

Q1 - 2005

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FINANCIAL STATEMENT – FIRST QUARTER 2005

PROFIT AND LOSS ACCOUNT <i>(Figures in TNOK)</i>	First Quarter		Full year
	2004	2005	2004
Revenues, PC/Desktop	7 028	6 391	33 439
Revenues, Internet Devices	14 701	21 574	65 886
Other income	0	0	87 689
Total Operating Revenues	21 729	27 965	187 014
Payroll and related expenses	16 928	24 153	75 441
Depreciation and amortization	286	366	1 185
Other operating expenses	8 280	9 030	29 098
Total operating expenses	25 494	33 549	105 724
Earnings Before Interest and Tax ("EBIT")	-3 765	-5 584	81 291
Net financial items	1 141	885	2 653
Earnings Before Tax ("EBT")	-2 624	-4 698	83 944
Taxes	417	1 315	-24 930
Earnings After Tax ("EAT")	-2 207	-3 383	59 014
Earnings per share	-0.03	-0.03	0.62
Earnings per share fully diluted	-0.03	-0.03	0.56

BALANCE SHEET <i>(Figures in TNOK)</i>	31. March		31-Dec
	2004	2005	2004
Assets			
Deferred taxes	25 408	2 428	1 055
Goodwill	3 143	3 143	3 143
Tangible assets	1 913	2 865	2 338
Other current assets	43 799	49 361	33 404
Cash and cash equivalents	145 867	220 565	241 275
Total assets	220 130	278 362	281 215
Liabilities & equity			
Paid-in capital	194 918	200 846	200 846
Retained earnings	393	60 605	63 058
Short-term liabilities	24 819	16 911	17 311
Total liabilities & equity	220 130	278 362	281 215

CASH FLOW STATEMENT <i>(Figures in TNOK)</i>	First Quarter		Full year
	2004	2005	2004
Cash flow from operating activities	-7 119	-19 797	97 552
Cash flow from investment activities	-720	-913	-2 041
Cash flow from financing activities	125 352	0	117 376
Change in cash and cash equivalents	117 513	-20 710	212 887
Cash and cash equivalent, beginning of period	28 388	241 275	28 388
Cash and cash equivalent, end of period	145 867	220 565	241 275

EQUITY <i>(Figures in TNOK)</i>	Accumulated per 31. March		Full year
	2004	2005	2004
Opening balance	79 977	263 904	79 977
Net profit/loss	-2 207	-3 383	59 014
Equity issues	117 561	967	124 918
Other	-20	-37	-5
Closing balance	195 311	261 451	263 904

INTERIM RESULTS <i>(Figures in TNOK)</i>	Q4	Q1	Q2	Q3	Q4	Q1
	2003	2004	2004	2004	2004	2005
Total operating revenues	28 802	21 729	110 759	24 567	29 959	27 965
EBIT	6 462	-3 765	89 480	-3 013	-1 412	-5 584
Sales growth quarter by quarter (%)	59.6%	-24.6%	409.7%	-77.8%	21.0%	-6.7%
Pre-tax earnings per share (NOK)	0.06	-0.02	0.65	-0.02	0.00	-0.03
Pre-tax earnings per share (NOK) fully diluted	0.05	-0.02	0.57	-0.02	0.00	-0.03

Note: The first quarter 2005 financial figures have been prepared based upon the management's interpretation of the current International Financial Reporting Standards (IFRS). The financial figures have been restated accordingly. Due to possible changes in existing standards, new understanding and interpretation of existing standards and potential new standards, the figures may change later during 2005. Neither the 2005 nor the 2004 restated figures have been audited and must therefore be treated as preliminary figures.

