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Opera Software: Second quarter 2011

2Q 2011 Financial highlights

	Financial metric	2Q11 Status report (MNOK)	2Q10 (MNOK)
Revenue	Total revenue	214.8	168.9
Profitability	Adj. EBITDA*	56.1	38.2
	EBIT	44.5	28.8

- Record revenue and profitability
- Strong revenue growth from operators and desktop
- Continuing to see a shift in revenue mix towards license revenue
- Revenue and EBIT would both have been 4 MNOK higher on guided FX rates for 2Q11

* Non-IFRS EBITDA excludes stock option costs

Highlights

Operators

- Strong growth in operator Opera Mini users: 16.2 million in June 2011, vs. 4.5m in June 2010, up 260%
- Strong operator platform for continued growth
  - Growth from existing customers like Telkomsel, AT&T and MTS
  - Vodafone launching Co-branded version of Opera Mini
  - New wins from MTN, AIS and Matrix
  - Solid pipeline

Mobile/Devices

- 122 M end users of Opera Mini
- Spreadtrum signed agreement
- Continue to build leading position in the TV/set-top box segment
  - Good deal flow in Q2 (Humax, Airties, Fulan, SetOne and Comtrend)
- Good pipeline and increasing volume from existing partners

End users

- 200 million+ people using Opera browsers every month
- Opera Mini 6 browser for iOS available for download on the Apple App Store, for both the iPhone and iPad
- Launched Oupeng, Chinese Joint Venture
- Mobile Consumer & Publishers revenue up 200%+ in 2Q11 vs. 2Q10

Financial review

A note from our lawyers

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2Q 2011 Financial highlights

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Revenue	Total revenue	214.8	168.9
Profitability	Adj. EBITDA*	56.1	38.2
	EBIT	44.5	28.8
Cash generation	Operating Cash Flow	19.8	62.3
	Free Cash Flow**	3.5	54.9

*Non-IFRS EBITDA excludes stock option costs

** Operating Cash Flow less capital expenditures

2Q11 Actuals versus Guidance

	2Q 2011 Actuals	2Q 2011 Midpoint Guidance* (May 11)	2Q 2011 Actuals at Guidance FX Rates (May 11)*
Revenue	MNOK 214.8	MNOK 212	MNOK 219
EBIT	NOK 44.5	MNOK 42.5	MNOK 48

*Provided at 1Q11 Presentation

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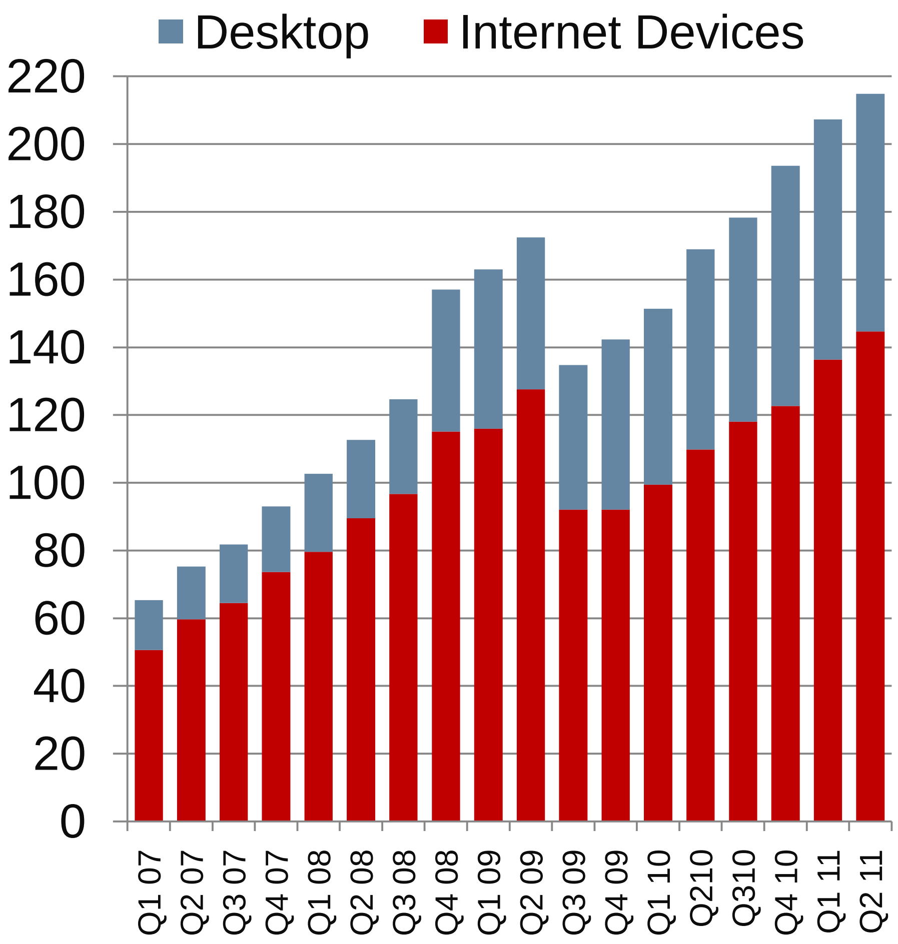
2Q11 Financial review

MNOK	2Q2011	2Q2010	Q on Q		1H 2011	1H 2010*	1H vs. 1H
Desktop +	**70.1**	59.1	**19%**		**141.0**	111.1	**27%**
Internet Devices +	**144.7**	109.9	**32%**		**281.1**	209.2	**34%**
Total revenue =	**214.8**	168.9	**27%**		**422.1**	320.3	**32%**
Payroll and related expenses -	**111.4**	95.2	**17%**		**219.2**	195.5	**12%**
Stock option costs -	**4.1**	3.9	**6%**		**8.8**	8.3	**6%**
Depreciation and amortization -	**7.4**	5.6	**33%**		**14.4**	10.5	**37%**
Other operating expenses -	**47.3**	35.5	**33%**		**93.9**	71.9	**31%**
Total expenses =	**170.2**	140.2	**21%**		**336.2**	286.2	**17%**
EBIT	**44.5**	28.8			**85.9**	34.2	
Net Income	**28.5**	19.2			**50.1**	24.5	
EPS (NOK)	**0.24**	0.16			**0.42**	0.20	

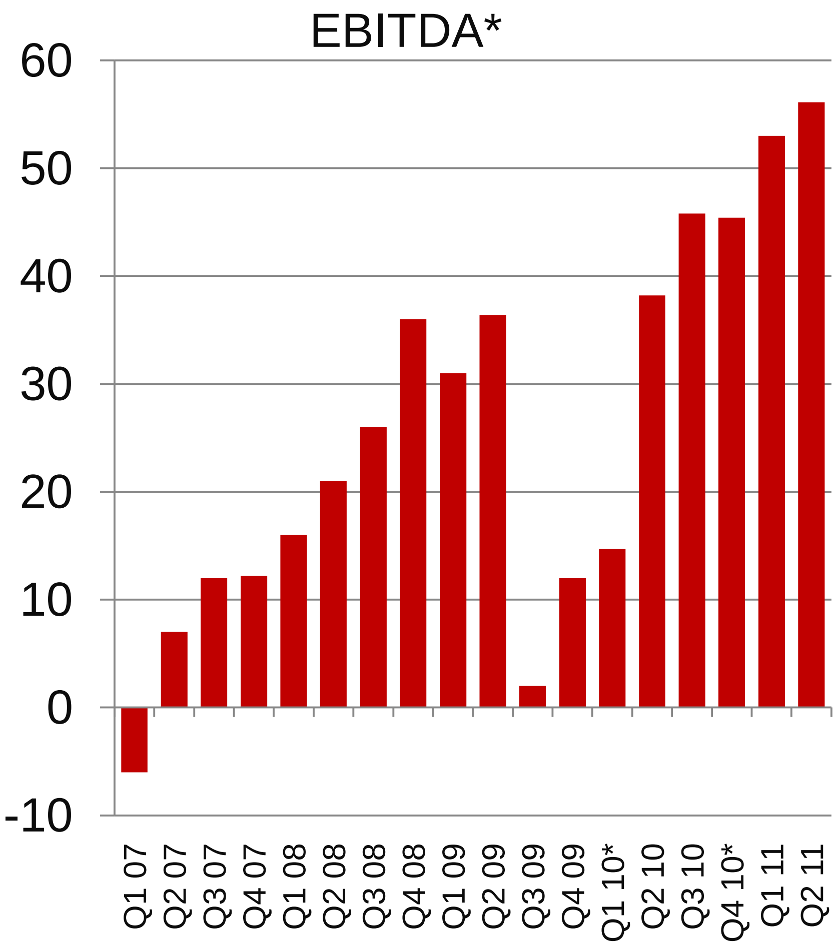
* Excludes an extraordinary one-time charge of MNOK 29.1 in 1Q10

