

OPERA SOFTWARE ANNOUNCES FIRST QUARTER RESULTS

Strong revenue growth and significant increase in profitability

Oslo, Norway – May 11, 2011 – Opera Software (OSEBX: OPERA) today reported financial results for the first quarter ended March 31, 2011.

1Q 2011 financial highlights include:

- Revenues of MNOK 207.3, up 37% (up 42% on a constant currency basis) versus 1Q10
- EBIT of MNOK 41.4, up 661% versus 1Q10*
- Adjusted EBITDA** of MNOK 53.0, up 259% versus 1Q10***
- Operating Cash Flow of MNOK 22.5 versus MNOK -10.2 in 1Q10
- Free Cash Flow of MNOK 9.9 versus MNOK -17.2 in 1Q10

Revenues

Revenue in 1Q11 was MNOK 207.3, up 37% from 1Q10, when revenue was MNOK 151.4. On a constant currency basis, 1Q11 revenues increased 42% compared to 1Q10.

Revenue from Internet Devices grew to MNOK 136.4 in 1Q11 compared to MNOK 99.4 in 1Q10, an increase of 37%.

1Q11 saw very strong revenue growth from Operators, solid revenue growth from Device OEMs and falling revenue from Mobile OEMs compared to 1Q10. 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 36% in 1Q11 to MNOK 70.9, compared to MNOK 52.0 in 1Q10, with users up approximately 13% versus 1Q10. Revenue growth from Desktop was strong due to growth in ARPU (average revenue per user). 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 was MNOK 41.4 in 1Q11 compared to MNOK -23.7 in 1Q10 (EBIT was MNOK 5.4 in 1Q10 excluding one-time costs). EBIT, excluding stock option costs, was MNOK 46.0 in 1Q11 versus MNOK 9.8 (excluding one-time costs) in 1Q10. EBITDA was MNOK 48.3 in 1Q11 compared with MNOK 10.3 (excluding one-time costs) in 1Q10. EBITDA, excluding stock options costs, was MNOK 53.0 compared with MNOK 14.7 (excluding one-time costs) in 1Q10.

The Company's net cash flow from operating activities was MNOK 22.5 in 1Q11 compared to MNOK -10.2 in 1Q10. 1Q11 cash flow from operating activities was impacted positively by strong profitability and negatively by changes in net working capital. Capital expenditures, which are primarily related to Opera's hosting operations, were MNOK 12.6 in 1Q11 versus MNOK 7.0 in 1Q10.

Operational Highlights

■ *Operators*

Revenues of MNOK 68 in 1Q11, up 74% versus 1Q10

Operator and co-branded Opera Mini users reached 13.6 million by the end of 1Q11, up 445% versus the end of 1Q10

2 new operator agreements were announced, including Verizon Wireless in the United States

New launches from existing customers included Telenor (Hungary, Pakistan, Bangladesh (Grameenphone) and Malaysia (DiGi)), Beeline (Kazakhstan) and MTS (Belarus)

■ *Mobile OEMs*

Revenues of MNOK 18 in 1Q11, down 31% versus 1Q10

Distribution agreements for Opera Mini were announced with Qualcomm, Sharp, Bess Mobile and INQ

■ *Device OEMs*

Revenues of MNOK 33 in 1Q11, up 13% versus 1Q10

Announced agreement with Sony for ConnectedTVs and Blu Ray players

■ *Desktop*

Revenues of MNOK 70.9 in 1Q11, up 36% versus 1Q10

Desktop users reached 54 million by the end of 1Q11, up 13% versus 1Q10 and up 6% versus 4Q10

■ *Opera Branded Opera Mini and Mobile*

Opera branded Opera Mini users reached 102.4 million at the end of 1Q11, up 85% versus 1Q10

Launched Opera Mini 6 and Opera Mobile 11

Launched a new version of the Opera Mobile Store via a strategic partnership with Appia

■ *Other Developments*

Announced a Joint Venture with China's Telling Telecom to jointly develop and launch a new mobile web services and web browser platform in Greater China based on Opera technology

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 from Opera’s consumer mobile products such as Opera Mini, as usage expands and as revenue and business models evolve further in the mobile Internet space. In particular, Opera sees rising mobile revenue streams from advertising, applications and search.

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 additional leading operators and grow active users of Opera products and services with existing operator customers, (ii) grow revenues and users of Opera’s consumer products (Desktop, Opera-branded Opera Mini and Opera Mobile), (iii) increase Opera’s position with top mobile phone OEMs and chipset manufacturers globally to drive greater distribution of Opera’s mobile products, (iv) build on the momentum Opera has with major consumer electronic OEMs, particularly in the Connected TV space, and (v) increase Opera’s overall profitability and margins.

Please find the first quarter report (1Q11.pdf), first quarter press release (1Q11_Press_release.pdf) and presentation (1Q11_presentation.pdf) attached.

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

Or

<http://media01.smartcom.no/Microsite/start.aspx?eventid=6109>

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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/>.

This Press Release contains forward-looking statements. These statements include, among other things, statements regarding future operations and business strategies and future financial condition and prospects. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences are covered in the Opera Software FY 2010 Annual Report on page 14, under the heading "Risk Factors". We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

* Excludes extraordinary one-time costs. EBIT was MNOK -23.7 in 1Q10 including extraordinary one-time costs.

***“Adjusted EBITDA” refers to EBITDA excluding stock option costs

*** Excludes extraordinary one-time costs. Adjusted EBITDA was MNOK -14.4 in 1Q 10 including extraordinary one-time costs.