

**Mamut ASA
Quarterly Report
Q1 - 2011**

Quarterly Report

Mamut ASA – Quarterly report – Q1 2011

Mamut reached operating revenues of MNOK 128.6 in 1Q11, compared to MNOK 123.7 in 1Q10. The company reached EBIT of MNOK 6.9, compared to 7.5 in first quarter 2010. The company improved cash flow from operations and strengthened the balance sheet during the quarter. The company expects a slight overall improvement for the first six months of 2011 compared with the same period in 2010.

Highlights Q1

- Operating revenues of MNOK 128.6 in 1Q11, compared to MNOK 123.7 in 1Q10
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 21.6 in 1Q11 compared to MNOK 22.4 in 1Q10. EBIT of MNOK 6.9 in 1Q11 compared to MNOK 7.5 in 1Q10
- 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 improved cash flow from operations with MNOK 5.0 compared with 1Q10
- Mamut has reduced long-term debt with MNOK 7.5 during the quarter
- Mamut has increased deferred revenue and reduced accounts receivables in the quarter
- The company has reduced DSO to 53 in 1Q11 compared with 55 in 1Q10
- Mamut has continued the successful launch of the Mamut One 2011 edition with new cloud based services and web hosting services. The roll-out started in 4Q10 and will include all seven markets where Mamut Business Software is offered in 2011
- Today, Mamut has reached more than 4.400 customers of Mamut One and the company expects to reach 6.000 Mamut One customers by the end of 2Q11

First Quarter 2011

Mamut ASA reached operating revenues of MNOK 128.6 in 1Q11 compared to MNOK 123.7 in 1Q10. Operating profit before depreciation (EBITDA) for 1Q10 was MNOK 21.6, compared to MNOK 22.4 in 1Q10. EBIT for 1Q11 was MNOK 6.9, compared to MNOK 7.5 in 1Q10. Profit before tax for 1Q11 was MNOK 5.1, compared to MNOK 4.7 in 1Q10.

Cash and cash equivalents were MNOK 68,9 at the end of 1Q11 compared with MNOK 62.3 at the end of 2010. Equity ratio was 51% and deferred revenues reached MNOK 96.7. Diluted earnings per share (EPS) were NOK 0.05 for 1Q11, compared with NOK 0.05 in 1Q10. At the end of 1Q11, the Company had 440 full time employees compared to 460 at the end of 1Q10 and 440 at the end of 2010.

Segment information

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

Nordic/HQ

Operating revenues reached MNOK 96.0 in 1Q11 (5 per cent growth), EBITDA was MNOK 20.0 and EBIT was MNOK 13.6, an EBIT margin of 14 per cent. This region includes Norway, Sweden and Denmark.

Western Europe

Operating revenues reached MNOK 21.7 in 1Q11 (2 per cent growth), EBITDA was MNOK 0.0 and EBIT was MNOK -3.5. This region includes the Netherlands, the UK, Republic of Ireland, Germany, Austria and Spain.

Central Europe

Operating revenues reached MNOK 10.8 in 1Q11 (2 per cent growth), EBITDA was MNOK 1.6 and EBIT was MNOK 1.0, an EBIT margin of 9 per cent. This region includes the Czech Republic, Poland and Serbia.

Mamut ASA – Quarterly report – Q1 2011

Financial update

Due to change in 1Q10 and 2Q10 revenue cut off 1Q10 has been restated. This will impact invoiced revenue (MNOK -7.0 in 1Q10 / MNOK 7.0 in 2Q10), recognized revenue (MNOK -2.6 in 1Q10 / MNOK 2.6 in 2Q10) and EBITDA/EBIT (MNOK -2.6 in 1Q10 / MNOK 2.6 in 2Q10). This has no effect on the 2010 annual report.

Following the overall improvements in 4Q10, Mamut continuous improvements in most key metrics in 1Q11, including growth in invoiced revenue, reduced short and long term debt and improved cash flow from operations. Based on the current underlying growth, both in the software and the hosting segments, the company expects improved margins based on top line growth, reduced costs and improved financial scalability.

The company expects a slight improvement for the first six months of 2011 compared with the first six months of 2010, and sees further potential on increasing revenues based on today's cost level.