OPERA SOFTWARE ASA – FIRST QUARTER 2005

Highlights

- Revenue of MNOK 28.0 in Q1 2005, up from MNOK 21.7 in 1Q 2004, a growth of 28.7%
- Earnings before interest and tax ("EBIT") of MNOK -5.6 in 1Q05 compared to MNOK -3.8 in 1Q04
- The number of units sold that included the Opera browser, was 3.0 million in 4Q04 compared to 1.4 million units in 4Q03¹. Opera was installed on 8.8 million phones in 2004 compared to 2 million mobile phones in 2003
- Opera continues its cooperation with Nokia Corporation and have signed a contract which allows Nokia to include Opera's mobile Internet browser on models launched in 2005
- Opera announced that the browser will be included as default on three new handsets, Motorola A1010, NTT DoCoMo M1000 and ZTE e3
- Opera has signed an agreement with Vulcan Inc. to ship the Opera browser on the new Moxi Digital Video Recorder (DVR) for the U.S. cable market
- During the first four days, Opera 8 was downloaded more than one million times, and the browser is receiving praise in the press as well as from users worldwide
- Adobe will use Opera as a core component for the majority of its content manipulation software

Financials

Operating revenue in the first quarter of 2005 ("1Q05") was MNOK 28.0, up from MNOK 21.7 in 1Q04. The turnover increased by 28.7% on a year-to-year basis.

Income from Internet devices was MNOK 21.6 in 1Q05, up from MNOK 14.7 in 1Q04. Income from desktop products was MNOK 6.4, down from MNOK 7.0 last year.

Operating expenses increased from MNOK 25.5 in 1Q04 to MNOK 33.5 in 1Q05, a growth of 31.6%.

EBIT in 1Q05 was MNOK -5.6, compared to MNOK -3.8 in 1Q04.

Cash and cash equivalents were MNOK 220.6 at the end of 1Q05.

Starting in Q2, Opera will treat royalty income in the quarter it is incurred, and not with a quarterly delay, as earlier practiced. This implies that the Q2 result will include royalty income for both Q1 and Q2 2005.

With effect from 1 January 2005, Opera has applied IFRS in the consolidated accounts. The impact of the change of accounting standards along with comparative information regarding Opera's financial reporting in 2004 in accordance with IFRS, were presented in the "Transition to IFRS" document released on April 27, 2005. Accordingly, 2004 financial information included in this document is different from previous reports.

Internet Devices

The income from Internet devices grew from MNOK 14.7 in 1Q04 to MNOK 21.6 in 1Q05, a growth of 46.8%.

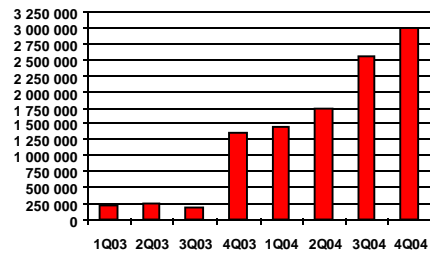
Mobile phones

The number of phones sold to end users, was 3 million in 4Q04, compared to 1.4 million units in 4Q03. Opera was

¹ As Opera gets the sales number reported from its customers up to eight weeks after an actual quarter ends, there is a one quarter delay in this reporting. The revenue from units sold in 4Q04 is treated as ordinary income in 1Q05.

installed on 8.8 million phones in 2004 compared to 2 million mobile phones in 2003.

Number of phones sold with the Opera browser



In February, Opera Software announced that Opera will be included as the default browser on the A1010, the new 3G handset from Motorola. The Motorola A1010 is the first phone to take advantage of Opera's Extensible Rendering Architecture (ERA) by enabling Web page content to fit the width of the screen in both vertical and landscape modes.

In March, Opera Software announced that it continues its cooperation with Nokia Corporation by signing a contract which allows Nokia to include Opera's mobile Internet browser, in addition to the standard, Nokia developed browsers, on models launched in 2005. As a result of the agreement, Opera expects to be included on various Nokia models in 2005, of which a majority is expected to be based on the Symbian operating system (OS) and the Series 60 Platform.



Motorola A1010



NTT DoCoMo M1000

NTT DoCoMo, Japan's largest 3G operator and one of the world's leading mobile communications companies with more than 50 million customers, announced in April that Opera will be included as the default browser on M1000. The M1000 is an advanced 3G phone for the business market, with full Internet and e-mail connectivity through both 3G and GSM networks, wireless LAN and Bluetooth. The phone will be launched on NTT DoCoMo's network in Japan later this year.

Opera will be the default browser on ZTE's new GSM mobile phone, the e3. ZTE Corporation is China's largest listed



ZTE e3

telecommunications manufacturer and wireless solutions provider, and the e3 is the first Opera enabled mobile phone to be made in China exclusively for the Chinese market.

