Quarterly Report

4Q 2012

OPERA software

Opera Quarterly Report 4Q12

Revenue was MUSD 60.7 in 4Q12, up from MUSD 43.5 in 4Q11, an increase of 39%. EBIT, excluding one-time extraordinary costs, was MUSD 13.2 in 4Q12 compared to MUSD 11.3 in 4Q11.

Operational Highlights

Operators

Operator Opera Mini license/data revenue of MUSD 10.0 in 4Q12 up 16% versus 4Q11

Operator- and co-branded Opera Mini users reached 53.7 million by the end of 4Q12, up 101% versus the end of 4Q11

Opera signed up 5 new Operators in the quarter, including Entel (Chile) and Mobifone (Vietnam)

Mobile Consumers

Total Opera mobile browser users reached 229 million at the end of 4Q12, up 30% versus the end of 4Q11

Launched Opera Mobile 12.1, slimmer, safer and faster than ever before

Android users reached 44.6 million at the end of 4Q12, up over 249% versus the end of 4Q11

Desktop Consumers

Desktop users reached 55 million by the end of 4Q12, down 4% versus the end of 4Q11

Launched Opera 12.10

Device OEMs

Opera announced agreement with Boxee

Mobile Publishers & Advertisers

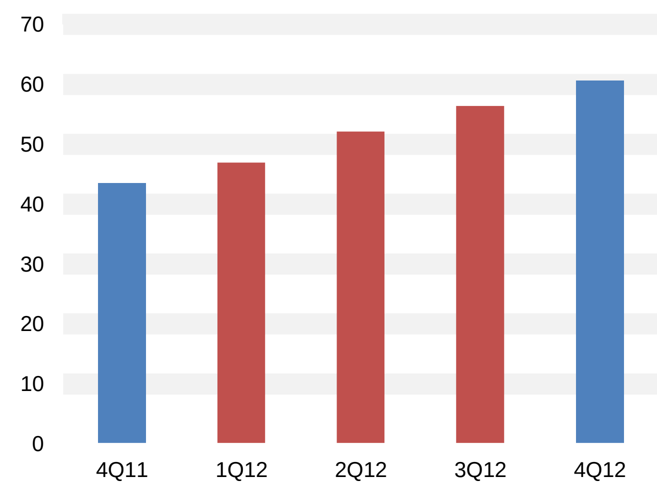
Total mobile advertising impressions grew 95% to 140 billion in 4Q12 compared to 4Q11

Financial Highlights

Revenue

Revenue in 4Q12 was MUSD 60.7, up 39% from 4Q11, when revenue was MUSD 43.5. Currency fluctuations impacted revenues negatively by 1% in 4Q12 versus 4Q11. On a constant currency basis, 4Q12 revenues increased 40% compared to 4Q11.

Revenue (MUSD)



Operating costs

Total operating costs, excluding one-time extraordinary costs, for 4Q12 were MUSD 47.5 compared to MUSD 32.3 in 4Q11, an increase of 47%.

Payroll and related expenses

Total payroll and related expenses, excluding stock option costs, were MUSD 24.4 in 4Q12 compared to MUSD 19.1 in 4Q11, an increase of 28%. Payroll and related expenses increased in 4Q12 versus 4Q11 due in particular to headcount growth.

Stock option costs

Total stock option costs for 4Q12 were MUSD 0.9 compared to MUSD 0.7 in 4Q11, an increase of 20%.

Depreciation and amortization

Depreciation and amortization expenses in 4Q12 were MUSD 2.8 compared to MUSD 1.9 in 4Q11, an increase of 46%. Depreciation and amortization costs increased primarily due to higher investments in Opera Mini server infrastructure and depreciation on other intangible assets.

Cost of goods sold

Cost of goods sold in 4Q12 was MUSD 9.3 compared to MUSD 1.5 in 4Q11, an increase of 499%. Cost of goods sold expenses increased in 4Q12 versus 4Q11 due to higher publisher payout costs related to higher revenue from our Mobile Publisher and Advertiser business.

Other operating expenses

Other operating expenses in 4Q12 were MUSD 10.2 compared to MUSD 8.9 in 4Q11, an increase of 14%. Other operating expenses increased in 4Q12 versus 4Q11 primarily due to higher hosting costs.

One-Time Extraordinary Cost

In 4Q11, Opera recorded a one-time extraordinary cost of MUSD 7.8 related primarily to severance agreements and impairment cost.

