

OPERA SOFTWARE ASA

**The Fastest Browser
on Earth**



THE OPERA STORY

In 1994, a group of researchers working for the Norwegian telecom company, Telenor, explored an early version of the World Wide Web, realizing that the software used to browse the Web was immature. Two of the researchers, Jon S. von Tetzchner and Geir Ivarsøy, envisioned a multimedia Web where text, images, and sound could be browsed from any device. No software yet offered these features, so they began developing their own Internet browser software, naming it "Opera". In June 1995, Jon and Geir acquired the rights to the browser solution and founded Opera Software ASA. Crouched over Geir's grandfather's old kitchen table, the two friends devised a business plan

that set out to compete with slightly larger players known as Microsoft and Netscape. Ten years later, Opera Software is a world leader in developing cross-platform browser and Web technologies for mobile devices, desktop computers, and home media. Opera Software is headquartered in Oslo, Norway, with offices in Sweden, Japan, China and the USA. For Opera, 2004 has been a year of significant growth. If you ever find yourself near Alexander Kiellands plass in the Norwegian capital you may hear the hustle and bustle of 201 devoted Opera people from 28 different nations busy fulfilling Opera's tradition of continuous innovation. Oh, and we still have that old kitchen table.

2004 - HIGHLIGHTS OF THE YEAR

Q1:

- Sharp selects Opera for their new PDA: SL-6000
- Opera and Motorola Global Software Group enter licensing agreement
- Opera releases enhanced browser for SonyEricsson P900
- Nokia unveils the new 7610 handset including the Opera browser in the standard sales package
- Opera embeds ViaVoice X+V speech technology from IBM in browser

Q2:

- Home Media design win: Telsey selects Opera for the WAVES product family
- Kyocera releases the AK-K3001V with an Opera-branded softkey, the first phone in Japan with the Opera browser
- Opera gets in the MoodTM: Opera 7 selected for new i3 set-top box product.
- Big in Japan: Opera signs exclusive desktop deal with livedoor Japan
- U.S.-based Xandros becomes first Linux vendor to offer Opera as default browser
- Motorola announces the A1000 which includes Opera as the default browser
- The most innovative browser: Opera 7.50 Released - Everything You Need Online
- Opera 7 named BEST BROWSER 2004 by PC World

Q3:

- Opera signs deal with Datang Mobile in China on TD-SCDMA 3G devices
- SonyEricsson announces that the P910 will ship with Opera
- Opera to BREW in Asia: KDDI offers Opera as full Internet browser for BREW in Japan
- Opera included as default browser on Nokia's 9300 and 9500 handset
- Cingular Wireless, the second largest operator in the U.S., includes the Opera browser on their Nokia 6620

Q4:

- Symbian subsidiary UIQ Technology picks Opera for new mobile platform
- Opera and QUALCOMM introduce contextual mobile shopping capability via BREW-based Web browser
- The leading Chinese supplier of Linux operating systems, Red Flag, offers the Opera browser to home market
- First 3G browser in Japan: Opera on KDDI's Casio 3G phone

2004 - REACHING HIGHER

Ten years have passed since we founded Opera Software with a vision to give people a better Web browser and online experience. As we look back at what Time Magazine in 2001 described as "one of the strangest business plans in the history of the Internet," we have continued to prosper thanks to the dedication, creativity, and hard work of the talented Opera employees, the invaluable help and support from the Opera community, and the loyalty and enthusiasm of millions of Opera users around the world. My sincere thanks to all of you.

In 2004, we experienced significant growth and added 70 people to our team. We now have 28 different nationalities represented at Opera, which makes for a creative, fun and diverse work place. We were also listed as a public company on the Oslo Stock Exchange on March 11, 2004.

Severe security flaws were discovered in Microsoft's Internet Explorer in 2004, resulting in governmental institutions and IT-specialists all over the world recommending that people switch to a safer browser. Consequently, Opera's download numbers increased and reached approximately 20 million in 2004 alone. This focus on security is a good opportunity for the Opera browser to increase its popularity further, as we firmly believe we offer the safest Web browser on the market. With the much anticipated release of Opera 8 in 2005 we are once again bringing innovation to the Web and continuing to offer the best Internet experience to all people around the world.

