

2Q05 Results

August 22, 2005



Highlights – Second Quarter 2005

- ❑ Amended contract with Motorola
 - Allows Motorola to include Opera on all handsets across major operating systems
 - important milestone for Opera Software
- ❑ Opera signed an agreement with a global player in the home media market
 - Mass market products are scheduled to be launched early 2006
- ❑ New handsets announced:
 - Nokia: 6680, 6681, 6682
 - Motorola E895, E680i
 - Casio W21CAII, W31CA
 - Toshiba W31T
 - Hitachi W32H
- ❑ T-Mobile launched "Internet in your pocket" using the Opera browser
- ❑ Opera Mini launched

Profit and loss account – 2Q05

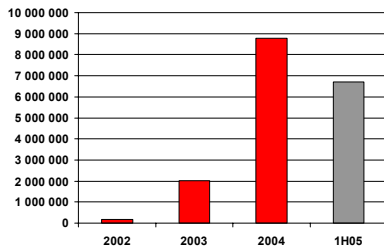
PROFIT AND LOSS ACCOUNT

(Figures in TNOK)

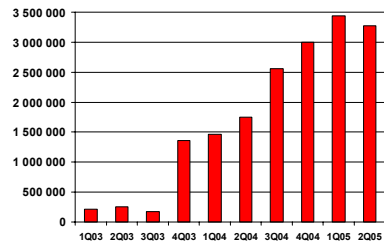
	Second Quarter		Full year
	2004	2005	2004
Revenues, PC/Desktop	7 208	6 970	33 439
Revenues, Internet Devices	15 986	33 447	65 886
Other income	87 565	0	87 689
Total Operating Revenues	110 759	40 417	187 014
Payroll and related expenses	15 666	22 939	75 441
Depreciation and amortization	304	420	1 185
Other operating expenses	5 309	9 250	29 098
Total operating expenses	21 279	32 609	105 724
Earnings Before Interest and Tax ("EBIT")	89 480	7 808	81 291
Net financial items	-225	492	2 653
Earnings Before Tax ("EBT")	89 255	8 300	83 944
Taxes	-25 577	-2 323	-24 930
Earnings After Tax ("EAT")	63 678	5 977	59 014
Earnings per share	0.63	0.06	0.62
Earnings per share fully diluted	0.61	0.05	0.54

Number of phones sold to end-users



































Per year



Per quarter



Our goal - at least double the number of models also in 2005

2000-2002	2003	2004	2005
		Nokia 7710 	
		Casio W21CA 	Motorola E895 
		Nokia 6620* 	Motorola E680i 
		Nokia 9300 	Hitachi W32H 
		Motorola A780 	Nokia 6682 
		Sony Ericsson P910 	Nokia 6681 
		Motorola A1000 	Nokia 6680 
	Sendo X 	Nokia 7610 	Toshiba W31T 
	Nokia 6600 	Nokia 9500 	Casio W31CA 
	Sony Ericsson P900 	BenQ P30 	Casio W21CA II 
Sharp Zaurus 	Motorola A920 	Nokia 7700 	ZTE e3 
Psion Revo 	Sharp Zaurus 	Kyocera PS 900 	Motorola M1000 
Nokia 9210 	Sony Ericsson P800 	Sharp SL-6000 	Motorola A1010 

Balance sheet – 2Q05

BALANCE SHEET

(Figures in TNOK)

Assets

	30. June		31. Dec
	2004	2005	2004
Deferred taxes	533	5 303	1 055
Goodwill	3 143	3 143	3 143
Tangible assets	1 960	3 240	2 338
Other current assets	36 494	56 038	33 404
Cash and cash equivalents	234 996	225 783	241 275

Total assets	277 126	293 507	281 215
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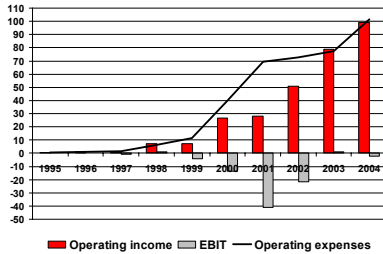
Liabilities & equity

Paid in capital	199 095	204 617	200 846
Retained earnings	63 582	67 381	63 058
Short-term liabilities	14 449	21 509	17 311

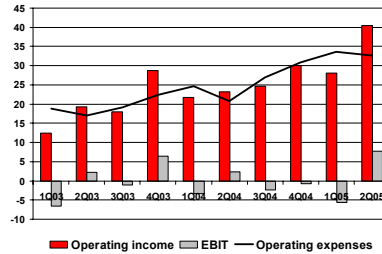
Total liabilities & equity	227 126	293 507	281 215
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Growth trend confirmed