Financial highlights: 1Q07-2Q11

Operating revenues (NOK Million)



Adjusted EBITDA* (NOK Million)



* Non-IFRS EBITDA excludes stock option costs and an extraordinary one-time charge of MNOK 29.1 in 1Q10 and MNOK 5.5 in 4Q10

Revenue growth drivers

Operators: Users and Usage

Desktop: Users and Usage

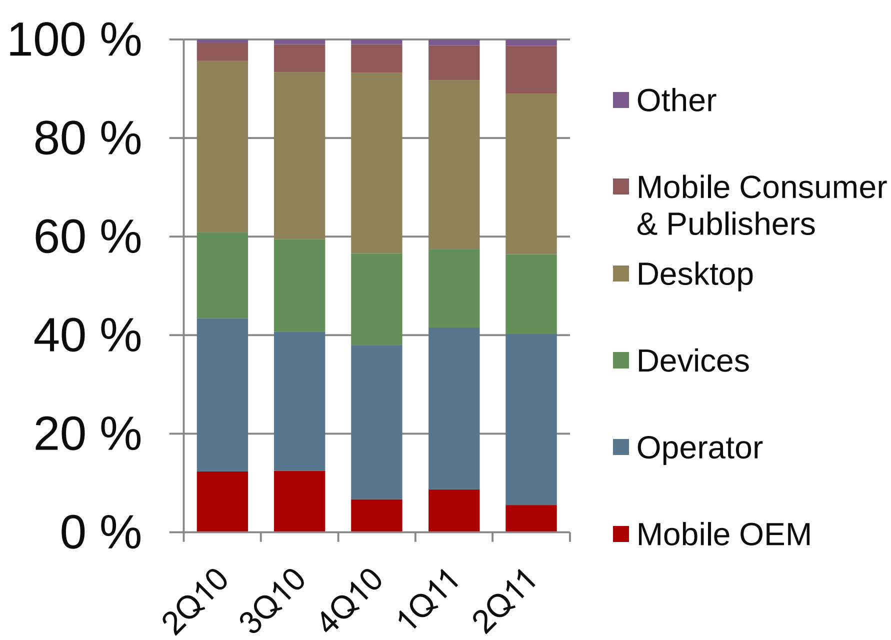
Mobile Consumers and Publishers: Users and Usage

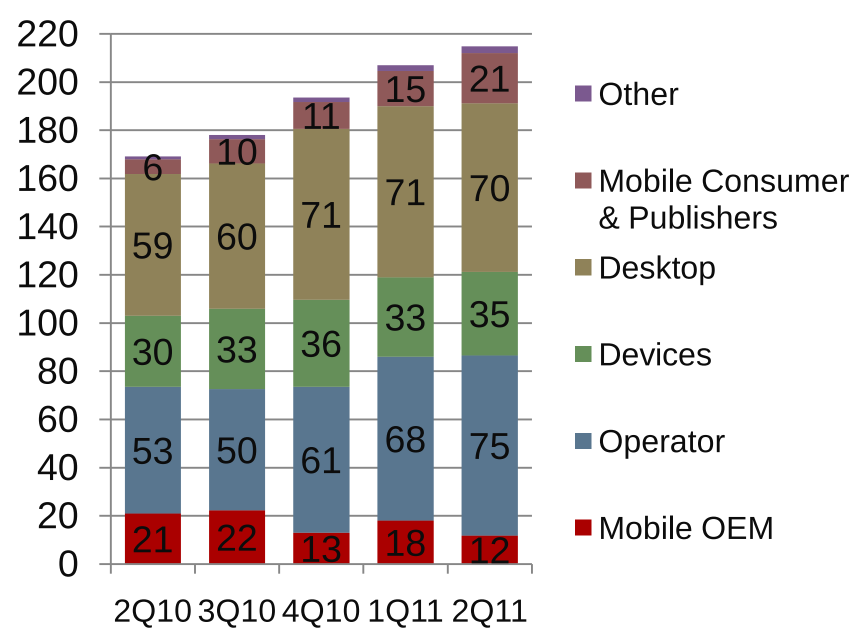
Device OEMs: ConnectedTVs

Revenue: Customer type (2Q11)

Overall revenue higher than expected (vs. midpoint), offset by negative FX

Customer Type	
Operator	As expected vs. guidance
Desktop	As expected vs. guidance
Device OEM	As expected vs. guidance
Mobile OEM	As expected vs. guidance
Mobile Consumers & Publishers	Better than expected due to AdMarvel

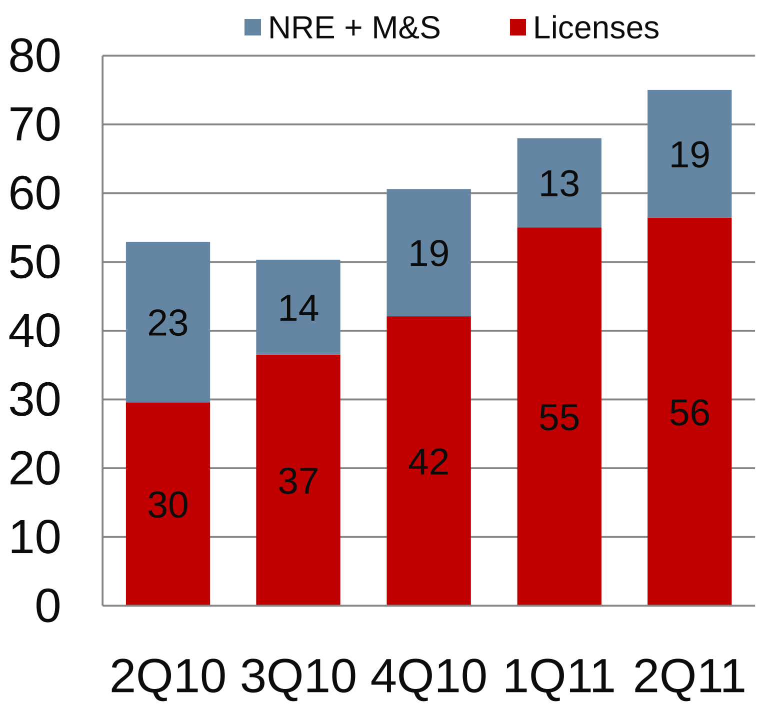




Revenue: Operators (2Q11)

Operator Revenue in line with expectations
260% Operator Opera Mini user growth June 2011 vs. June 2010
User growth driven by Motricity (AT&T), Telkomsel, Telenor and MTS in particular
ARPU as expected
Overall revenue growth: 41% versus 2Q10 and up as expected vs. 1Q11