EBIT

EBIT, excluding the one-time extraordinary cost, was MUSD 13.2 in 4Q12 compared to MUSD 11.3 in 4Q11. EBIT, excluding stock option costs and the one-time extraordinary cost, was MUSD 14.0 in 4Q12 versus MUSD 12.0 in 4Q11. EBITDA, excluding the one-time extraordinary cost, was MUSD 16.0 in 4Q12 compared with MUSD 13.2 in 4Q11. EBITDA, excluding stock options costs and the one-time extraordinary cost, was MUSD 16.8 compared with MUSD 13.9 in 4Q11.

EBIT, including the one-time extraordinary cost of MUSD 7.8, was MUSD 5.3 in 4Q12 compared to MUSD 10.6 in 4Q11.

Interest income and FX gains/ (losses)

Net interest income was MUSD 0.2 in 4Q12 versus MUSD 0.6 in 4Q11. Opera had a foreign exchange loss of MUSD 1.5 in 4Q12 compared with a gain of MUSD 1.0 in 4Q11.

Profit for the period

Profit for the period was MUSD 2.8 in 4Q12 compared to MUSD 6.9 in 4Q11. EPS and fully diluted EPS were USD 0.023 and USD 0.023, respectively, in 4Q12, compared to USD 0.058 and USD 0.057, respectively, in 4Q11.

Liquidity and capital resources

The Company's net cash flow from operating activities was MUSD 16.0 in 4Q12 compared to MUSD 14.7 in 4Q11. 4Q12 cash flow from operating activities was impacted positively by strong profitability, conversion discrepancies (due to a weaker NOK versus USD) and reduction in working capital. Opera's cash balance was impacted positively by net cash flow from operating activities and negatively by investments in R&D, capital expenditures, acquisitions and restructuring costs. Capital expenditures, which are primarily related to Opera's hosting operations, were MUSD 5.7 in 4Q12 versus MUSD 1.3 in 4Q11.

Cash

Cash and cash equivalents at the end of 4Q12 were MUSD 57.2 compared to MUSD 83.1 in 4Q11.

Organization

At the end of 4Q12, the Company had 931 full-time employees and equivalents compared to 777 at the end of 4Q11. Excluding employees associated with the organizational restructuring, the Company had 840 full-time employees and equivalents at the end of 4Q12.

Revenue overview

Summary

Revenue was MUSD 60.7 in 4Q12 compared to MUSD 43.5 in 4Q11, an increase of 39%.

Customer Type (MUSD)	4Q12	4Q11
Operators	**10.5**	**9.9**
Mobile Consumers (Opera owned and operated properties)	**4.6**	**2.3**
Mobile OEMs	**0.3**	**2.5**
Desktop Consumers	**16.6**	**15.0**
Device OEMs	**8.8**	**9.0**
Mobile Publishers and Advertisers (Opera Network Members)	**19.6**	**4.1**
Other	**0.3**	**0.7**
Total Revenue	**60.7**	**43.5**

Compared to 4Q11, 4Q12 saw strong revenue growth from Mobile Consumers and Mobile Publishers and Advertisers, revenue growth from Desktop and Operators, and a decrease in revenue from Device OEMs.

Mobile Publishers and Advertisers was the largest source of revenue in 4Q12 (MUSD 19.6 in Revenue and 32% of Revenue), followed by Desktop (MUSD 16.6 in Revenue and 27% of Revenue), Operators (MUSD 10.5 in Revenue and 17% of Revenue), Device OEMs (MUSD 8.8 in Revenue and 15% of Revenue), and Mobile Consumers (MUSD 4.6 in Revenue and 8% of Revenue.

Revenue from Operators increased by 6% in 4Q12 versus 4Q11. Operator Opera Mini license/data revenue increased by 16% to MUSD 10.0 in 4Q12 compared to MUSD 8.6 in 4Q11. Development and license revenue from Operator agreements related to operator customized versions of Opera Mobile fell from MUSD 1.3 in 4Q11 to MUSD 0.5 in 4Q12.