Home Media

In April, Opera announced that the company has signed an agreement with Vulcan Inc. to ship the Opera browser on the new Moxi Digital Video Recorder (DVR) for the U.S. cable market. The Moxi DVR is sold through Charter Communication, one of the largest cable operators in the USA. Microsoft co-founder Paul Allen is the lead investor in both Vulcan Inc. and Charter Communication.



Moxi Media Center

PC/Desktop

Income from desktop products was MNOK 6.4, down from MNOK 7.0 last year, a decrease of 9.1%, due to product transition.

In April, Opera launched the final version of Opera 8, which is the first and only Web browser to include advanced security measures to increase protection against online fraud – a growing and serious problem for Internet users around the world. Opera 8 is the first browser to include voice interaction capabilities. During the first four days, Opera 8 was downloaded more than one million times, and the browser is receiving praise in the press as well as from users worldwide. Opera expects Opera 8 to strengthen the company's foothold in the desktop browser market.

Adobe, one of the world's largest software companies, announced that it will use Opera as the engine for the majority of its content manipulation software, powering Adobe GoLive CS 2, Adobe Photoshop CS 2, and other components of Adobe Creative Suite 2. Opera believes that Adobe's decision confirms the quality, performance and versatility of Opera's cross-platform technology. It is also a testament to the growing importance of full Web access on mobile devices, as Opera's integration with Adobe Creative Suite 2 enables Web developers and designers to create Web pages also for small screens by previewing their work in Opera's Small-Screen Rendering (SSR) mode.

Continued innovation

Opera is continuing its tradition of innovation by bringing new solutions to answer the evolving needs of Internet users around the world. In particular, security is a growing concern for Web users, and Opera has responded to the increase in online fraud with new security features in the new Desktop browser, Opera 8. These features enable users to judge the trustworthiness of secure sites like online stores and banks. Opera's is also the first browser to include voice interaction capabilities in its new version.

Organization

As of March 31, the company had 208 employees, compared to 195 employees by the end of December 2004 and 145 employees by the end of 1Q04.

Outlook

Opera expects a significant increase in the revenue growth rate in 2005, as deployment of mobile browsers starts to accelerate. Opera's competitive position in this market is stronger than it was at the same time last year.

Operating cost is expected to grow at a similar pace as in 2004, as a consequence of customer-driven organizational growth in 2005.

Consequently, the board expects 2005 to become the first year of solid earnings and earnings growth, as Opera's scaleable business model will be proven.

The bulk of the growth is expected to take place in the second half of the year.

Mobile Phones

Higher-functionality devices are showing material growth, and accounting for increasingly higher proportion of the sale of mobile phones. Internet access is believed to be a vital application on mobile phones to facilitate the increased functionality that is needed.

More than 8.8 million mobile phones that included the Opera browser were bought in 2004, compared to two million units in 2003. The browser was included on 13 different models in 2004, compared to six models the year before. Opera's goal for 2005 is to at least double the number of mobile phone models that includes the Opera browser. The number of mobile phones sold in 2005 that includes the Opera browser, is expected to increase significantly compared to 2004.

The growth trend is expected to continue in 2006 and onwards. Opera believes that at least 70-80% of all mobile phones will be internet enabled when the market eventually matures. The company believes it is well positioned to take a leading role in the market for browsers on mobile phones.

Home media

Competition for dominance of the home media space has increased dramatically in the past year with satellite providers, telecommunications companies, consumer electronics manufacturers, and the PC industry all vying for control of the consumer entertainment experience with new products and services.

Browser technology is starting to be used by cable, satellite and terrestrial TV providers to get new services to customers faster. Opera expects this to become an increasingly important business area.

PC/Desktop

The increased focus on security and alternative browsers has increased the focus on desktop browsing in general. The increased interest in alternative browsers had a positive influence on Opera's revenue in 2004. Opera believes that the launch of Opera 8 in April will ensure continued growth. The company believes that revenue will continue to grow with the number of users.

Oslo, April 28, 2005

The Board of Directors
Opera Software ASA

Christian H. Thommessen
Chairman
(sign.)