MNOK Operator Revenue total*



Note: Opera Mobile shipments were 1.3 mm in 2Q11 from Operators

* Unaudited

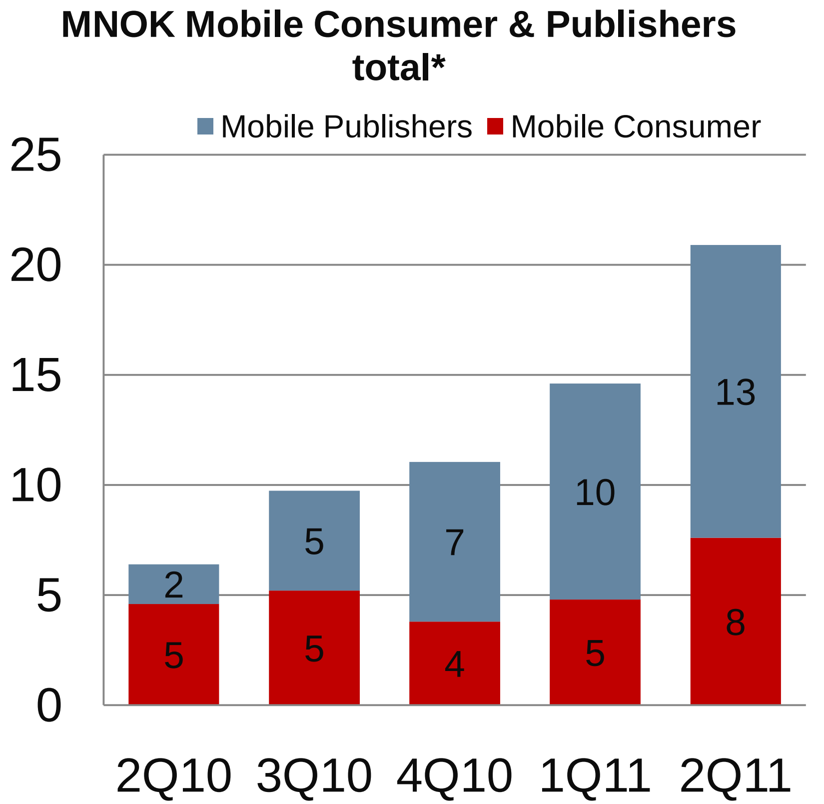
Revenue: Mobile Consumer & Publishers

Mobile Consumer & Publishers revenue higher than expected

Revenue growth driven by AdMarvel and the Opera Mobile Store

AdMarvel serving 50B+ ad impressions per quarter

Overall revenue growth: ~200% versus 2Q10 and up more than as expected vs. 1Q11



* Unaudited

Revenue: Device OEMs (2Q11)

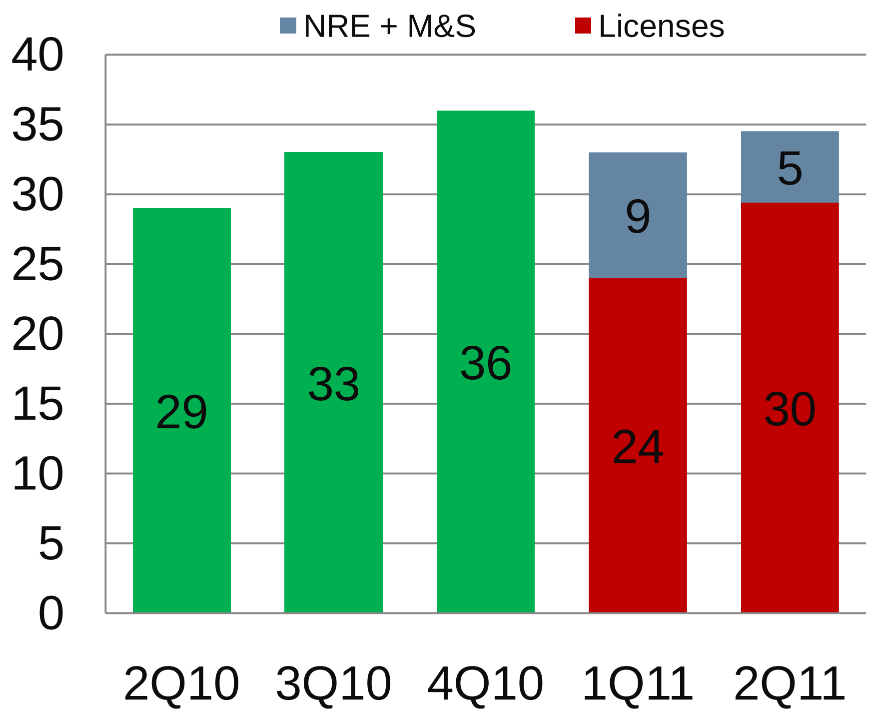
Device OEM revenue in line with expectations

Revenue growth driven by Connected TV customers

License revenue: 85%+ of revenue

Overall revenue growth: 17% versus 2Q10 and up as expected vs. 1Q11

MNOK Device OEM revenue*



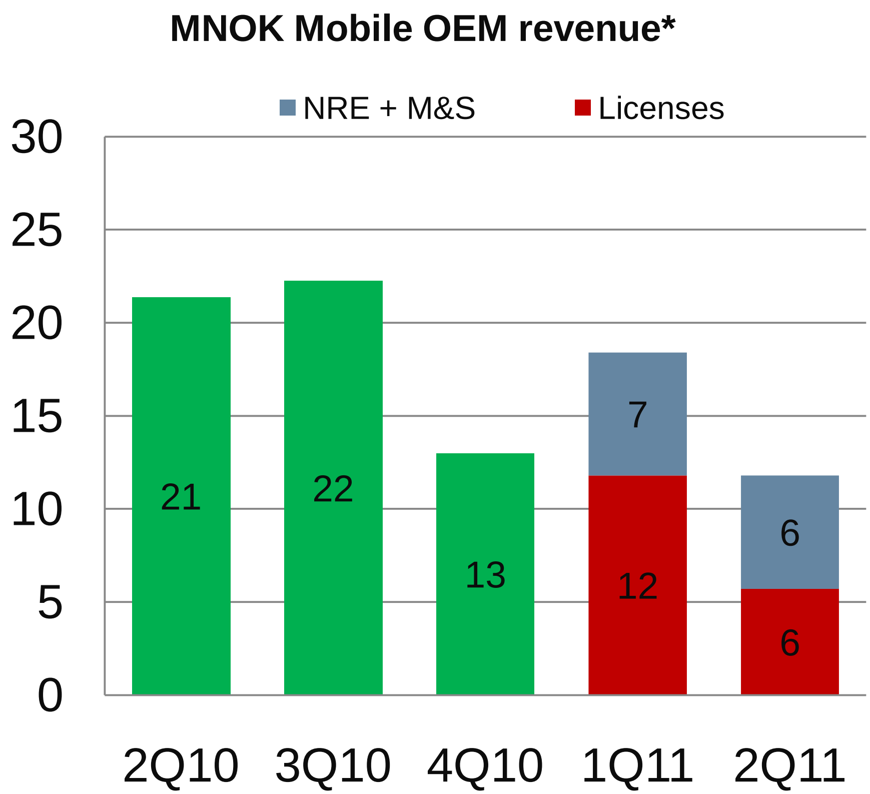
* Unaudited

Revenue: Mobile OEMs (2Q11)

Mobile OEM revenue in line with expectations

License revenue: ~50% of revenue

Overall revenue growth: -45% versus 2Q10 and down vs. 1Q11 as expected



Opera Mobile shipments were 0.5 mm in 2Q11 from Mobile OEMs

* Unaudited

Revenue type: Internet Devices (2Q11)

Revenue type	Comment
NRE	Down as expected vs. 2Q10 and in line with expectations vs. 1Q11
M&S	Down as expected vs. 2Q10 and in line with expectations vs. 1Q11
Total Opera Mini	Opera Mini revenue up as expected vs. 1Q11 and 2Q10, with strong growth in license revenue from operators

Revenue type*	2Q10 (MNOK)	3Q10 (MNOK)	4Q10 (MNOK)	1Q11 (MNOK)	2Q11 (MNOK)	2Q11 vs. 2Q10
NRE	29	19	18	20	21	- 29%
M&S	11	10	13	9	10	- 14%
Total Opera Mini**	35	40	48	60	63	+ 80%

*** Unaudited**
**** Includes all revenue from all revenue types from all versions of Opera Mini (Operator branded, Operator-Opera co-branded, and Opera branded).**

