

# OPERA SOFTWARE ANNOUNCES FIRST QUARTER RESULTS

## Strong revenue growth, significant increase in profitability and strong cash flow

Oslo, Norway – May 4, 2012 – Opera Software (OSEBX: OPERA) today reported financial results for the first quarter which ended March 31, 2012.

### 1Q 2012 financial highlights include:

- Revenues of MUSD 46.9, up 28% (up 31% on a constant currency basis) versus 1Q11
- EBIT of MUSD 12.4, excluding one-time extraordinary costs, up 61% versus 1Q11
- Adjusted EBITDA\* of MUSD 15.2, excluding one-time extraordinary costs, up 57% versus 1Q11
- Operating Cash Flow of MUSD 12.0 versus MUSD 8.8 in 1Q11
- Free Cash Flow of MUSD 10.2 versus MUSD 6.5 in 1Q11

### Revenues

Revenue was MUSD 46.9 in 1Q12 compared to MUSD 36.7 in 1Q11, an increase of 28%.

1Q12 saw strong revenue growth from Desktop, Device OEMs, Mobile Consumers, and Mobile Publishers and Advertisers and a decrease in revenue from Operators and from Mobile OEMs compared to 1Q11.

In general, Opera continued to see a marked shift in the revenue mix towards more predictable and scalable revenue streams, from active user license fees from operators, search and mobile advertising.

### Profit and cash flow

EBIT (excluding one-time extraordinary costs) was MUSD 12.4 in 1Q12 compared to MUSD 7.7 in 1Q11. EBIT (excluding one-time extraordinary costs), excluding stock option costs, was MUSD 13.2 in 1Q12 versus MUSD 8.5 in 1Q11. EBITDA (excluding one-time extraordinary costs) was MUSD 14.4 in 1Q12 compared with MUSD 8.9 in 1Q11. EBITDA (excluding one-time extraordinary costs), excluding stock options costs, was MUSD 15.2 compared with MUSD 9.7 in 1Q11.

EBIT, including one-time extraordinary costs of MUSD 0.7, was MUSD 11.6 in 1Q12 compared to MUSD 7.7 in 1Q11. EBITDA, including one-time extraordinary costs, was MUSD 13.6 in 1Q12 compared with MUSD 8.9 in 1Q11. EBITDA, including one-time extraordinary costs but excluding stock options costs, was MUSD 14.5, compared to MUSD 9.7 in 1Q11.

The Company's net cash flow from operating activities was MUSD 12.0 in 1Q12 compared to MUSD 8.8 in 1Q11. 1Q12 cash flow from operating activities was impacted positively by strong profitability and conversion discrepancies (due to stronger NOK versus USD).

Opera's cash balance was impacted positively by net cash flow from operating activities and proceeds from the exercise of stock options. Opera's cash balance was reduced by outlays for acquisitions and capital expenditures. Capital expenditures, which are primarily related to Opera's hosting operations, were MUSD 1.8 in 1Q12 versus MUSD 2.2 in 1Q11.

## Operational Highlights

### ■ *Operators*

Revenues of MUSD 10.4 in 1Q12, down 13% versus 1Q11

Operator Opera Mini license/data revenue up 23% to MUSD 9.1 in 1Q12 versus 1Q11

Operator- and co-branded Opera Mini users reached 31.1 million by the end of 1Q12, up 129% versus the end of 1Q11

New operator agreements announced in the quarter include SingTel (Singapore) and Idea Cellular (India)

### ■ *Mobile Consumers*

Revenues of MUSD 3.0 in 1Q12, up 253% versus 1Q11

Opera-branded Opera Mini users reached 168.8 million at the end of 1Q12, up 65% versus the end of 1Q11

Opera announced the Opera Mini Smart Page and the final version Opera Mobile 12

Opera launched the Opera Payment Exchange, enabling the global Opera Mini user base to carry out mobile transactions securely and simply

### ■ *Mobile OEMs*

Revenues of MUSD 1.8 in 1Q12, down 44% versus 1Q11

Samsung and Pantech announced phones with Opera Mini pre-installed

### ■ *Desktop Consumers*

Revenues of MUSD 16.7 in 1Q12, up 33% versus 1Q11

Desktop users reached 60 million by the end of 1Q12, up 11% versus the end of 1Q11

### ■ *Device OEMs*

Revenues of MUSD 7.8 in 1Q12, up 34% versus 1Q11

INTEK Digital selected Opera on Android-based hybrid set top boxes

### ■ *Mobile Publishers & Advertisers*

Revenues of MUSD 6.9 in 1Q12, up 303% versus 1Q11

Total mobile advertising impressions grew 83% to 86 billion in 1Q12 compared to 1Q11

Opera acquired Mobile Theory and 4<sup>th</sup> Screen Advertising

## Outlook

Opera remains positive about the Company's growth prospects.

Going into 2012, Opera continues to drive a compelling value proposition for operators, helping such customers as Vodafone and Telkomsel increase data and service revenue streams and profitability.

Opera also continues to deliver a very compelling value proposition to its rapidly burgeoning mobile consumer base, providing a fast and data saving and thereby cheaper browser experience. Moreover, Opera expects to monetize this user base and the billions of daily web page traffic generated by these users to a greater extent in 2012 compared to 2011 from advertising, applications and search.

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

In the ConnectedTV segment, Opera has established itself as the leading independent provider of web browsers to TV manufacturers and the recent launch of the Opera TV Store puts the company in a stronger position to continue to win business among the major players in the industry.

Opera also intends and expects to generate much more revenue from mobile publishers and advertisers in 2012 compared to 2011, as Opera capitalizes on AdMarvel's strong position with premium USA publishers and as Opera ramps up revenue directly from advertisers and ad agencies via its mobile advertising network subsidiaries, Mobile Theory and 4<sup>th</sup> Screen Advertising.

Opera's key operational priorities in 2012 include continuing to (i) sign up additional leading operators and grow active users of Opera's existing and new products and services with existing operator customers; (ii) grow revenues and users of Opera's mobile consumer products, particularly on the Android smartphone platform; (iii) increase revenue from mobile publishers and advertisers; (iv) increase Opera's position with top mobile phone OEMs and chipset manufacturers globally to drive greater distribution of Opera's mobile products; (v) grow Opera's desktop user base, particularly in Russia/CIS; (vi) build on the momentum Opera has with major ConnectedTV manufacturers; and (vii) increase Opera's overall profitability and margins.

Please find the first quarter report (1Q12.pdf), first quarter press release (1Q12\_Press\_release.pdf) and first quarter presentation (1Q12\_presentation.pdf) attached.

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

Erik Harrell, CFO/CSO

Tel: +47 2416 4053

Petter Lade, Investor Relations

Tel: +47 2369 3444

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 2011 Annual Report 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.

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