



OPERA SOFTWARE ANNOUNCES FOURTH QUARTER RESULTS
Strong revenue growth and significant increase in profitability
Significant Increase in FY 2010 EBIT versus FY 2009

Oslo, Norway – February 21, 2011 – Opera today announced financial results for the fourth quarter 2010 and the fiscal year ended December 31, 2010.

4Q 2010 financial highlights include:

- Revenues of MNOK 193.6, up 36% versus 4Q 2009
- EBIT, excluding one-time items, of MNOK 34.6, up 639% versus 4Q 2009
- Adjusted EBITDA*, excluding one-time items, of MNOK 45.4, up 282% versus 4Q 2009
- Operating Cash Flow of MNOK 25.5 versus -14.3 in 4Q 2009

Revenues

Revenue in 4Q10 was MNOK 193.6, up 36% from 4Q09, when revenue was MNOK 142.6. On a constant currency basis, 4Q10 revenues increased 37% compared to 4Q09.

Revenue from Internet Devices grew to MNOK 122.7 in 4Q10 compared to MNOK 92.2 in 4Q09, an increase of 33%.

4Q10 saw strong revenue growth from both Operators and Device OEMs and falling revenue from Mobile OEMs compared to 4Q09. In general, Opera continued to see a marked shift in the revenue mix towards license revenue and away from development revenue.

Revenue from Desktop rose 41% in 4Q10 to MNOK 70.9, compared to MNOK 50.4 in 4Q09, with users up approximately 11% versus 4Q09. Revenue growth from Desktop was strong due to growth in ARPU (average revenue per user) in particular. The main contributors to higher ARPU in the quarter were higher searches per user and strong growth in revenue from Opera's local search partners.

Profit and cash flow

EBIT, excluding one-time costs, was MNOK 34.6 in 4Q10 compared to MNOK 4.7 in 4Q09. EBIT, including one-time costs, was MNOK 29.1 in 4Q10. Adjusted EBITDA*, excluding one-time costs, was MNOK 45.4 in 4Q10 compared to MNOK 11.9 in 4Q09. Adjusted EBITDA*, including one-time costs, was MNOK 39.9 in 4Q10.

Operating cash flow was MNOK 25.5 in 4Q10 compared to MNOK -14.3 in 4Q09. Operating cash flow was impacted positively by strong profitability and negatively by changes in net working capital. Free cash flow was MNOK 11.6 in 4Q10 compared to MNOK 24.6. Capital expenditures, which are primarily related to Opera's Opera Mini server hosting operations, were MNOK 13.9 in 4Q10 versus MNOK 10.3 in 4Q09.

Key operational highlights

- Operator and co-branded Opera Mini users reached 10.6 million by the end of 4Q10, up 523% versus the end of 4Q09, with user growth driven by both existing and new operator customers
- Telenor launched Opera Mini in Serbia and Montenegro
- 4 new operator agreements were announced in 4Q10, including MTN, Entel Chile and MTS India
- Continued momentum for Opera on Connected TVs
- Continued traction with Mobile OEMs regarding distribution of Opera Mini on mobile phones. For example, Opera announced that its Opera Mini mobile browser started shipping on the Galaxy S, the latest Android-based smartphone from Samsung
- Desktop users reached 51 million by the end of 4Q10, up 11% versus 4Q09
- Opera 11 for Desktop was launched, faster and more secure than ever and with features such as tab stacking, extensions and visual mouse gestures
- Opera branded Opera Mini users reached 85.5 million at the end of 4Q10, up 85% versus 4Q09
- Opera launched the Open Mobile Ad Exchange

Outlook

Opera remains positive about the Company's growth prospects. Within Internet Devices, the success that key Opera customers, such as Motricity (AT&T) and Telkomsel, have experienced with their mobile Web initiatives powered by Opera has heightened interest among operators in particular for Opera's solutions. Opera also sees accelerating interest among consumer electronic device manufacturers for Opera's solutions, particularly in the Connected TV segment, as Web browsers become a more common component of a broad array of device types.

Opera believes it is well positioned to continue to take advantage of these "megatrends" within the operator, mobile phone and consumer electronics industries.

Opera also expects to see increased revenue streams for the Opera-branded version of Opera Mini, as usage expands and as revenue and business models evolve further in the mobile Internet space.

The Company also sees positive growth prospects from its Desktop product, particularly as a result of user growth in the emerging markets.

Opera's key operational priorities in 2011 include continuing to (i) sign up new leading operators and grow active users of Opera products and services with existing operator customers, (ii) grow revenues and users for its Opera branded consumer products (Desktop, Opera-branded Opera Mini), (iii) increase Opera's position with top mobile phone OEMs and chipset manufacturers globally, (iv) build on the momentum Opera has with major consumer electronic OEMs, particularly in the Connected TV space, and (v) offer content-related services to its large user base, leveraging the fact that its browsers run on a wide and disparate array of devices.

Please find the fourth quarter report (4Q10.pdf) and presentation (4Q10_presentation.pdf) attached.

Webcast: <http://www.opera.com/company/investors/>

Or

<http://media01.smartcom.no/Microsite/start.aspx?eventid=5960>

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About Opera Software

Opera Software ASA has redefined web browsing for PCs, mobile phones and other networked devices. Opera's cross-platform web-browser technology is renowned for its performance, standards compliance and small size, while giving users a faster, safer and more dynamic online experience. Opera Software is headquartered in Oslo, Norway, with offices around the world. The company is listed on the Oslo Stock Exchange under the ticker symbol OPERA. Learn more about Opera at <http://www.opera.com/>.

*"Adjusted EBITDA" refers to EBITDA excluding stock option costs.