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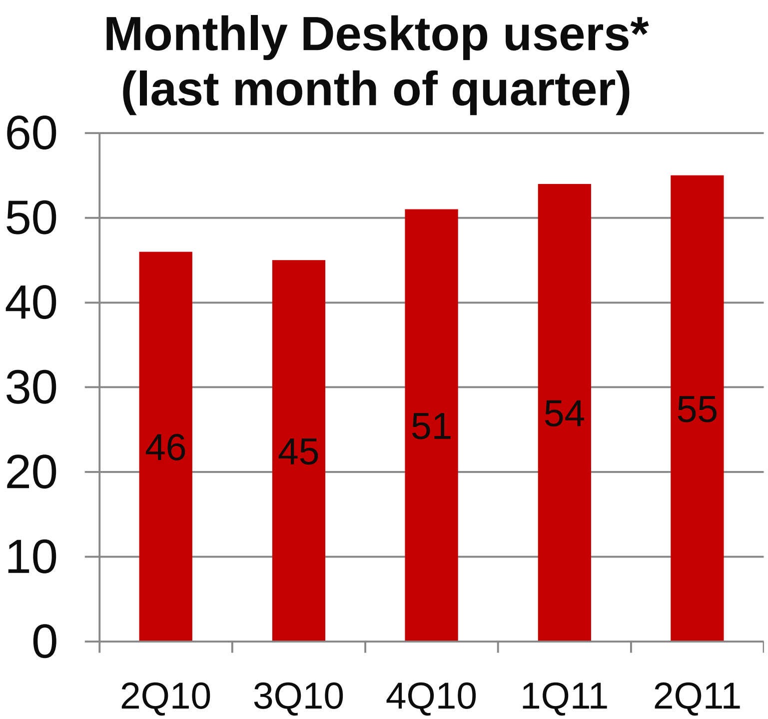
Revenue: Desktop (2Q11)

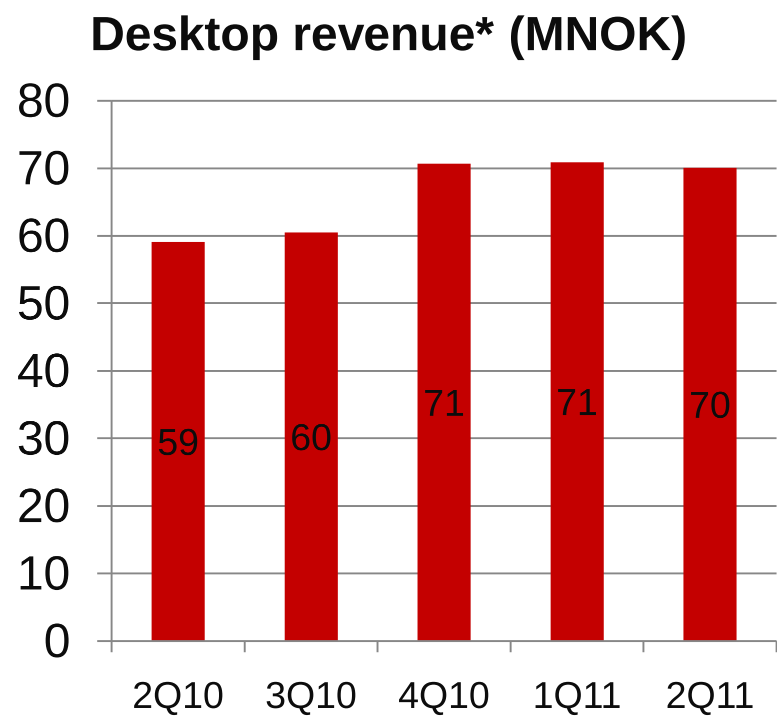
Desktop revenue in line with expectations

Desktop user growth 20% versus end of 2Q10

Strong ARPU offset by weaker USD

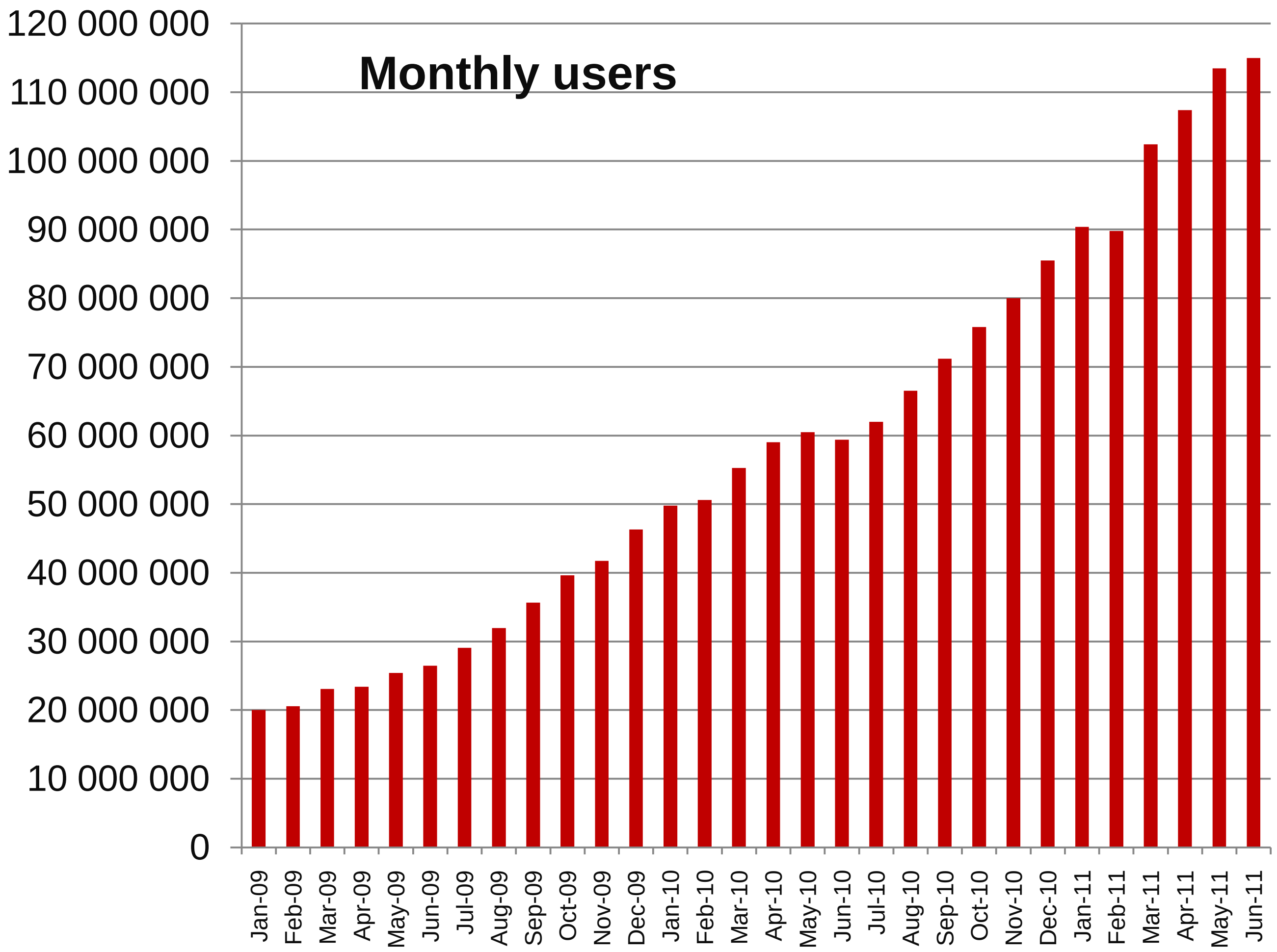
Overall revenue growth: 19% versus 2Q10 and relatively flat as expected versus 1Q11





*Unaudited. User figures are in millions

Revenue: Opera-branded Opera Mini (2Q11)



- Growth continuing
- High focus on converting users to operator-branded or co-branded revenue generating users
- High priority of new Consumer Mobile team: Increase ARPU on 100% Opera-branded users