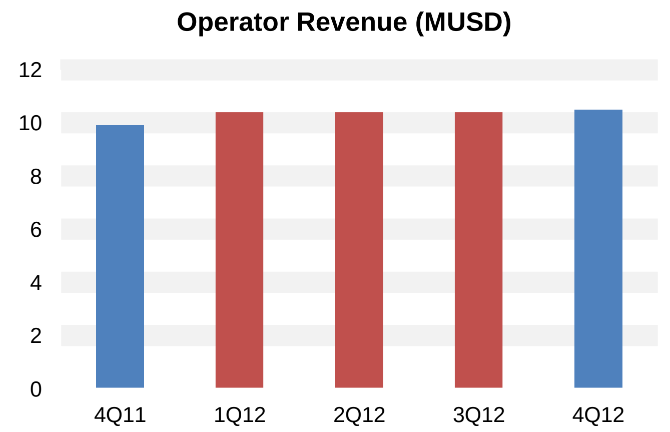
Mobile Consumer revenue was up 100% compared to 4Q11, driven primarily by increased revenue from mobile search, the Opera Mobile Store, and active user growth.

Revenue from Desktop increased by 10% in 4Q12 versus 4Q11, driven by growth in ARPU (Average Revenue Per User).

Device OEM revenue was down 2% compared to 4Q11, with license growth from ConnectedTV customers offset by lower development revenue.

Mobile Publisher and Advertiser revenue grew 379% compared to 4Q11. Revenue growth was driven by increased revenue from the mobile advertising network business in the United States and the United Kingdom and higher publisher transaction revenue on the AdMarvel platform. Advertising transaction volumes processed by the AdMarvel platform grew 95% to 140 billion in 4Q12 compared to 4Q11.

Operators



As operators face increasing downward pressure on average voice revenue per subscriber, and as competition heightens, operators around the world are looking for new sources of revenue and differentiation through the deployment of data services.

Opera is a trusted partner for operators globally. The Company currently offers a co-branded Opera - Operator-branded hosted solution to operators around Opera Mini and Opera Mobile with Turbo. Opera Mini is a hosted solution for mass-market phones, offering server-side content compression and fast Internet download speeds. A similar cloud-based content compression technology is also offered for Opera Mobile for smartphones, which is packaged for distribution to Operators and OEMs as Opera Turbo. Opera Mini and Opera Mobile with Turbo offer up to 90% content compression, all increasing an operator's implied throughput capacity of its mobile network.

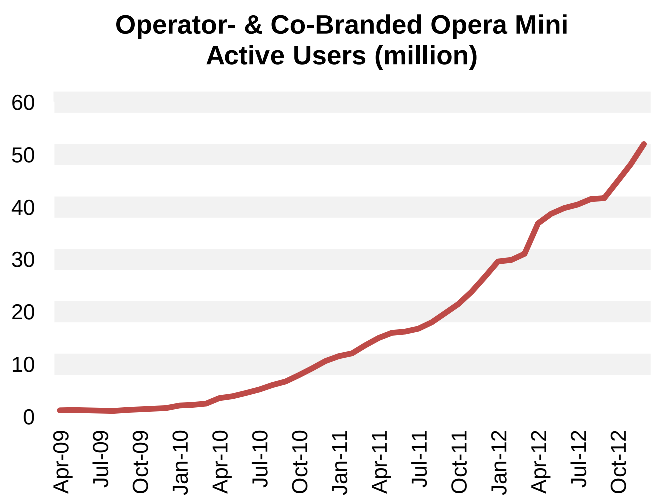
Opera's revenue sources from this hosted solution include active user fees, data fees, NRE/development fees, hosting services, advertising and maintenance and support.

Operator interest in Opera Mini and Opera Mobile stems from five major sources: (i) proven high consumer adoption of high quality, full HTML browsers (which then drive data traffic and revenue); (ii) the desire to both extend data plans to mass market feature phones and provide a greater choice of data plans to smartphone subscribers; (iii) higher profitability on flat-fee/fixed price data packages due to Opera Mini's server compression of Web pages of up to 90% compared to normal mobile Web browsers (which also lowers an operator's capital expenditure requirements); (iv) provides a platform for operators to increase the adoption of data services in general and of data packages/plans in particular; and (v) the browser home page serves as the "door" to operator portals and services (which operators are keen to promote to drive more content services revenue).