Business Update

Mamut has successfully launched Mamut One 2011 edition, introducing new cloud based services and web hosting services to improve user value for all customers. The roll-out started in 4Q10 and will include all seven markets where Mamut Business Software is offered in 2011; Norway, Sweden, Denmark, the Netherlands, UK, Ireland and Germany. Mamut One, 2011 edition includes new cloud based services built on Windows Azure and Microsoft Office 365, Microsoft's next generation cloud productivity service.

In 2011, Mamut introduces new premium hosting services with improved features based on the latest versions and leading edge technology. The hosting solutions also offer reduced cost per hosting customer by using automation, self-service, server consolidation to Microsoft Hyper-V and other improvements to the hosting infrastructure. An increasing number of solutions utilise Microsoft Azure public cloud services for computing and storage. The new solutions tend more towards a consumption based cost structure and support subscription revenue facilitating financial scalability.

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

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 2011 edition in combination with existing customer bases in acquired companies.

Oslo, April 28, 2011
The Board of Directors
Mamut ASA



Mamut ASA – Quarterly report – Q1 2011

PROFIT AND LOSS STATEMENT - GROUP

(All figures in NOK 1.000)

	Group	<i>Restated</i>		<i>As reported</i>	Group	Group	
	Q1 2011	Group		Group	2010	2009	
		Q1 2010		Q1 2010			
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	
Net financial items	(1 857)	(2 856)		(2 856)	(10 395)	(11 416)	
Share of loss in associates	-	-		-	(2 260)	-	
Profit before tax	5 091	4 670		7 255	18 268	9 763	
Tax	1 425	1 308		2 031	1 016	1 912	
Net profit	3 666	3 363		5 224	17 252	7 852	
Translation differences	(5 610)	(4 687)		(4 687)	(18 547)	(27 460)	
Total comprehensive income	(1 944)	(1 325)		536	(1 295)	(19 608)	
<i>EBITDA - margin</i>	<i>17 %</i>	<i>18 %</i>		<i>20 %</i>	<i>18 %</i>	<i>17 %</i>	
<i>EBIT - margin</i>	<i>5 %</i>	<i>6 %</i>		<i>8 %</i>	<i>6 %</i>	<i>4 %</i>	
EPS (NOK)	0,06	0,05		0,08	0,26	0,12	
EPS diluted (NOK)	0,05	0,05		0,07	0,24	0,11	
Outstanding shares (mill.)	65,17	65,17		65,17	65,17	65,17	
No. of employees	440	460		460	440	470	

Mamut ASA – Quarterly report – Q1 2011

SEGMENT INFORMATION

(All figures in NOK 1.000)

	Restated		As reported				
	Group Q1 11	Group Q1 10		Group Q1 10	Group 2010	Group 2009	
Total Group							
Operating revenues	128 565	123 668	4 %	126 253	490 594	496 639	-1 %
Operating expenses	106 918	101 231		101 231	400 052	413 443	
EBITDA	21 647	22 437		25 022	90 543	83 195	
Depreciation Tangible assets/R&D	10 544	10 908		10 908	43 551	45 945	
Depreciation Intangible assets	4 155	4 003		4 003	16 069	16 070	
EBIT	6 948	7 527		10 112	30 922	21 180	
<i>EBITDA - margin</i>	17 %	18 %		18 %	18 %	17 %	
<i>EBIT - margin</i>	5 %	6 %		6 %	6 %	4 %	

	Q1 11	Q1 10		Q1 10	2010	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	
Depreciation 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	
<i>EBITDA - margin</i>	21 %	23 %		23 %	22 %	22 %	
<i>EBIT - margin</i>	14 %	15 %		15 %	14 %	14 %	

	Q1 11	Q1 10		Q1 10	2010	2009	
Western Europe							
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)	
Depreciation 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)	
<i>EBITDA - margin</i>	0 %	-1 %		10 %	9 %	-1 %	
<i>EBIT - margin</i>	-16 %	-18 %		-5 %	-7 %	-17 %	