The mobile market has evolved significantly. From 2003 to 2004 we more than doubled the number of phone models featuring Opera – from 6 to 13 - and we expect to double this again in 2005. 5.8 million people purchased an Opera-featured mobile phone by third quarter 2004, and over one million people downloaded the browser from our Web site. We continue to sign agreements with the leading handset manufacturers and mobile phone operators, and we are in a better competitive position than ever before. As 3G networks are becoming more widespread, Opera is offering a compelling value proposition to operators and end-users across the globe.

We have also established ourselves as a major player in Asia. In December 2004, Opera's cooperation with Japan's largest 3G mobile phone operator, KDDI, bore fruits as Opera became the first full Web browser on the Japanese 3G network.

The mobile market is to a larger extent being shaped by the sophisticated expectations and demands of end-users and operators' need to increase ARPU at a time when revenue from voice is decreasing. With Opera Platform, the mobile Web browser is becoming the primary application for offering everything from full Web access to content-driven mobile services. As costs are going down and handsets are becoming more powerful, 2005 will be an important year for bringing the full-featured mobile Web browser closer to the mainstream.

We have strengthened our Home Media development department, and made significant headway into the entertainment market. With many projects in the pipeline, we expect this to become an increasingly important business area for Opera in the years ahead.

Thank you for your interest in Opera, and please follow our developments at www.opera.com. We have come so far already, but we have really just begun. We hope 2005 will be as good for you as we think it will be for us.

Warm regards,
Jon S. von Tetzchner





SMART THINKING - SMART SOLUTIONS

At Opera, the spirit of continuous innovation is constantly nurtured, offering new and exciting products to the market. Since 1995 we have been the first to deliver smart, new solutions to the Web browser market, offering handy features and improved efficiency.

OPERA BROWSER

The Opera browser is renowned for its speed, security and standards compliance, and we are proud to offer the fastest, safest and most easy to use full-featured browser on the market. Opera has spearheaded browser innovation for a decade, continuously setting new standards for what a Web browser can do. Fully standards compliant, the cross-platform Opera browser is available for all major operating systems on desktop computers, mobile phones, PDAs and home media appliances.

EXTENSIBLE RENDERING ARCHITECTURE (ERA)

Opera solved the problem of rendering desktop-sized Web pages on small and medium-sized screens with the advent of Small-Screen Rendering (SSR) in 2002 and Medium-Screen Rendering (MSR) in 2004. ERA is the intelligent framework which incorporates all of Opera's rendering technologies and is integrated in the Opera browser, making it capable of adapting all Web pages to fit the width of any sized screen or window without having to scroll horizontally.

OPERA EXECUTION ENVIRONMENT

Opera's excellent support for HTML, CSS and JavaScript makes it ideal for running applications and execute content on devices ranging from networked DVD players and set-top boxes, to portable media players and game consoles.

OPERA PLATFORM

Opera Platform enables integration of online content with local applications on mobile phones. For mobile phone operators this offers the ability to provide live Internet content directly to the idle screen of their subscribers' mobile phones, increasing data traffic and ARPU. Fully customizable, Opera Platform can offer full operator branding and a consistent and unparalleled user experience across handsets.

MOBILE ACCELERATOR

By letting Internet traffic pass through a server, the amount of data is reduced before being sent out to the mobile surfer. This can increase mobile Web surfing speed with up to 250%.



SUCCESS FACTORS

Since Opera's browser core is completely platform-independent, dedicated users of the desktop version are also the backbone of all of Opera's other business areas. These millions of users battle-test Opera every day on the real Web, reporting bugs if something is not 100 percent. Reported bugs are then fixed in the core, making the fix available on any device that runs Opera.

The 5 Ss that guide all code development

SECURITY: No other browser can match the level of security offered by Opera.

SMALL SIZE: Opera is much smaller than other major browser, and has a small memory footprint.