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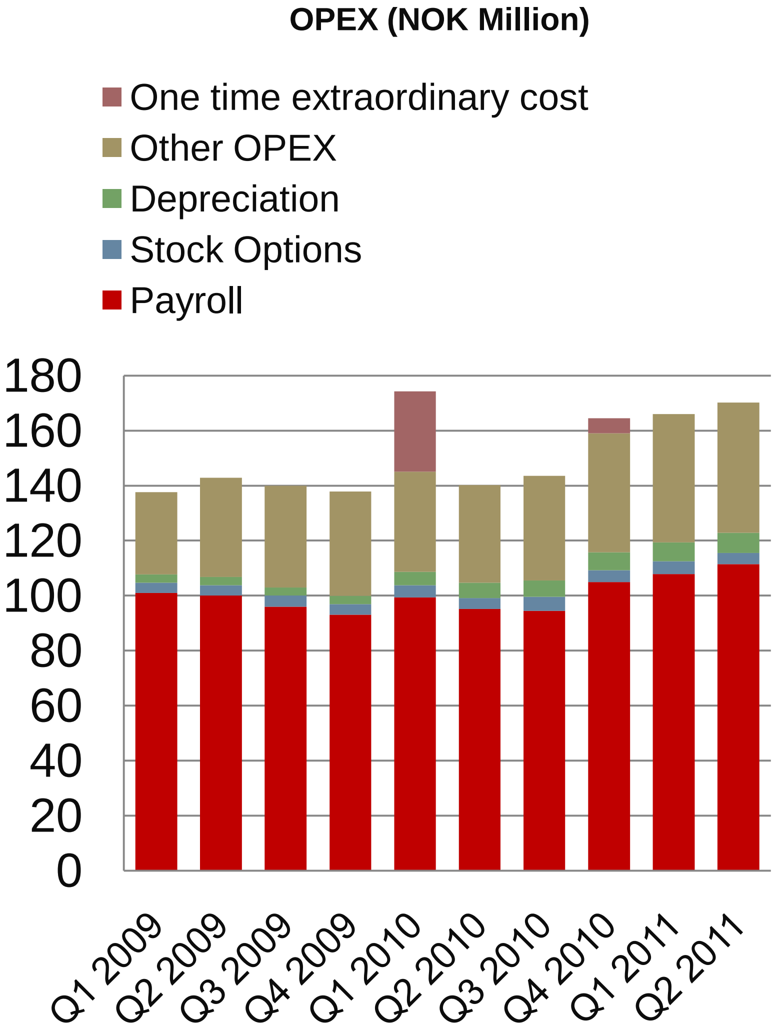
Key user metrics FY2010 - 2011YTD

Metric	January 2010	April 2010	July 2010	October 2010	January 2011	April 2011	July 2011
Operator Opera Mini users	2.1* Million	3.5* Million	5.2* Million	7.5* Million	11.5* Million	15.0* Million	16.8* Million
Opera-branded Opera Mini users	50** Million	59** Million	62** Million	75** Million	90** Million	106** Million	122** Million
Desktop	43 Million	47 Million	44 Million	48 Million	53 Million	55 Million	54 Million

***Operator-branded + Opera/Operator co-branded agreements. Unaudited.**

****Includes the co-branded operator users. Unaudited.**

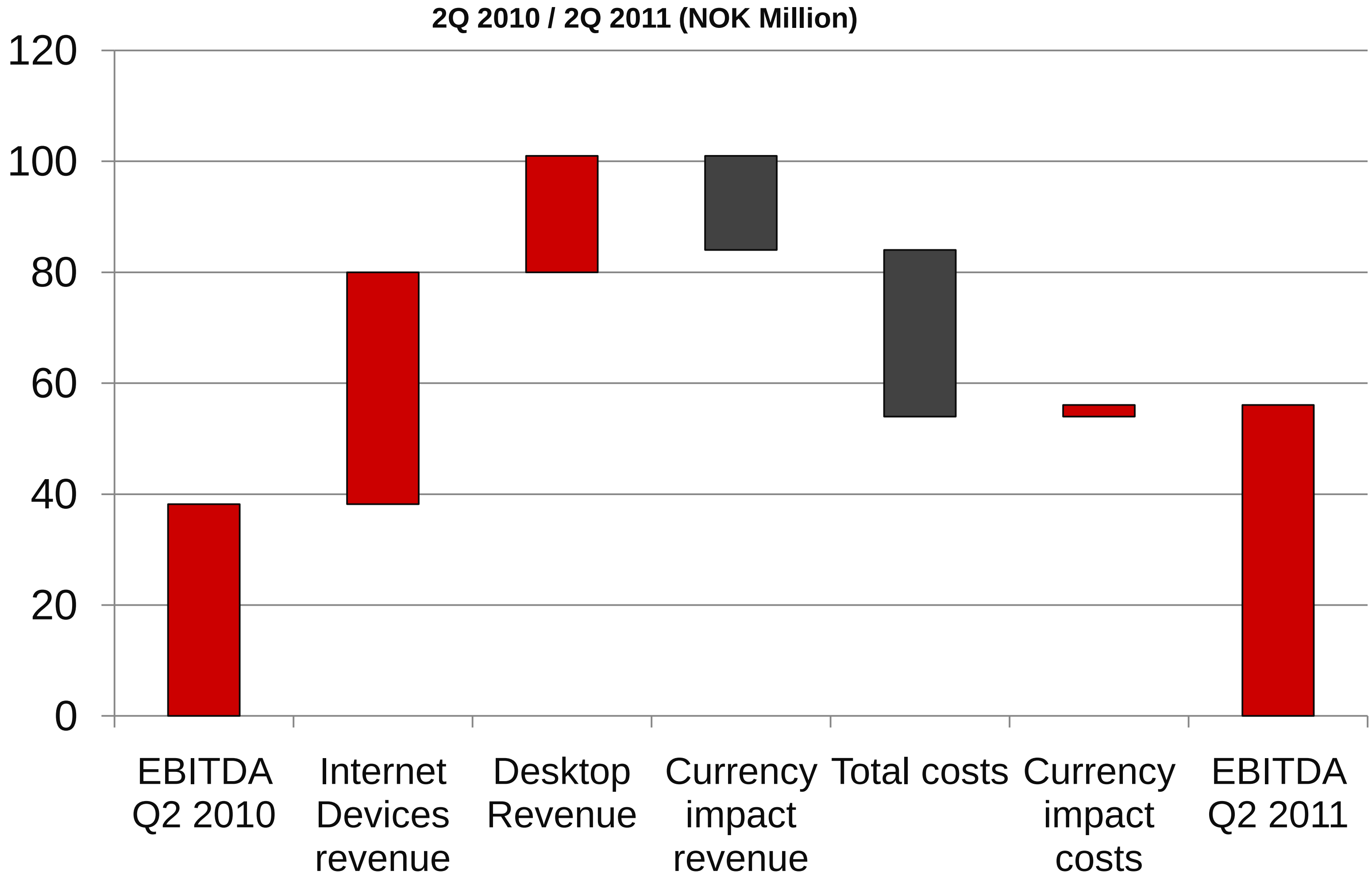
OPEX development



Cost line	2Q11 vs. 2Q10	Comments
Payroll	17%	Payroll and related expenses increased in 2Q11 versus 2Q10 due to higher compensation expense per employee and overall headcount growth.
Stock options	6%	• Stock option costs were higher primarily due to new employee options granted during the last twelve months.
Depreciation & Amortization	33%	• Depreciation and amortization costs increased primarily due to higher investments in Opera Mini server infrastructure.
Other OPEX	33%	•Other operating expenses increased in 2Q11 versus 2Q10 primarily due to higher server hosting, travel and marketing costs. •Hosting costs* key driver (total of MNOK 12.4 in 2Q11 versus MNOK 10.1 in 2Q10)
Total Expenses	21%	• Generally good cost control

* Unaudited. Also includes relevant depreciation.

Adjusted EBITDA* development



*Non-IFRS Adjusted EBITDA excludes stock option costs and one-time costs.