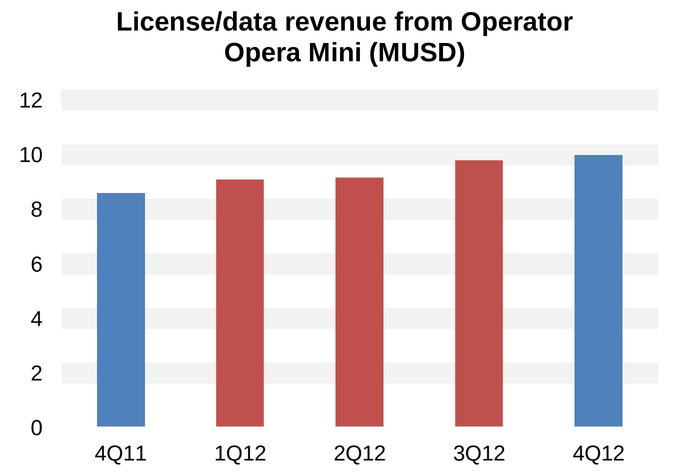
In total, at the end of 4Q12, Opera had active agreements with 45 operators worldwide (total of 100+ agreements when including all subsidiaries of global frame agreements signed), including 18 out of the top 30 operators worldwide, which have approximately 2.6 billion subscribers combined or more than 40% of the total global subscriber base.

Opera continues to see heightened interest among operators, in the emerging markets in particular, for the operator co-branded Opera Mini solution, for which the browser home page promotes content services from both Opera (such as search) and the operator (such as games and music). For such agreements, Opera and the operator work together and undertake joint marketing initiatives to convert existing Opera only branded Opera Mini users to the co-branded solution. Opera sees this as a compelling way to increase ARPU on its more than 230 million Opera Mobile/Mini users, while operators see such agreements as a way to increase data ARPU and profits.

During the quarter, Opera continued to see strong growth in the number of Operator Opera Mini users from its existing agreements, notably from such customers as Airtel, MTN and Vodafone. At the end of December 2012, the number of such users grew to 53.7 million, an increase of 101 % versus the end of December 2011.



This increase in Co-Branded Opera Mini active users has driven higher license/data revenue from operators, which reached MUSD 10.0 in 4Q12 compared to MUSD 8.6 in 4Q11, an increase of 16%. License/data revenue from Operator Opera Mini agreements reached 95% of total Operator revenue in 4Q12 compared to 87% in 4Q11.



In 4Q12, Opera announced Opera Web Pass. The Opera Web Pass allows operators, in a flexible and cost-efficient way, to package time- or site-specific data offerings to their users. This makes it even more compelling for subscribers to get online using their mobile phones and in a way that is tailored to their needs. For mobile subscribers without data plans, this is the easiest and most flexible solution for accessing the web.

DiGi Telecommunications Sdn Bhd (“DiGi”) of Malaysia has become the first mobile operator to offer the Opera Web Pass. DiGiLive Web Pass targets casual Facebook users who seek flexible options for accessing their accounts on their mobile devices. Customers can choose from four different packages — 1-Day Internet, 1-Hour Internet, 1-Day Facebook and 1-Hour Facebook — depending on their browsing needs.

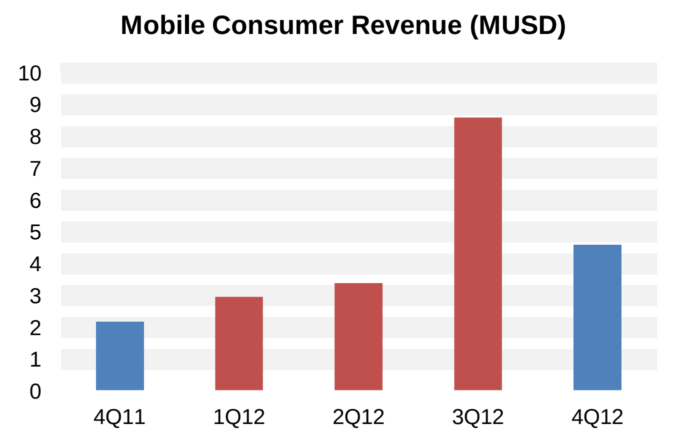
Opera continues to expand its relationship with its existing operators and announced a partnership with TIM, Brazil’s second-largest mobile operator, to launch the TIM App Shop, which brings a vast collection of mobile applications for its Brazilian subscribers. The TIM App Shop, powered by the Opera Mobile Store, is now pre-loaded on all mobile devices sold by TIM and is accessible by close to 70 million subscribers of TIM throughout Brazil. For TIM subscribers, the TIM App Store is a useful resource for all kinds of applications. The TIM App Shop offers more than 55,000 apps, both free and paid, on most devices and platforms, including Android, Java, Symbian, BlackBerry and iOS.