Per year*



Per quarter*



*: Excluding income and cost related to settlement of MNOK 87.6 in 2Q04

Financial outlook

- Competitive position stronger than same time last year
- Significant increase in growth rate expected in 2005
- Royalty income to grow in importance during 2005
 - Opera's goal for 2005: double the number of phone models
 - Number of units sold to increase significantly



Motorola E895

Financial outlook, cont'd

- ❑ Cautious Desktop revenue expectations for 2005
 - Changes in business model to ensure further growth in 2006
- ❑ Limited growth opportunities in R&D related income
- ❑ The organisation will continue to grow
- ❑ 2005 to be the first year of solid earnings and earnings growth



Nokia 6680

Opera Mini™ ensures solutions for entire value chain

Opera Mobile browser

- ❑ Full Web browser for OEM integration

Opera Mini

- ❑ Light weight Web browser

Opera Platform

- ❑ Device independent platform for mobile Web applications



Opera Platform



Opera Mobile Browser



Opera Mini

Opera Mini™ Enables Full Web Browsing on Java Capable Devices

Opera Mini



Small Java application

- Browser user interface
- including "over the air" deployment

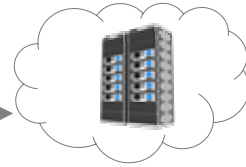
Opera Mini Servers



Features full Opera browser engine

- Renders pages with Opera SSR*
- Minimizes traffic volume
- Improves loading time
- Provides billing info to trusted Web sites

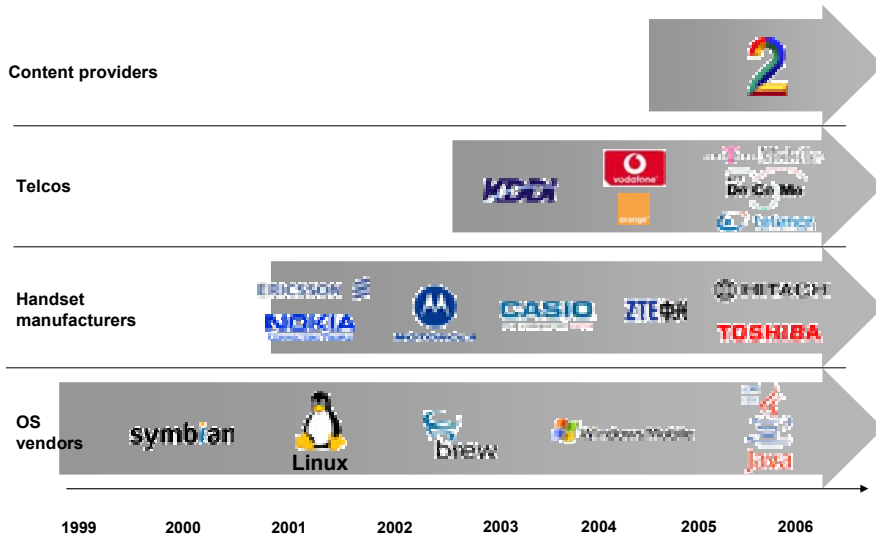
Internet



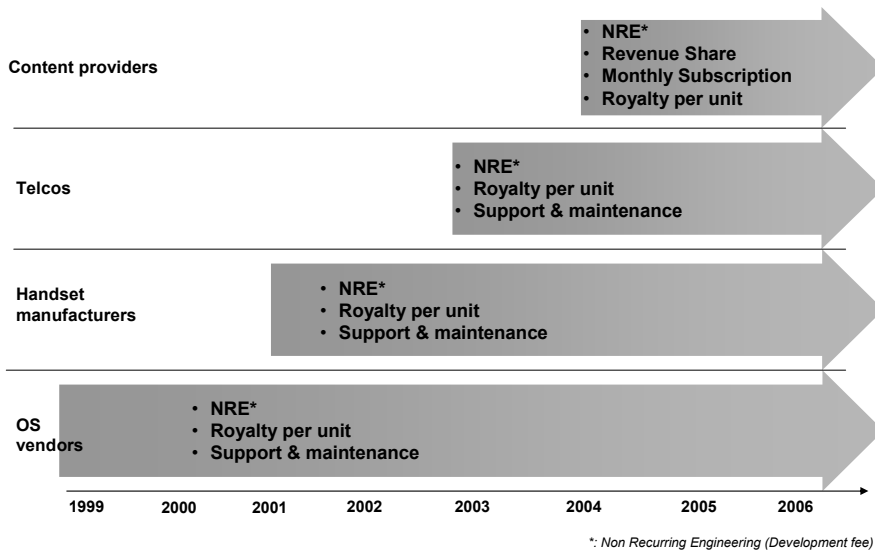
Web content and mobile content from the entire Internet