	Q1 11	Q1 10		Q1 10	2010	2009	
Central Europe							
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	
Depreciation Tangible assets/R&D	577	601		601	2 330	2 459	
EBIT	1 015	1 270		1 270	4 092	4 271	
<i>EBITDA - margin</i>	15 %	18 %		18 %	14 %	15 %	
<i>EBIT - margin</i>	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 %

Mamut ASA – Quarterly report – Q1 2011

BALANCE SHEET - GROUP

(All figures in NOK 1.000)

	Group 31.03.2011	Restated Group 31.03.2010	As reported Group 31.03.2010	Group 31.12.2010	Group 31.12.2009
Assets					
Fixed assets					
Capitalized R&D	33 065	32 774	32 774	33 186	33 687
Other Intangible assets	105 886	122 686	122 686	109 979	126 216
Goodwill	122 677	123 945	123 945	123 002	123 752
Investments in associates (JV)	1 906	-	-	1 906	-
Deferred tax assets	144 681	146 600	145 876	146 264	146 770
Tangible fixed assets	30 657	33 723	33 723	29 916	35 219
Loan to associates (JV)	2 437	-	-	2 046	-
Financial fixed assets	3 765	3 516	3 516	3 768	3 518
Total fixed assets	445 075	463 243	462 519	450 067	469 162
Current assets					
Inventory/Deferred COGS	31 712	28 404	28 404	33 362	28 989
Accounts receivable	91 512	89 615	98 015	106 068	103 723
Other short-term receivables /Prepaid exp.	10 178	13 448	13 448	5 952	14 567
Bank deposits, cash, etc.	68 912	77 067	77 067	62 340	70 353
Total current assets	202 313	208 534	216 934	207 722	217 632
Total assets	647 388	671 778	679 454	657 789	686 794
Equity and liabilities					
Total equity	326 424	326 744	328 605	327 718	327 519
Long term debt financing	152 500	175 000	175 000	160 000	180 000
Long term debt/Leasing	-	1 354	1 354	-	1 976
Long term debt	152 500	176 354	176 354	160 000	181 976
Current liabilities					
Accounts payable	18 131	15 477	15 477	20 439	21 770
Tax payable	2 620	293	293	2 645	341
Public duties payable	25 392	35 954	37 354	31 726	38 683
Other short-term liabilities	25 668	29 983	29 983	20 722	27 512
Deferred revenue	96 653	86 973	91 388	94 539	88 993
Total current liabilities	168 464	168 680	174 495	170 071	177 299
Total equity and liabilities	647 388	671 778	679 454	657 789	686 794

Mamut ASA – Quarterly report – Q1 2011

CASH FLOW STATEMENT - GROUP

(All figures in NOK 1.000)	Restated		As reported		
	Group Q1 2011	Group Q1 2010	Group Q1 2010	Group 2010	Group 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

MOVEMENT IN EQUITY - GROUP

(All figures in NOK 1.000)	Group		Group		
	Q1 2011	Q1 2010	Q1 2010	2010	2009
Equity at 1st of January	327 718	327 519	327 519	327 519	309 457
Share issue	-	-	-	-	35 549
Wages employee options	650	550	550	2 217	3 389
Sale/Purc. own shares/exercised emp. op	-	-	-	-	(1 268)
Translation differences	(5 610)	(4 687)	(4 687)	(18 546)	(27 460)
Net profit/loss for the year	3 666	3 363	5 224	16 528	7 852
Equity end of period	326 424	326 744	328 605	327 718	327 519

Shareholders 27.04.2011

Name	Shares	Percent
LUDVIG LORENTZEN AS	13 500 000	20,72 %
AS REAL-FORVALTNING*	6 713 814	10,30 %
ALDEN AS**	5 277 000	8,10 %
BRAGANZA AS	5 062 050	7,77 %
GLAAMENE INDUSTRIER	2 318 995	3,56 %
SBL VINTAGE 1999 LTD P565	2 250 000	3,45 %
EXTELLUS AS	2 075 000	3,18 %
BANAN AS	1 963 300	3,01 %
CONTI AS	1 700 872	2,61 %
DNB NOR NORDIC TECHN VPF	1 171 258	1,80 %
Other	23 137 361	35,50 %
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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