Opera provides the platform for the TIM App Shop, storefront merchandising and commerce capabilities, as well as the ability to pay for apps though carrier billing to facilitate a smooth experience for the user.

Also in 4Q12, and under existing frame agreements, Opera announced that both Vodafone Ghana and Beeline Tajikistan are launching unlimited mobile browsing with Opera Mini.

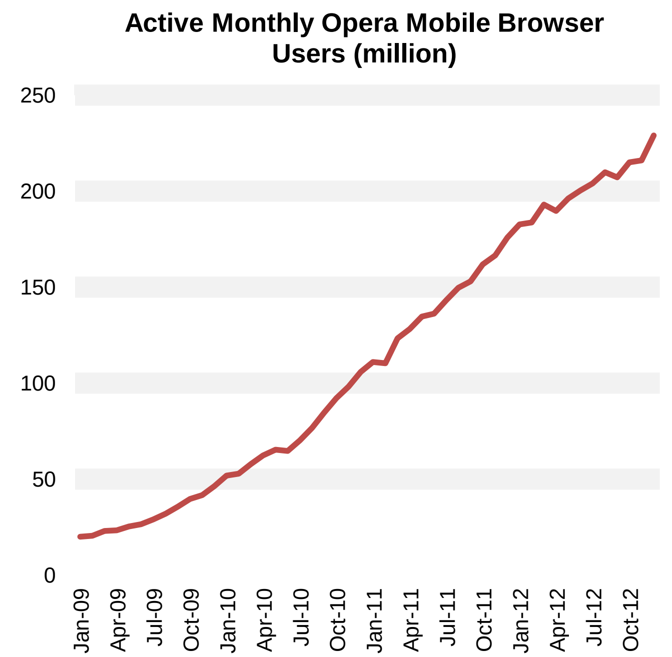
Opera is also expanding with new operators and announced in 4Q12 that it added Entel (Chile) and Mobifone (Vietnam) as customers. Both Entel and Mobifone Opera Mini users will automatically get the latest version of Opera Mini with Smart Page, which will give users quick access to operator data plans and other services. The Smart Page will become the hub of a users social life, bringing their latest updates from Facebook, Twitter and other news sources at a fraction of the cost.

Mobile Consumers – Opera Owned and Operated Properties



During the quarter, mobile Internet usage around the world continued to grow at a rapid pace. Based on statistics from Global Statcounter, over 1.3 billion consumers accessed the Internet via a full Web mobile browser at the end of 4Q12, an increase of nearly 60% compared to 4Q11.

Opera continued to maintain its position as a global leading mobile Web browser. In December 2012, 229 million unique users worldwide browsed the Web using Opera's mobile browser products.



Opera's tremendous worldwide success with mobile consumers across all mobile platforms has occurred because of Opera Mini. First, Opera Mini is faster than the competition, due to the up to 90% compression compared to a normal full Web browser. This makes for a much more enjoyable and efficient browsing experience for consumers. Second, Opera Mini is much cheaper for consumers – i.e., consumers save up to 90% browsing with Opera Mini compared to competitive products, due to Opera's unique proxy browsing technology. Third, Opera works on the vast majority of mobile phones, supporting more than 3,000 different mobile phone models. Fourth, Opera believes its user interface design and rendering quality is superior to the competition.

Opera.com continues to be the primary channel for distributing the Opera- branded version of Opera Mini. However, Opera has also focused on distribution via direct agreements with mobile OEMs and other third parties. Opera has such mobile OEM distribution deals with Huawei, Lemon Mobile, LG, MTK, Nokia, Sharp, Sony Ericsson, Samsung, Spreadtrum and TCL.

Opera Mini is also available on several handset vendor application stores, such as Apple's iPhone App Store, Google Play, BlackBerry App World and Nokia's Ovi Store.

In addition to a high focus on increasing distribution of Opera Mini with Mobile OEMs and other channels, Opera is also putting significant focus on distribution of Opera Mobile and Opera Mini on Android.

In December 2012, the number of Opera Mobile/Mini users on Android reached 44.6 million, compared to 12.8 million in December 2011, an increase of 249%. This makes Opera one of the leading third party browser applications on the Android platform.