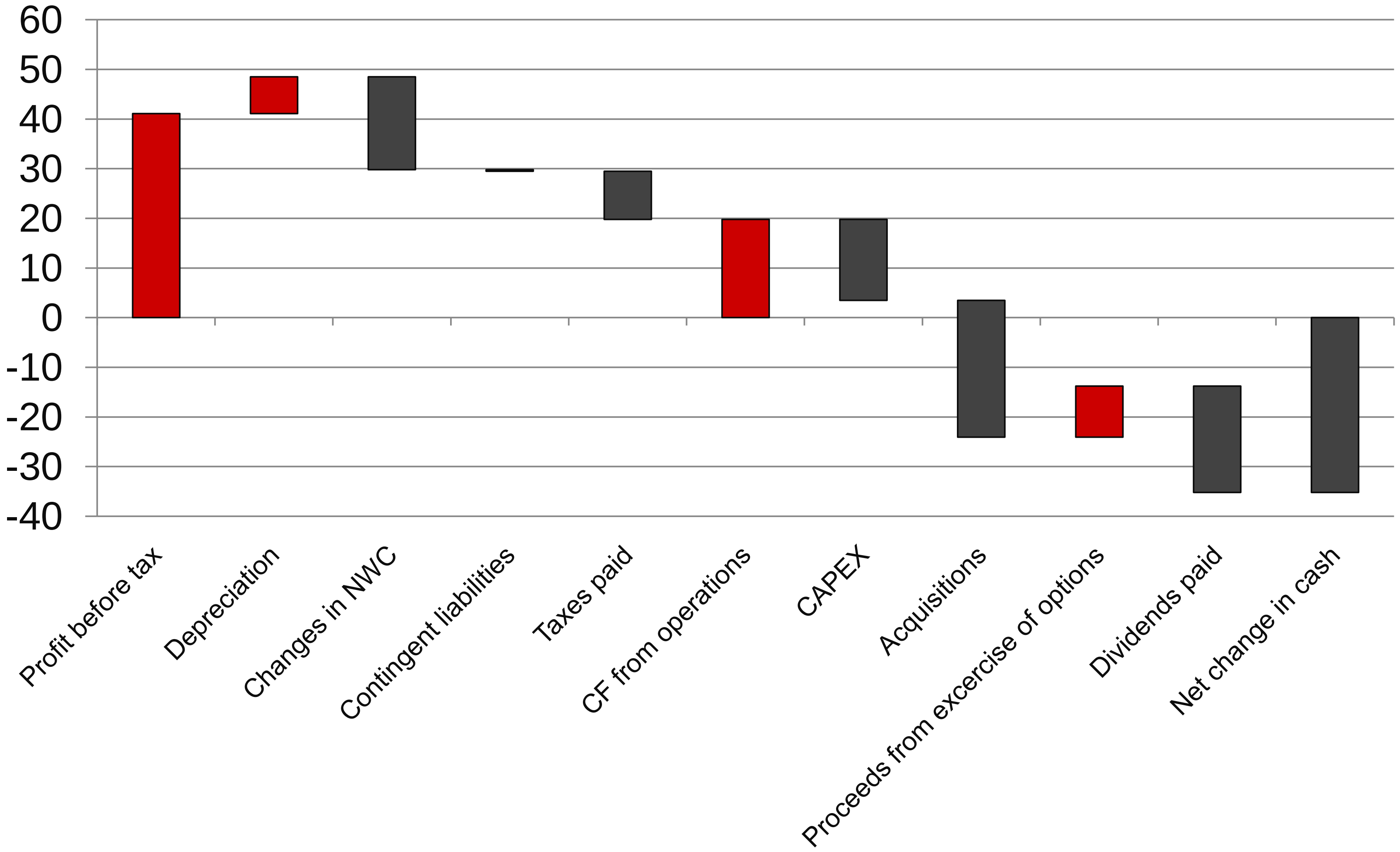
Strong capital structure

Balance sheet highlights:

Metric	2Q11 (MNOK	2Q10 (MNOK)
Cash	454	528
Interest-bearing debt	0	0
NWC*	-24	-87
Equity	642	617

* NWC is defined as total current assets excluding cash and cash equivalents and minus total current liabilities excluding provisions.

Cash flow 2Q11 (MNOK)



2Q11 Key KPIs: Summary

Metric	2Q11	2Q10	Change %
Revenue (MNOK)	214.8	168.9	27%
EBIT (MNOK)	44.5	28.8	55%
Adjusted EBITDA ** (MNOK)	56.1	38.2	47%
Adjusted EBITDA Margin**	26.1%	22.6%	16%
Operating Cash Flow (MNOK)	19.8	62.3	-68%
Free Cash Flow (MNOK)	3.5	54.9	-94%
Opera Mini Operator users (mill)*	16.2	4.5	260%
Total Opera Mini***	63	35	80%
Desktop users (mill)*	55	46	20%
Opera Mini B2C users (mill)*	115	59	94%

*June 10/June 11,

** Non-IFRS EBITDA, excluding stock option costs

*** Includes all revenue from all revenue types rom all versions of Opera Mini (Operator branded, Operator-Opera co-branded, and Opera branded).

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3Q11 Guidance

Metric	Current 3Q 2011 Guidance
Revenue*	MNOK 217-227
EBIT**	MNOK 50-55

*Assumes currency remainder of 2011 (NOK 5.5 /USD, NOK 7.9/EUR)
**Earnings before interest and taxes, exclude extraordinary/one-time charges and acquisition costs.

3Q11 Guidance

		Vs. 2Q11	Comments
Revenue*	Operators	Flat-Down	Opera Mini active user growth offset by less NRE and Opera Mobile revenue
	Desktop	Flat	Seasonally weaker 3Q
	Device OEMs	Up	Higher due to connected TV customers
	Mobile OEMs	Up	Higher due to minimum commitments
	Mobile Consumers & Publishers	Flat	Seasonally weaker 3Q
Expenses	Payroll	Down	Vacation effect
	Stock option costs	Up	Due to issuance of new options
	Depreciation	Up	Continued investments in Opera Mini server hosting infrastructure
	Other Opex	Up	Primarily due to server hosting costs

*Assumes currency remainder of 2011 (NOK 5.5 /USD, NOK 7.9/EUR)

**Earnings before interest and taxes, exclude extraordinary/one-time charges and acquisition costs.

4Q11 Guidance

Metric	Current 4Q 2011 Guidance
Revenue*	MNOK 231-241
EBIT**	MNOK 45-50

*Assumes currency remainder of 2011 (NOK 5.5 /USD, NOK 7.9/EUR)
**Earnings before interest and taxes, exclude extraordinary/one-time charges and acquisition costs.

2011 Guidance

Metric	Current 2011 Guidance	Prior 2011 Guidance May. 11
Revenue*	MNOK 870-890	MNOK 840-890
EBIT**	MNOK 180-190	MNOK 160-190

*Assumes currency remainder of 2011 (NOK 5.5 /USD, NOK 7.9/EUR**).**
**Earnings before interest and taxes, exclude extraordinary/one-time charges and acquisition costs

Operations update

16 million+ operator Opera Mini users

Operators choose Opera because they can build a very large and active user base quickly