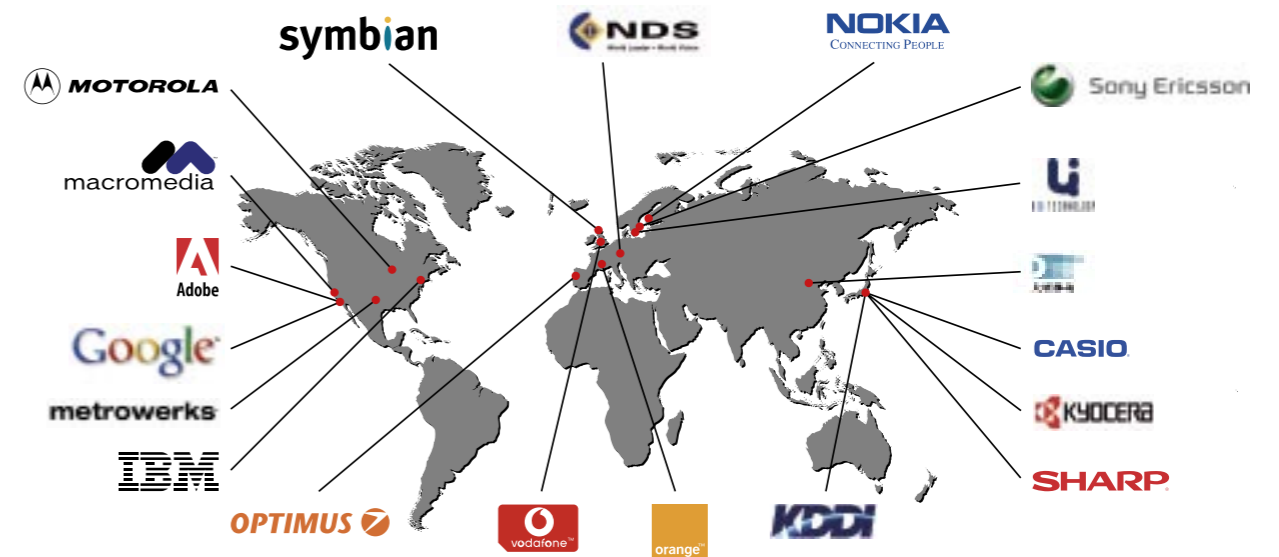
SPEED: Opera is renowned for being the world's fastest browser. Several independent tests show that Opera is significantly faster than its competitors.

STATE OF THE ART: Opera provides users with the latest in user interface innovations to let users surf the Web faster and more comfortably. Since its first release in 1996, the Opera browser has built a cult-following on the Web. Millions of Opera fans adore and rave about Opera to others, get others to join, report bugs to Opera, as well as provide invaluable problem-solving help to other users. Just click on over to Opera's community site, MyOpera.com, and you will see what we mean.

STANDARDS COMPLIANCE: Opera supports all open standards needed to surf the Web, markup languages (HTML and XML), style sheets (CSS1 and CSS2), as well as ECMAScript, JavaScript and DOM.

The Opera partners

Over the years, some of the industry's biggest players have signed up to Opera's vision of the Internet. Opera's partners include:



*"In a world of Chevy and Honda browsers,
Opera has become the Porsche of Web
navigation."*

New York Times

*"I could take another 2000 words to tell
you everything I like about Opera."*

Jim Seymour, PC Magazine



Best Browser 2004,
PC World

OPERA FOR DESKTOP

Since the first public release in 1996, Opera has been recognized as a leader in browser innovation on desktop PCs. Key to Opera's desktop browser development is providing users with the tools and features that enable a safer, more efficient and more enjoyable browsing experience.

THE FASTEST BROWSER ON EARTH!

Opera has demonstrated its ability to focus on continued innovative leadership, developing many features that have changed how millions of users work on the Web. Some features other browsers have later copied, others still remain unique to Opera. Examples of Opera innovations are features such as mouse gestures, pop-up blocking, zooming, integrated Google search, tabbed browsing and fast forward.

NEW IN 2004

Opera released its desktop browser version 7.50 in May, introducing a range of new features, like RSS newsfeeds and chat, in a brand new user interface. In December, Opera released the beta version of its next browser, for the first time integrating speech recognition. The browser has undergone significant improvements to firmly establish it as the safest and fastest full-featured browser on the market, and the final release is scheduled to early 2005. Approximately 20 million people downloaded the Opera desktop browser in 2004.