Historically, Opera's primary focus has been consumer acquisition and growing its user base and much of the monetization focus has been on converting Opera Mini consumer users to joint Operator – Opera branded users, for which ARPU is significantly higher than for the 100% Opera branded Opera Mini users.

Today, Opera is significantly more focused than in the past on generating revenue and profits from its rapidly growing active user base via more consumer oriented business and revenue models.

In this vein, Opera is placing a significant emphasis on developing and expanding its owned and operated properties and capitalizing on its extensive mobile consumer user base. These Opera owned and operated properties are expected to be monetized primarily via mobile advertising, mobile search and mobile applications.

In 4Q12, Opera announced that the Opera Mobile Store, the world's fifth largest mobile store, launched a broad portfolio of promotional options for developers to take advantage of its distribution power and its 40 million unique monthly users. The Opera Mobile Store is available through Opera Software's flagship Opera Mini and Opera Mobile browsers and has proven content distribution results in some of the world's fastest-growing mobile markets, including India, Russia, Brazil, Indonesia and South Africa.

The Opera Mobile Store is now expanding its promotional options, that extend beyond the mobile store to reach more than 200 million unique users of Opera products; (i) Sponsored product listings on the homepage as well as major content categories, (ii) Rich graphical ad units showcasing developer apps, (iii) Browser launch-page banners available in the new Smart Page, (iv) Contextually-relevant app promotions within Opera's new smart content aggregation service, available in Opera Mini 7, and (v) App of the Week promotions on Opera's Facebook and Twitter pages, targeted by region.

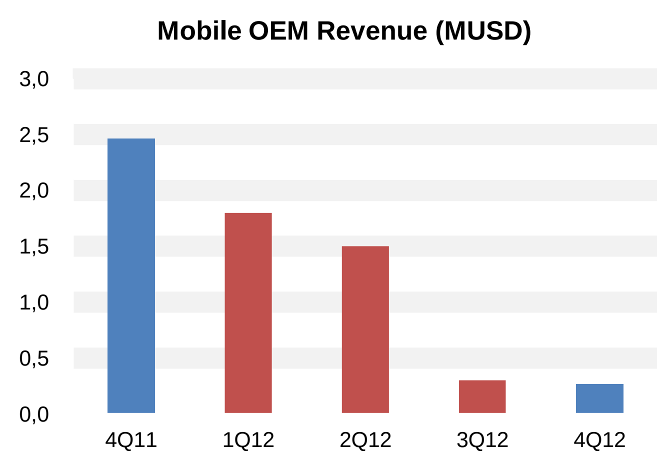
During the quarter, the number of monthly unique visitors to OMS in December 2012 reached 37.8 million, up nearly 100% compared to December 2011.

In 4Q12, Opera Software and Naranya announced a partnership that will bring mobile payment freedom to users of Naranya's content offerings and the Opera Mini mobile browser. As part of this agreement, Naranya, the leading mobile marketing & commerce company in Latin America, will be integrated into the Opera Payment Exchange (OPX), which makes mobile payments a secure and easy experience for over 230 million users of the Opera Mini mobile browser globally.

In 4Q12, Opera launched Opera Mobile 12.1 for Android. Opera Mobile 12.1 includes new and improved fraud detection. The fraud detection system tells you when a webpage has been marked as being suspicious or used for illicit activity. Opera Mobile now supports even more web standards, making sure the experience of mobile surfing is as close to the desktop experience as possible.

The primary driver of Mobile Consumer revenue is revenue from mobile search, the Opera Mobile Store and active user growth. Google is Opera's default search partner for Opera Mini and Opera Mobile worldwide. Going forward, Opera expects to generate much more revenue from mobile advertising via its owned and operated properties.

Mobile OEMs



Global Mobile OEMs are currently responding aggressively to operator and consumer demands for devices which come bundled with compelling services and applications.

As a result, more than ever before, Mobile OEMs are highly focused on providing operators and their subscribers with compelling browsing solutions on their devices – i.e., full HTML browsers that enable browsing of the full Web and access to rich Web applications.

