



Q1 2011 Presentation

Eilert Hanoa, CEO

Knut Stålen, CFO

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investor@mamut.com





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

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Financial highlights – Q1 2011

Increased revenue and improved cash flow

- **1Q11 highlights**

- Growth in invoiced revenue (+7%) and recognised revenue (+4%)
- Slightly decreased EBITDA MNOK 21.6 and EBIT MNOK 6.9
- Cash flow from operations improved to MNOK 25.5
- Continuing reduction in DSO to 53 in Q1
- Reduced long term debt with MNOK 7.5

- **1Q10 restated**

- Due to change in 1Q10 and 2Q10 revenue cut off 1Q10 has been restated
- This will impact invoiced revenue (MNOK -7 1Q10 / MNOK 7 2Q10), recognized revenue (MNOK -2.6 1Q10 / MNOK 2.6 2Q10) and EBITDA/EBIT (-2.6 1Q10 / MNOK 2.6 2Q10)
- This has no effect on the 2010 annual report

Mamut Financials 1Q11

Revenue increase in 1Q11 vs 1Q10

PROFIT AND LOSS STATEMENT - GROUP

(All figures in NOK 1.000)

	<i>Restated</i>		<i>As reported</i>				
	Group	Group		Group	Group	Group	
	Q1 2011	Q1 2010		Q1 2010	2010	2009	
Operating revenues (invoiced)	130 679	121 647	7 %	128 647	496 140	474 487	5 %
Net change deferred revenue	2 114	(2 020)		2 395	5 546	(22 151)	
Operating revenues	128 565	123 668	4 %	126 253	490 594	496 639	-1 %
Cost of goods sold	17 047	16 845		16 845	66 836	68 625	
Personnel costs	62 069	57 796		57 796	223 515	228 335	
Other operating expenses	27 802	26 590		26 590	109 700	116 484	
Total operating expenses	106 918	101 231	6 %	101 231	400 052	413 443	-3 %
EBITDA	21 647	22 437	-4 %	25 022	90 543	83 195	9 %
Depreciation Tangible assets	4 798	5 044		5 044	19 649	23 814	
Depreciation Capitalized R&D	5 746	5 864		5 864	23 902	22 132	
Depreciation Intangible assets	4 155	4 003		4 003	16 069	16 070	
EBIT	6 948	7 527		10 112	30 922	21 180	

- Invoiced revenues increased 7% and operating revenues increased 4% in 1Q11
- Operating expenses up 6% in 1Q11 incl full effect of annual salary increase
- Personnel costs per employee after salary increase similar to 4Q10 level
- No. of employees 440 in 1Q11, down from 460 in 1Q10 (440 in 4Q10)

Balance Sheet 1Q11

Overall improvement in 1Q11 vs 1Q10

BALANCE SHEET - GROUP

(All figures in NOK 1.000)

	Group 31.03.2011	Restated Group 31.03.2010	As reported Group 31.03.2010
Assets			
Fixed assets			
Capitalized R&D	33 065	32 774	32 774
Other Intangible assets	105 886	122 686	122 686
Goodwill	122 677	123 945	123 945
Investments in associates (JV)	1 906	-	-
Deferred tax assets	144 681	146 600	145 876
Tangible fixed assets	30 657	33 723	33 723
Loan to associates (JV)	2 437	-	-
Financial fixed assets	3 765	3 516	3 516
Total fixed assets	445 075	463 243	462 519
Current assets			
Inventory/Deferred COGS	31 712	28 404	28 404
Accounts receivable	91 512	89 615	98 015
Other short-term rec./Prepaid e)	10 178	13 448	13 448
Bank deposits, cash, etc.	68 912	77 067	77 067
Total current assets	202 313	208 534	216 934
Total assets	647 388	671 778	679 454

BALANCE SHEET - GROUP

(All figures in NOK 1.000)

	Group 31.03.2011	Restated Group 31.03.2010	As reported Group 31.03.2010
Equity and liabilities			
Total equity	326 424	326 744	328 605
Long term debt financing	152 500	175 000	175 000
Long term debt/Leasing	-	1 354	1 354
Long term debt	152 500	176 354	176 354
Current liabilities			
Accounts payable	18 131	15 477	15 477
Tax payable	2 620	293	293
Public duties payable	25 392	35 954	37 354
Other short-term liabilities	25 668	29 983	29 983
Deferred revenue	96 653	86 973	91 388
Total current liabilities	168 464	168 680	174 495
Total equity and liabilities	647 388	671 778	679 454