OPERA USERS

For many, a Web browser is merely a tool to view Web pages. Others recognize that this particular application is the central window to the Web, and they look for the best in quality and efficiency. By offering full customization and installation options ranging from basic to advanced, Opera caters to both types of users.

With the basic installation, anyone can benefit from Opera's speed, safety, and usability, and the advanced installation offers the full range of powerful features to the more Web savvy group we call "power users". Power users prefer using Opera for home and professional Web browsing because they have been won over by Opera's unique approach to coding and the range of integrated tools that make the most of the browsing experience.

Opera's desktop browser is available as a free download from www.opera.com.





"Anyone who gets one of these should install the Opera Web browser. I saw it running on someone else's P900, and it puts to shame other handheld browsers."

Dan Gillmor, San Jose Mercury News

"The Opera Web browser is an excellent application which is the match of any desktop browser and has some outstanding PDA-friendly features."

Ian Giblin, BargainPDA



Nokia 7710



Casio W21CA

MOBILE BROWSING

Mobile phones are becoming powerful multi-purpose devices. Today, your mobile is also your music player, calendar, digital camcorder and photo album. As 3G networks are rolling out and hardware is becoming cheaper and faster, the mobile Web browser is emerging as the "killer app" of mobile phones.

After introducing Small-Screen Rendering (SSR) in 2002 to reformat Web pages to small screens, Opera has enabled people to surf the Web on their mobile phones and portable devices. Opera is the most advanced mobile browser on the market today, supporting current and legacy mobile standards from the Open Mobile Alliance, desktop standards from the World Wide Web Consortium, and Web pages that are not written according to standards, but in what is commonly referred to as Street HTML. Unlike any other application, the Opera browser also introduces immediate and infinite use-case scenarios for 3G networks.

As a Web-based presentation environment, Opera's powerful and proven technology enables the creation of new, dynamic mobile services, without sacrificing interoperability with legacy and existing mobile content, such as WML/WAP. Platform independent and fully tested by millions of PC users before deployment, the Opera browser is delivered on handsets from most major handset manufacturers and added to existing handsets by operators all over the world.

Opera's mobile browser is also available as a download from: www.opera.com



"The Opera Platform...[is] a move that could bring mobile Internet into the mainstream"

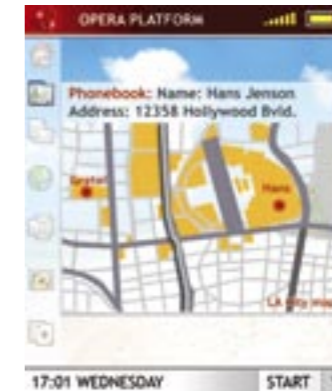
Matthew Broersma, ZDNet UK



Qtek 8010



Motorola A780



OPERA PLATFORM

Opera moved the Web into the mobile sphere with its full mobile Web browser. However, Web technology is no longer just about displaying static Web pages. Today's Web is a collection of advanced applications and services that enable rich user interaction as compared to traditional Web browsing. With Opera Platform, the same types of applications and services are made available on mobile phones.

As revenue from voice is continuing to decrease and the demand for data services is driving the market, mobile phone operators need to provide subscribers with compelling content and use-case scenarios. Opera Platform does just that. As a browser-based presentation environment, Opera Platform integrates with the mobile phone's own applications and presents live Web services, such as breaking news, weather information, bus schedules or other Internet content or services the user is interested in, directly on the idle screen of the phone. Fully customizable, Opera Platform enables end-users to receive the content and services they want, with the full Web only one click away.

Opera Platform is based on open standards Web technologies, so creating content is as easy as creating a Web page and does not demand expensive and specialized resources. Operators can tailor all applications and have full control of the user interface and branding, while providing subscribers with a consistent user experience across handsets and operating systems.

Opera works closely with leading mobile phone operators worldwide to provide optimal solutions and product offerings through Opera Platform. The first handsets featuring this technology will be launched in 2005.