*: Small Screen Rendering

Opera moving up the value chain



Opera Mini will provide new sources of revenue



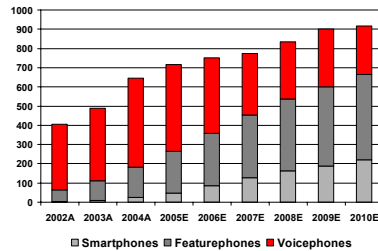
Opera Mini™ has been well received

"The folks at Opera have delivered the latest version of their mobile browser, this one called Opera Mini. The beauty of this little gem is that it's Java based so it runs on any phone with a Java client and lets you hit any HTML site. It overcomes the small screen of the cell phone using their excellent small screen rendering. I tried it on my Moto RAZR and it worked flawlessly. I was able to hit every HTML site I threw at it including heavy lifting sites like the NY Times. This is a really big breakthrough for the mobile space. If I were a handset vendor and carrier, I'd give a call to these folks ASAP and get this thing on my handsets."

Michael Gartenberg, VP & Research Director, Jupiter Research

Handset shipment forecasts by Category

- ❑ Opera has historically mainly been included on Smartphones
 - Increased memory
 - Improved screens
- ❑ Opera has now entered the featurephone market
 - Casio, Sanyo, Toshiba and Hitachi
- ❑ Eventually, both smart- and featurephones will be browser enabled
- ❑ Opera is well positioned to get a substantial market share



Source: Nomura International

Mobile phones – strengthened market position in Q2

- ❑ Expanded relationship with Motorola
 - Opera will make the browser available on major operating systems supported by Motorola
 - Contract expected to significantly increase Opera's market share in the mobile market
- ❑ T-Mobile launched "Internet in your pocket" using the Opera browser
- ❑ Opera Mini launched
 - Server based product allowing expanded customer base
 - Revenue model includes revenue sharing
 - Can run on a majority of all mobile phones
- ❑ Nine handsets launched since Q1 presentation
 - KDDI has launched four new handsets with Opera
 - Nokia has launched three new models with Opera
 - Motorola has launched two new handsets

Opera Desktop – Business model to be revised

- ❑ License income from Opera 8 lower than expected in 1H05
 - Increased “free” competition with more alternatives
- ❑ Income- and distribution model revised
 - Shift in income streams from licence towards partner income opens opportunities
- ❑ Alternative business models expected to increase market share and revenue
 - Includes new distribution models and expanded partner agreements



Home media – competition for dominance increases

- ❑ Contract signed with a global home media player
 - The first product anticipated to be launched in the beginning of 2006
 - Expected to be a high volume product
 - Available for the customer's proprietary operating system
- ❑ Increased interest in including browsers on all kind of devices, such as;
 - Web pads, TVs, set-top-boxes, gaming, cars, in-flight entertainment, etc, etc
- ❑ Opera senses a shift in type of home media partners
 - From small early movers to also include large global players
- ❑ Browser solution has become a key selection criterion

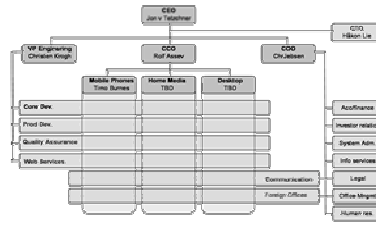


Nokia 770

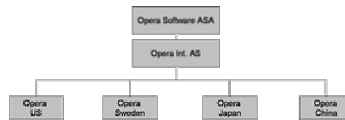
Structuring for future growth

- ❑ Increased focus on business units
- ❑ Recruiting three business unit managers
 - Timo Bruns head of Mobile Phones
 - Other two candidates will be recruited internationally
- ❑ Assev, CCO, responsible for bus. units
- ❑ Jebesen, COO, to increase focus on Operation
 - Will recruit new CFO
- ❑ Establishing several international offices
 - Tokyo and San Diego office established
 - Beijing office in process of being established

New organisation structure



New legal structure



Summary – positioned for growth

- ❑ Number of Web enabled mobile phones expected to grow significantly
 - Opera Mini™ expected to escalate growth of Web enabled phones
- ❑ Large opportunities inside home media segment with more and more devices utilising Web technology
- ❑ Desktop market offers significant growth opportunities with new distribution models and expanded partner agreements