures in NOK 1.000)

	Group Q3 2010	Group Q3 2009	Group YTD 2010	Group YTD 2009	Group 2009
Profit before tax	2 119	1 076	17 741	15 011	9 763
Taxes paid	(91)	-	(464)	(1 950)	(1 337)
Depreciation	14 893	15 074	44 290	45 503	62 016
Changes in inventory, AR and AP	(12 949)	(1 542)	(9 612)	1 395	(1 030)
Wages employee options	750	531	1 950	1 256	3 389
Changes in other balance sheet items	6 453	3 091	(25 399)	(38 690)	(29 143)
Cash flow from operations	11 175	18 229	28 506	22 525	43 658
Investments in tangible fixed assets	(4 758)	(3 878)	(11 274)	(11 095)	(18 120)
Investments in intangible fixed assets	(5 175)	(5 895)	(15 975)	(18 780)	(27 113)
Acquisition	-	-		(6 150)	(6 150)
Net cash flow from investments	(9 933)	(9 773)	(27 249)	(36 025)	(51 383)
Proceeds from long term debt	(5 000)	(5 000)	(15 000)	(12 500)	7 500
Proceeds from equity issue	-	-	-	32 425	34 532
Own shares	-	-	-	-	(1 268)
Net paid leasing	(150)	(215)	(1 357)	(3 589)	(4 342)
Cash flow from financing activities	(5 150)	(5 215)	(16 357)	16 336	36 422
Translation differences	(1 171)	(2 523)	(3 752)	(6 044)	(3 749)
Net cash flow	(5 079)	719	(18 851)	(3 208)	24 948
Cash and cash equivalents (beginning)	56 580	41 477	70 353	45 404	45 405
Cash and cash equivalents (end)	51 502	42 196	51 502	42 196	70 353

MOVEMENT IN EQUITY - GROUP

(All figures in NOK 1.000)

	Group YTD 2010	Group YTD 2009	Group 2009
Equity at 1st of January	327 519	309 457	309 457
Share issue	-	32 425	35 549
Wages employee options	1 950	1 256	3 389
Sale/Purc. own shares/exercised emp. opt.	-	-	(1 268)
Translation differences	(11 262)	(17 737)	(27 460)
Net profit/loss for the year	12 802	10 805	7 852
Equity end of period	331 008	336 205	327 519

Shareholders 25.10.2010

Name	Shares	Percent
LUDVIG LORENTZEN AS	9 415 646	14,45 %
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	1 918 995	2,94 %
CONTI AS	1 700 872	2,61 %
Other	25 479 185	39,10 %
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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