"Together with Opera, one of the leading providers of browser technology, IBM aims to build an interface that will allow technology to adapt to end users, rather than forcing them to adapt to technology."

Rod Adkins, General Manager, IBM Pervasive Computing Division



ARCHOS PMA 400

OPERA FOR HOME MEDIA

Using the latest innovations in Web technologies, Opera is both an Internet browser, and a flexible execution environment for interactive TVs, set-top boxes, portable media players and other home media appliances.

Some of the applications our customers have developed with Opera's HTML- and JavaScript-based presentation engine include Electronic Programming Guides, Video-on-Demand, Integrated DVD Interfaces and Walled-garden and Open Internet Web Browsing.

The hardware component for most home media applications is the set-top box (STB). A set-top box is a device that enables a television set to receive and decode digital television broadcasts, and it can also become a user interface to the Internet. Opera provides solutions for both low-end STBs that do not have the ability to integrate Internet access, as well as more advanced high-end STBs that open for interactivity. For the low-end STBs, Opera is delivered as a presentation engine, while the high-end STBs can get Opera as a full-featured browser. In both instances,

Opera can be used as the primary graphical user interface to navigate channels and other forms of dynamic content not presented within the browser, just like Opera Platform is used on mobile phones.

Opera for Home Media has the highest level of standards compliance backed by a world-leading R&D engineering department, and Opera's extensive experience and proven expertise in browser technology has sold over one million licenses for STBs and home media devices around the world.

Opera has strengthened development efforts in Home Media in preparation for the growth in the digital TV market expected in 2006/2007.

EXECUTIVE TEAM



JON S. VON TETZCHNER | CEO / CO-FOUNDER

Along with colleague Geir Ivarsøy, Mr. Tetzchner developed a Web browser while working for Norwegian Telecom Research (Telenor) in 1994. In 1995 they together founded Opera Software and ventured out on their own. Von Tetzchner holds a Master's degree in Computer Science from the University of Oslo. Upon completing his education, he worked as a research scientist for Norwegian Telecom Research from 1991 to 1995. Von Tetzchner has received numerous honors and awards for his accomplishments through Opera Software. He was recently included in the Forum of Young Global Leaders for 2005 and listed as one of Business Week's Stars of Europe for 2004.



HÅKON WIUM LIE | CTO

Wium Lie is a Web pioneer, having worked on the WWW project at CERN. He suggested the concept of Cascading Style Sheets in 1994, and he later joined the W3C to further strengthen the standards. In 1999, he was listed among Technology Review's Top 100 Innovators of the Next Century. He's a member of the W3C's Advisory Board, Technology Review's "TR 100," and World Economic Forum's "Technology Pioneers." Lie holds a master's degree in visual studies from MIT's Media Laboratory, as well as undergraduate degrees in computer science.



ROLF ASSEV | EXECUTIVE VP MARKETING & STRATEGIC ALLIANCES

Assev worked four years for the Lillehammer Olympic Organizing Committee in the marketing department where he was responsible for developing and negotiating the international and national sponsorship contracts. He then joined Scandinavia's leading PR company, Geelmuyden.Kiese, where he worked for four years as a senior consultant responsible for the IT-sector, primarily as key account manager for Microsoft. Assev holds a master's degree from the Norwegian School of Economics and Business Administration.



CHRISTIAN JEBSEN | CFO/COO

Jebesen worked seven years (1991-1998) within corporate finance, investment banking of Nomura International in London and Enskilda Securites in Stockholm and Oslo. Prior to joining Opera in 2000, Jebesen was the CEO of Stavdal ASA, a company listed on the Oslo Stock Exchange until it was aquired. Jebesen holds a bachelor's degree in business economics from Copenhagen Business School.



LARS BOILESEN | VP SALES & DISTRIBUTION

Boilesen started his career in the LEGO Group as sales and marketing manager for Eastern Europe. Four years later he joined Tandberg Data ASA, changing his regional focus to the markets in Northern Europe/Asia/Pacific, the last year assuming the position as vice president for worldwide sales. Boilesen holds a bachelor's degree in business economics from Aarhus Business School.