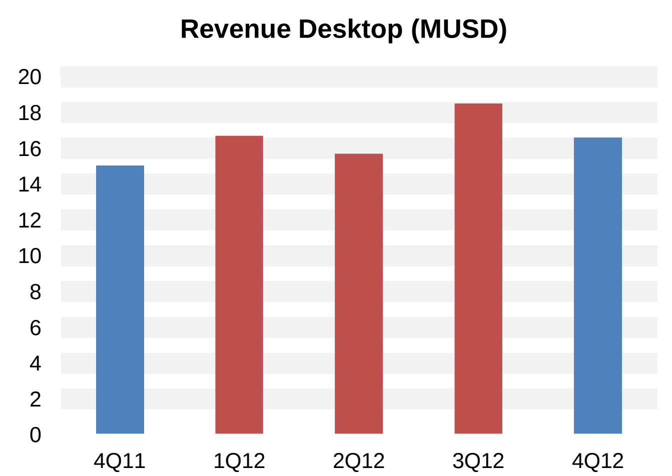
The Company has focused on the Mobile OEMs as key sources of distribution to drive Opera's overall mobile Internet user base. Opera is focused not only on the distribution of Opera Mini, but also on the distribution of Opera Mobile with Turbo, with a particular focus on the Android platform.

Overall, Mobile OEM distribution has become a very important complement to the distribution of Opera's products on Opera.com, with approximately 30% of Opera's Opera Mini users coming via this distribution channel.

In addition, Opera has been focused on expanding its distribution partners in this space to include the chipset manufacturers.

Opera currently has license and distribution agreements with a diverse range of chipset manufacturers and mobile OEMs, including: Cosmo Air (Opera Mobile), HTC (Opera Mobile), Huawei (Opera Mobile & Mini), Micromax (Opera Mini), Motorola (Opera Mobile & Opera Mini), MTK (Opera Mobile & Opera Mini), Nokia (Opera Mini), Pantech (Opera Mini), Qualcomm (Opera Mini), Samsung (Opera Mobile & Opera Mini), Sony (Opera Mini), Spice Mobiles (Opera Mini), Spreadtrum (Opera Mini & Opera Mobile), TCL (Opera Mini) and ZTE (Opera Mobile & Opera Mini).

Desktop Consumers



Today, the desktop browser is more powerful a platform than ever. This is seen most saliently with the clear dominance of Web applications over device-centric computing. This trend is no more pronounced than with social networking, where Facebook, for example, has more than 500 million desktop users. In addition, the rapid adoption and innovation around HTML5 is making Web applications more powerful and always available. For example, playing video without the need for third-party applications or plug-ins and using geo-location to provide locally targeted information are some clear examples where HTML5 is making the browser and browser-based applications much more powerful than in the past.

Since the first public release in 1995, Opera has continuously delivered browser innovation to desktop PCs. Opera's desktop browser provides its users with a safe, efficient and enjoyable browsing experience.

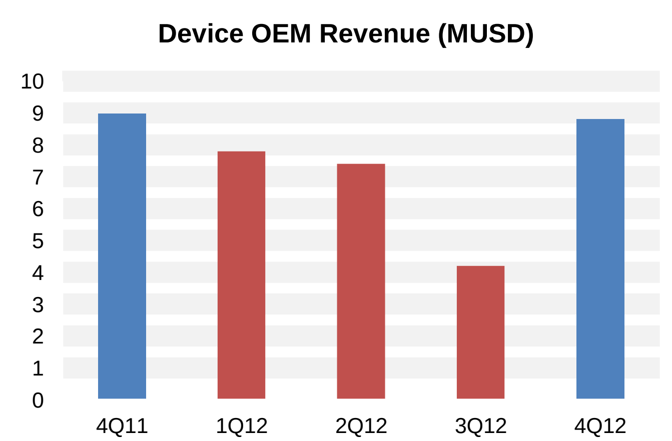
Historically, the vast majority of desktop user growth has occurred in Russia/CIS and in the emerging markets. Opera expects this trend to continue, as Opera's key value proposition in the emerging markets emanates to a large extent from the fact that it is considered a fast browser, valued highly in many emerging markets where overall broadband penetration is low.

Opera's monetization strategy for its desktop browser revolves predominantly around search. Google is Opera's global search partner and provides the majority of desktop monetization. This global partnership is supplemented by local search partnerships in certain markets, such as Russia, Japan, and China, where Opera works with Yandex, Yahoo! Japan and Baidu, respectively. In addition, Opera has signed up e-commerce players such as Amazon.com (USA, Germany, Japan), Booking.com (64 countries), and Ozon (Russia) to further enhance ARPU.

In 4Q12, Opera announced Opera 12.10 for desktop. Among the improvements are increased support for Macs and new and improved extensions. Extensions enable a user to get more relevant content, faster.