- DSO reduced to 53 in 1Q11 from 55 in 1Q10
- Long term debt reduced with MNOK 7.5 in Q11 (vs MNOK 5 in 1Q10)
- Cash position MNOK 68.9 (increased with MNOK 6.6 from 4Q10)
- Deferred revenue increased with MNOK 2.1 to MNOK 96.7

Cash Flow 1Q11

Improvement compared to 2010

CASH FLOW STATEMENT - GROUP

(All figures in NOK 1.000)

	Group	Restated Group	As reported Group	Group	Group
	Q1 2011	Q1 2010	Q1 2010	2010	2009
Profit before tax	5 091	4 670	7 255	18 268	9 763
Taxes paid	(25)	(48)	(48)	(341)	(1 337)
Depreciation	14 699	14 910	14 910	59 621	62 016
Changes in inventory, AR and AP	12 110	7 126	(1 274)	(8 094)	(1 030)
Wages employee options	650	550	550	2 217	3 389
Changes in other balance sheet items	(7 002)	(6 671)	(856)	(17 668)	(29 143)
Cash flow from operations	25 523	20 538	20 538	54 003	43 658
Investments in tangible fixed assets	(5 532)	(3 404)	(3 404)	(16 230)	(18 120)
Investments in intangible fixed assets	(5 625)	(4 950)	(4 950)	(23 401)	(27 113)
Acquisition	-	-	-	-	(6 150)
Loan associates (JV)	(391)	-	-	(1 206)	-
Net cash flow from investments	(11 547)	(8 354)	(8 354)	(40 836)	(51 383)
Proceeds from long term debt	(7 500)	(5 000)	(5 000)	(20 000)	7 500
Proceeds from equity issue	-	-	-	-	34 532
Own shares	-	-	-	-	(1 268)
Net paid leasing	-	(595)	(595)	(1 569)	(4 342)
Cash flow from financing activities	(7 500)	(5 595)	(5 595)	(21 569)	36 422
Translation differences	97	125	125	389	(3 749)
Net cash flow	6 572	6 714	6 714	(8 013)	24 948
Cash and cash equivalents (beginning)	62 340	70 353	70 353	70 353	45 405
Cash and cash equivalents (end)	68 912	77 067	77 067	62 340	70 353

- Strengthened cash flow from operations with MNOK 5 in 1Q11 vs 1Q10
- Higher investments in tangible assets in this quarter
- Increased down payment of long term debt to MNOK 7.5 in 1Q11

Details on revenue 1Q11

Streamlining operations in all regions

SEGMENT INFORMATION

(All figures in NOK 1.000)

	Restated		As reported				
	Group Q1 11	Group Q1 10	Group Q1 10	Group 2010	Group 2009		
Nordic / HQ							
Operating revenues	96 043	91 767	5 %	91 767	352 550	353 155	0 %
Operating expenses	76 036	71 038		71 038	276 417	276 118	
EBITDA	20 007	20 729		20 729	76 134	77 037	
Depr. Tangible assets/R&D	6 396	6 623		6 623	26 689	27 879	
EBIT	13 611	14 106		14 106	49 445	49 157	
EBITDA - margin	21 %	23 %		23 %	22 %	22 %	
EBIT - margin	14 %	15 %		15 %	14 %	14 %	
Western Europe	Q1 11	Q1 10		Q1 10	2010	2009	
Operating revenues	21 689	21 289	2 %	23 874	93 337	97 964	-5 %
Operating expenses	21 641	21 452		21 452	85 350	98 536	
EBITDA	48	(163)		2 422	7 987	(572)	
Depr. Tangible assets/R&D	3 571	3 684		3 684	14 532	15 607	
EBIT	(3 523)	(3 847)		(1 262)	(6 545)	(16 179)	
EBITDA - margin	0 %	-1 %		10 %	9 %	-1 %	
EBIT - margin	-16 %	-18 %		-5 %	-7 %	-17 %	
Central Europe	Q1 11	Q1 10		Q1 10	2010	2009	
Operating revenues	10 833	10 612	2 %	10 612	44 707	45 520	-2 %
Operating expenses	9 241	8 741		8 741	38 285	38 790	
EBITDA	1 592	1 871		1 871	6 422	6 730	
Depr. Tangible assets/R&D	577	601		601	2 330	2 459	
EBIT	1 015	1 270		1 270	4 092	4 271	
EBITDA - margin	15 %	18 %		18 %	14 %	15 %	
EBIT - margin	9 %	12 %		12 %	9 %	9 %	