CHRISTEN KROGH | VP ENGINEERING

Before joining Opera, Christen Krogh worked as research director at SINTEF Telecom and Informatics, and as business developer at TV 2 Interaktiv. His previous work experience includes assignments as research scientist at various research institutes, as well as the position as adviser and group leader. Krogh holds an interdisciplinary doctorate degree from the University of Oslo, and a bachelor's degree in computer science from Glasgow University.



CRAZY OR GENIUS ?

Anyone trying to define a typical Opera employee will have a hard time doing so. Visitors to our Oslo headquarters are always fascinated by the upbeat, yet relaxed, atmosphere and the seemingly strange mix of people of different backgrounds, lifestyles, interests, and personalities.

With 201 unique individuals from 28 different countries, Opera is far from your average Norwegian company. In fact, almost half of us are non-Norwegian.

Crazy or genius? It's sometimes hard to tell. What we do know is that great minds working together in a great environment produce great things. We are proud to say that we have gathered some of the best minds in the world, and many have moved from halfway around the globe to be a part of the Opera team in a country that is not exactly famous for its warm climate and low prices. That speaks of dedication, and defines what we

have in common: a strong personal interest and belief in what we do. Continuous innovation and the drive to create the best possible user experience stem from our genuine care for people. We believe the Internet, related ICTs and technology in general are too important to only be used by some, and we remain faithful to our core values and our vision of creating the best user experience on any device and platform. That's why Opera people are proud people, why we have survived and grown for ten years, and why we have a harder time getting each other to go home at the end of the day than coming back to the office in the morning.

Did you know that...

- Every Friday afternoon we start the weekend with "a night at the Opera" where we all meet in the cantina for a chat, drink and snacks?
- Jon is 2 meters tall?
- Our Recruitment Officer, Kripanjali, made Indian food for lunch one day, which resulted in a monthly culinary event in which developers, testers, system integrators, marketers and managers from the 28 countries represented at Opera cook their local food so we all get a taste of the world?
- The taste of the world event is followed by a movie from that country?
- Håkon W. L. wears slippers at work and has a bean bag in his office?



“When I visit Opera Software it feels a bit like coming home. Opera has a very open culture that new employees quickly become part of, and open communication is no doubt a necessity for value creation in the dynamic knowledge society we live in. Opera also has a very cosmopolitan culture where for instance differences in values are seen as a potential for innovation and value creation rather than as a threat. It also seems to me that Opera has found a fine balance between being creative on the one hand, but also cost conscious and productive on the other hand.” In terms of being a functional and attractive multicultural working environment fit for the globalized future, Opera Software is light-years ahead of most companies. ”

- Bjørn Christian Nørbech,
Managing Partner ITIM-NORWAY, Culture and Management Consultants

OPERA IN THE NEWS

Opera is a fantastic browser, but don't take our word for it. In 2004, the media and analyst communities continued to praise the Opera browser.



I guess like everyone else, I find [Opera's] Small Screen Rendering technology da 'bomb'
-Om Malik, Business 2.0

The Opera browser has always been impressive, and the version on the Nokia 9500 is no exception.
-Richard Bloor, SymbianOne

...but le piece de resistance is the inclusion of the Opera browser for Series 60 [...]. The Opera browser is best described as being utterly brilliant
-InfoSync

Opera is an amazing piece of software. I think it's the application that adds more functionality to your Series 60 device than any other. [...] If I could add only one application to my phone this would be it
-AllAboutSymbian

Yep, [Opera] rocks. In fact, using Opera is like experiencing Tivo for the first time, or getting an always-on internet connection: it completely changes the way you work
-PC World New Zealand

I have used the Opera browser for years, and I am very happy with it. It's much better designed, and I never have to worry about Explorer-based attacks
-Bruce Schneier, founder & CTO of Counterpane Internet Security Inc.

Opera tends to provoke evangelical hysteria among its devotees and it's not hard to see why
-Kyle MacRae, PC Magazine UK

Opera appears to be the only truly safe haven for Windows users
-David Berlind, ZDNet

Opera, ae,
f.(lat): work,
labor, task,
attention, care,
service.