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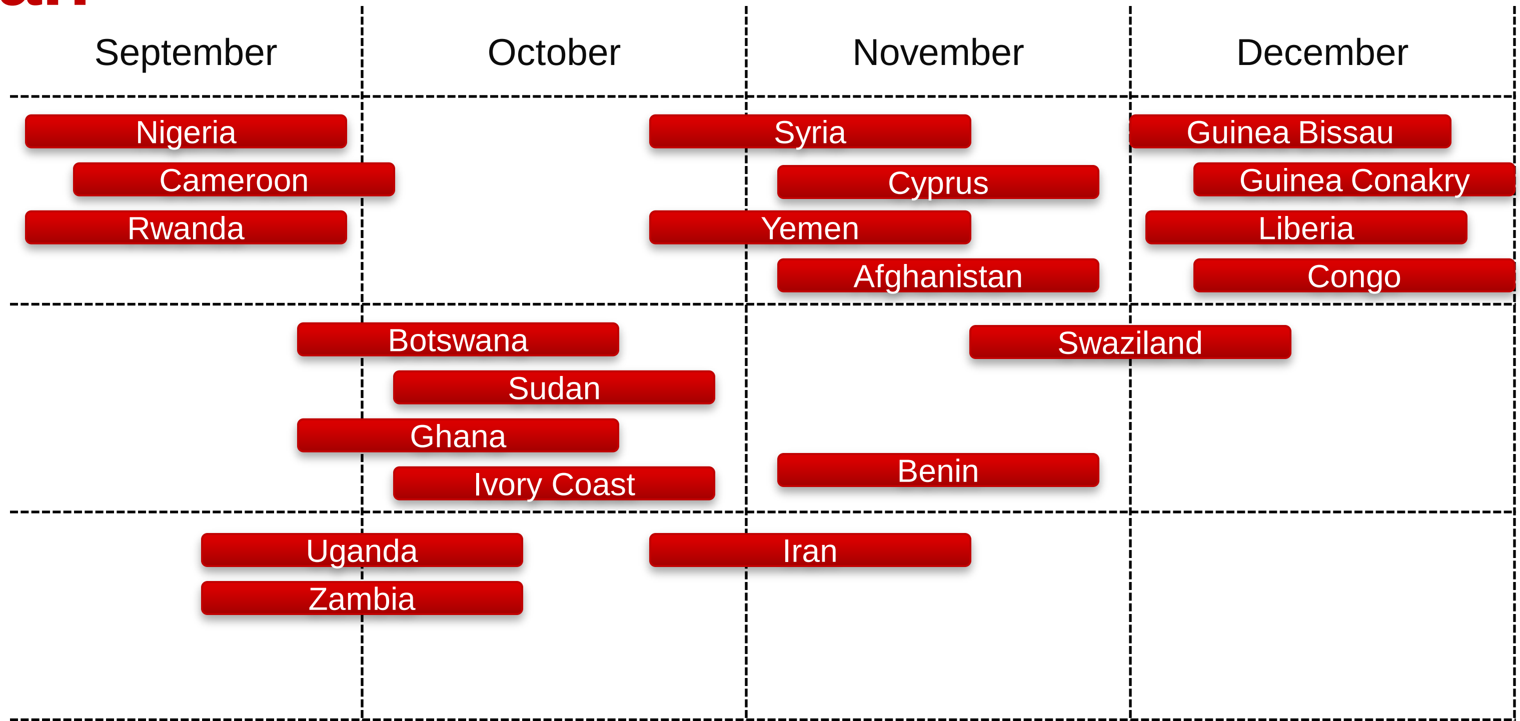
Boosting mobile Internet services across Africa and Middle East

•Global frame agreement with MTN Group in Middle East and Africa

•Launch MTN Co-branded Opera Mini in all MTN markets – 21 markets (MTN ZA already launched in Jan)

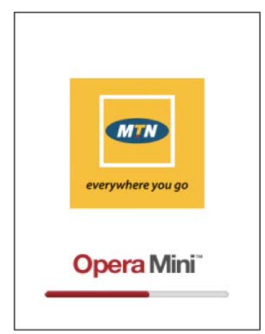
•Demand for mobile Internet growing exponentially across Africa and Middle East

MTN Cobranded Opera Mini - roll out plan



- Launch MTN Co-branded Opera Mini in all 21 MTN markets across Africa (South Africa already launched)

- Standard Co-branded delivery (branding, speed dials, server intergration)



Extension of current agreement with Vodafone: It's now up to the operators

•Three-year extension of successful partnership

•Evolving from a customized model to co-branded model

•Expecting new operators in markets where we have a large amount of active users – first out India

Oupeng : Reshaping the mobile Internet market in China

欧朋

Powered by OPERA

- Opera joint venture, nHorizon Innovation Software Ltd., launches Oupeng browser in China

- Telling Telcom is China's top mobile phone distributor

- Important part of Opera's growth strategy in China

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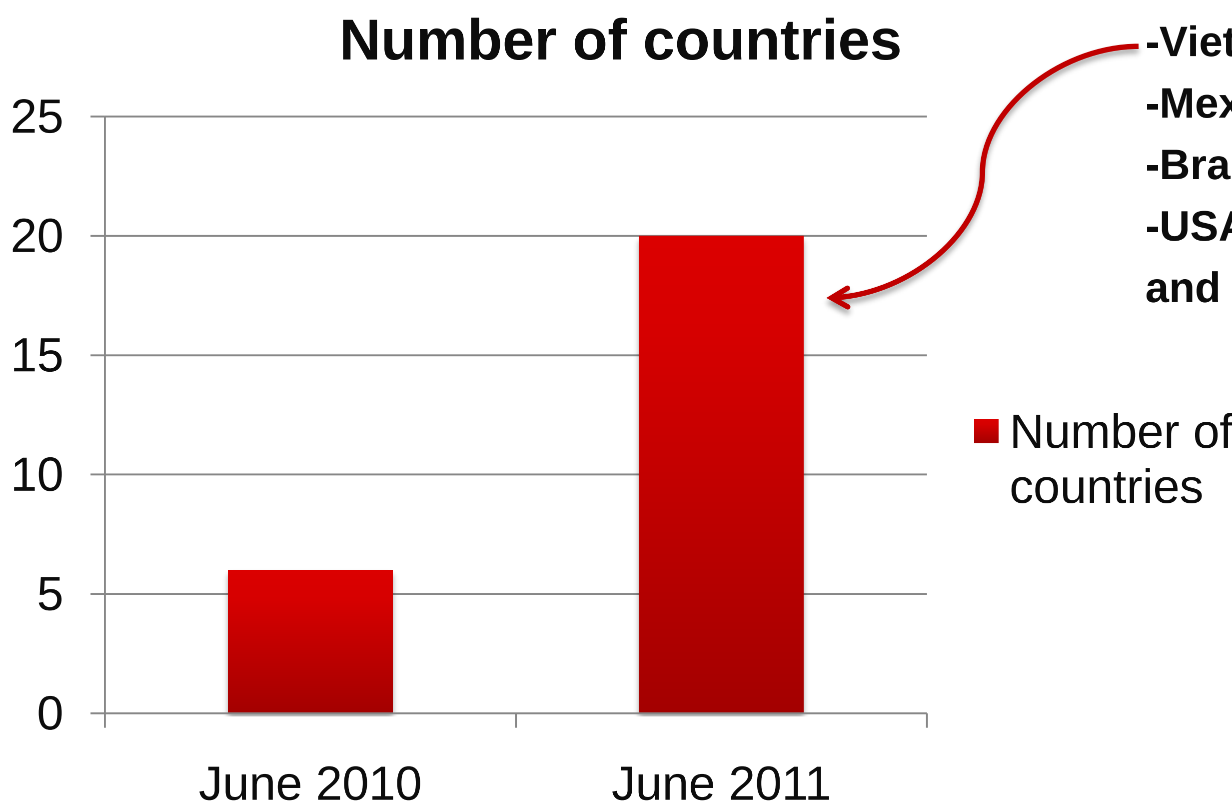
Oupeng: Successful launch

Speech from CEO, Telling Telecom

Speech from SVP, SE China

- Over 200 people attended
- Over 100 channels onsite
- Over 60 media present at launch
- Top executives from Moto, Samsung, SE, LG and HTC China were present, and have given positive feedback for preinstallation

Now 20 countries with more than 1 million Opera Mini users



New countries include:

-Nigeria

-Turkey

-Vietnam

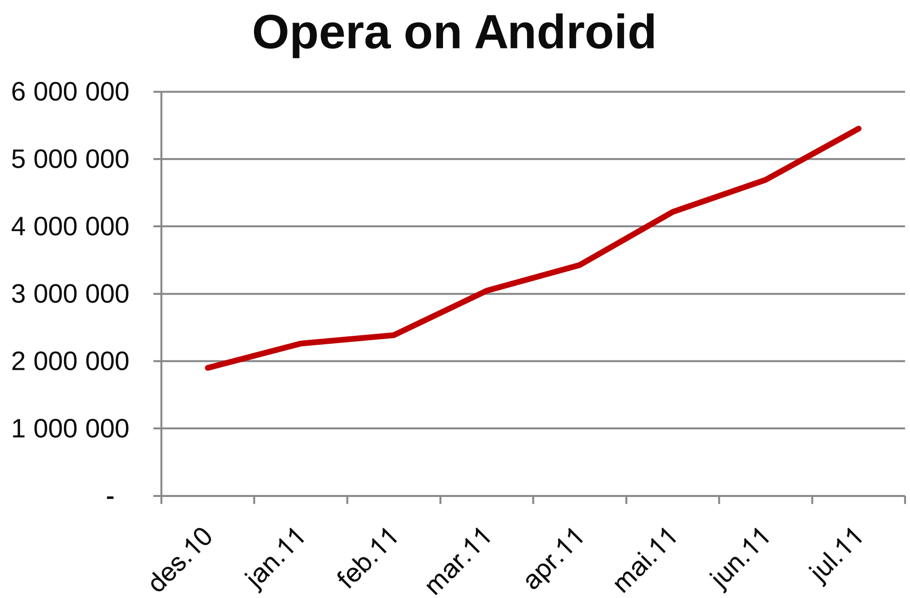
-Mexico

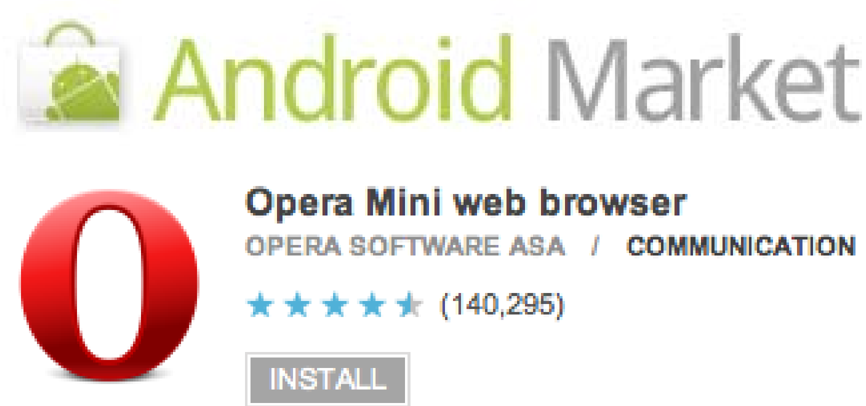
-Brazil

-USA

and more…

Accelerating user growth on Android



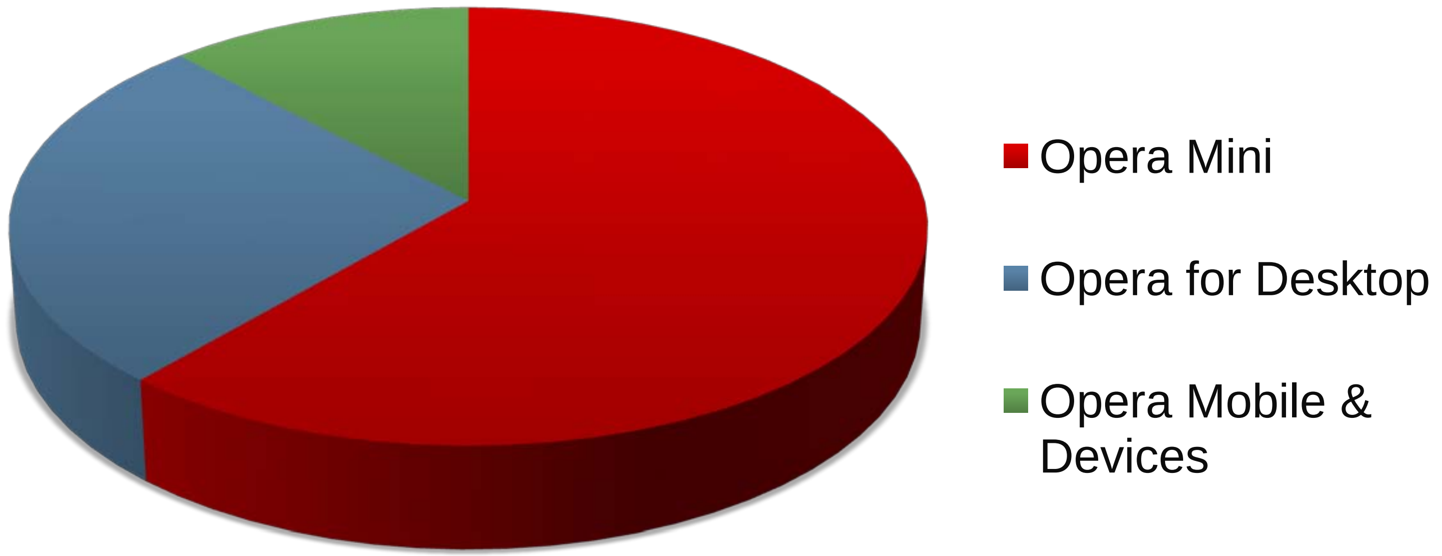


•Strong focus from development department

•Supreme rating in Android Market

•Strong user growth

200+ million people use Opera



TV: Opera the leading vendor in the TV/set-top box segment

Opera connected TVs now in store!

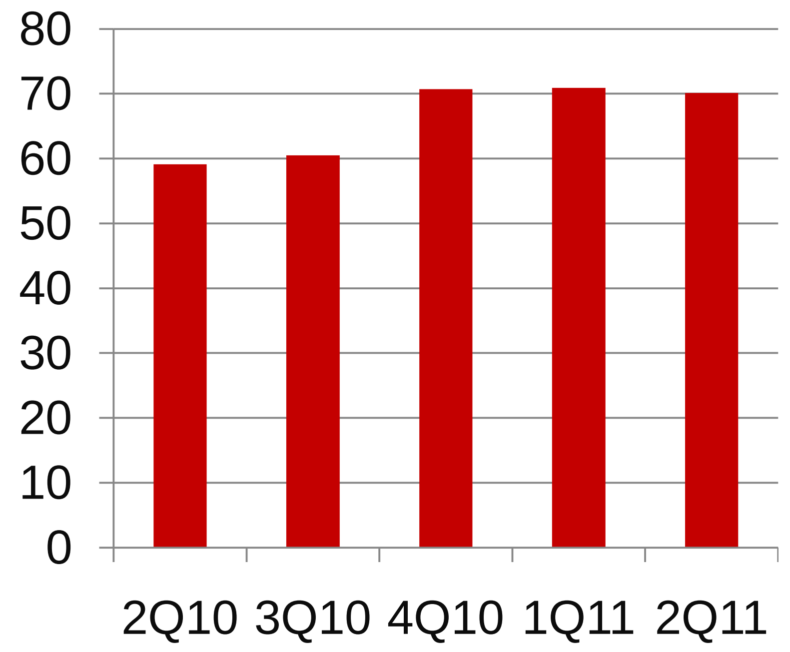
- Strong growth in connected TV and Blu-ray devices
- Deals announced in 2010 now shipping in high volume globally
- Good deal flow in Q2 (Humax, Airties, Fulan, SetOne and Comtrend)
- From web engine only, to TV services

Desktop update

Opera for desktop: Continued revenue and user growth

- **Continued revenue growth**
  - 70.1 MNOK: increase of 19% compared to 2Q10
  - FX impacted revenue negatively with USD down 14% in 2Q11 vs. 2Q10
- **Continued user growth**
  - 55 million Opera desktop users in June 2011
  - User growth 20% in 2Q11 vs. 2Q10

Desktop revenue (MNOK)



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Latest progress on partner deals on Desktop

- Increased focus on content affiliate deals
- Co-promote products and services
- Monthly minimums + revenue share

Launch of Opera 11.50

- Speed Dial Extensions
- Password synchronization
- New ‘featherweight’ interface
- Support for the latest HTML5
- Upgraded core rendering engine
- Tweaked graphics engine with faster CSS and SVG rendering

Service Components

- Advertising
- Audience Network
- Opera Mobile Store
- Content partnerships & Speed Dials slots
- Payment Exchange

AdMarvel
Ad Exchange and Audience Network

- Main Q2 deliverables in the Open Mobile Ad Exchange was the launch of Bid/Ask auction

- In conjunction with the Opera Mobile Audience Network we have created the first open marketplace for publishers and advertisers to participate in a real-time auction, using contextual and behavioral targeting.

- In Q2, we upgraded our Open Mobile Ad Exchange, where we have now created the world's first real-time auction that supports fine grain audience targeting.

#6 Mobile App store globally

Opera is exceeding **1.6M+** downloads/day

Current Leaders

- Apple iTunes: 16M per day
- Android: 9M
- Ovi: 5M per day
- GetJar: 3M per day
- BlackBerry: 2M per day

Q&A