REVENUES SOURCE

(All figures in NOK 1.000)

	Restated		As reported				
	Group Q1 11	Group Q1 10	Group Q1 10	Group 2010	Group 2009		
Mamut Business Software	81 817	76 901	6 %	79 486	302 045	295 311	2 %
Mamut Active Services	44 174	43 489	2 %	43 489	175 055	185 959	-6 %
Other	2 574	3 278	-21 %	3 278	13 495	15 368	-12 %
Total	128 565	123 668	4 %	126 253	490 594	496 639	-1 %

Segment reporting

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

Highlights from markets 1Q11

- Nordic: Growth and good margins
- W.E: Margins to improve in 2011
- C.E: Constant performance

Segment revenues 1Q11

- Business Software: 6% growth
- Hosting Services: 2% growth

Financial Summary

Confirming message from Capital Markets Day

● **Summary 1Q11**

- Improved invoiced and recognised revenues
- Further potential on increasing revenues based on today's cost level
- Improved cash flow from operations and reduced long term debt

● **Outlook 2011**

- Slight overall improvement in 1H11 vs 1H10
- Targeting quarterly double-digit revenue growth during 2011
- Operational leverage by converting at least 1/3 of revenue growth to EBIT
- Continued improved cash flow

● **Key financial focus**

- Strong organic growth through increased ARPC/ARPU
- Reach a consistent 30% EBITDA margin
- Cash flow from operation exceeding 80% of EBITDA

Business Update 1Q11

New offerings and streamlined operations

● **Markets & Customers**

- Continued improved market sentiment and underlying growth, both in the software and the hosting segments
- Stable customer base with increasing ARPC

● **Product offerings**

- Successful launch of Mamut One 2011 Edition, confirming target of 6,000 customers by end of 2Q11
- Reaching 4,400 Mamut One customers by end 1Q11

● **Operations**

- Improved scalability and streamlining of operations continues
- Increased automation to handle growth going forward

● **Strategic Review Process**

- The company is planning a strategic review process, incurring a MNOK 3 one off cost in 2Q11

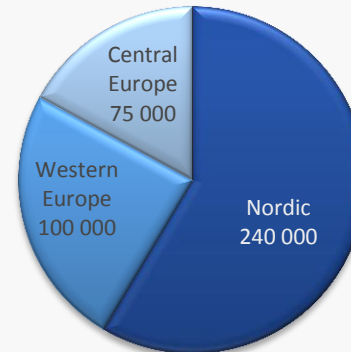
Company overview

Key Facts

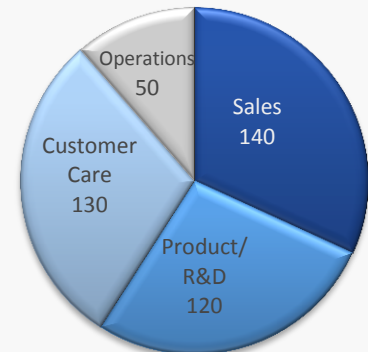
- Established 1994 in Oslo, Norway
- Listed on Oslo Stock Exchange since May 04
- Over 400,000 customers in 12 countries
- 440 employees whereof 325 at HQ in Oslo
- Over 90% of revenue from direct sales
- Scalable ERP solution for SMEs based on a single source code for seven European markets

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



LOOPIA

Klubben Online



Outlook

Focus on financial scalability and growth potential

- **Operational Opportunities**

- Increase customer satisfaction with new offerings
- Increase revenue and ARPC/ARPU
- Continue optimisation of organisation
- Capitalise on existing investments
- New products and services for further growth

- **Continue the Mamut One growth**

- Expect to reach 6,000 Mamut One customer base by end of 2Q11

- **Financial Calendar**

- The company will present 2Q11 results on Aug 25th



Q&A



investor@mamut.com