In December 2012, the number of Desktop users was approximately 55 million, down 4% versus December 2011. ARPU (Average Revenue Per User) increased 13% in 4Q12 compared to 4Q11. The main contributors to higher ARPU in the quarter versus 4Q11 were strong growth in revenue from local search providers such as Yandex and from content partners such as Booking.com.

Device OEMs



As device manufacturers seek to enhance their relationships with and provide compelling applications and services to their consumers, they are increasingly developing Internet-connected devices.

Traditionally, television has been referred to as a “lean back” medium, where interaction is passive. Today, television manufacturers are trying to encourage consumers to become more actively engaged with their TV sets, referred to as a “lean-forward” model, by providing Web applications, Web browsing and other digital content on TVs. This has been spurred not only by the desire of the TV manufacturers to differentiate, obtain premium pricing for their product offerings and generate new revenue streams, but also by the perceived opportunity to bring many of the same services that have been deployed successfully in the mobile phone eco-system, such as mobile Web browsing and application stores, to their TV consumer customers.

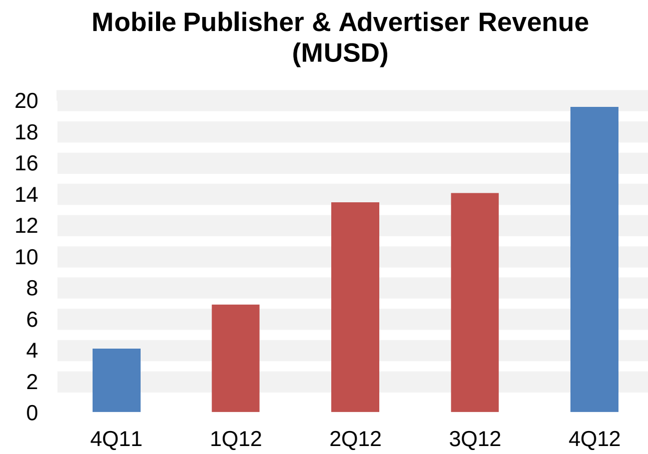
With the Opera Devices Software Developer Kit (SDK), device manufacturers are able to offer not only Web browsing capabilities and full Internet access to their operator and consumer end customers, but also customized Web applications which are accessible from the home screen of the device. Moreover, with the Opera Devices SDK, device manufacturers are able to use their own (and third-party) developers to enable full Web browsing, create user interfaces, widgets and menu systems using Web technologies, such as HTML5 and CSS, HbbTV and OIPF, while accelerating time to market for new consumer electronic devices.

The Opera TV Store is a complete app store solution for connected TVs and STBs, offering manufacturers and operators around the world a selection of high-quality and easily navigated web apps. Based on HTML5, it is optimized for all HD Ready TVs and standard remote controls.

In 4Q12, Opera and Boxee announced that the Opera Devices Software Development Kit (SDK) is powering the HTML5 experience on Boxee TV, a brand-new streaming media player that offers the world’s first cloud DVR, live TV, and Internet Apps. The Opera Devices SDK powers applications like YouTube, Spotify, Vimeo and WSJ Live, allowing customers to enjoy the best of the Internet on their TVs.

Opera currently has license agreements with a wide range of consumer electronic device OEMs, including Entone, Huawei, Humax, Loewe, Mediatek, Nintendo, Pioneer, Philips, Sagem, Sharp, Sony, Technicolor, Technisat, Toshiba, Verifone, and Vestel.

Mobile Publishers & Advertisers – Opera Network Members



The global advertising industry continues to experience a macro shift in advertising spend from traditional offline channels, such as print, television and radio, to online channels, with mobile taking an increasing share of the online/Internet medium. This macro shift from offline to online has been fueled by several factors, namely, the increasing amount of time consumers spend online and the fact that digital advertising compared to traditional offline advertising enables much better targeting, provides opportunities for more user interaction, and provides better measurement capabilities.

The rapid growth in mobile advertising in particular is being fueled by a number of factors: (i) reach and “anytime-anywhere” access to users – there are more than 5 billion mobile phone users worldwide (compared to around 2 billion desktop users, for example); (ii) strong targeting characteristics – advertisers are able to glean meaningful amounts of aggregated information about mobile users, such as location, demographics and behavior; (iii) high performance and user response rates from Android and iOS smartphone devices in particular, which support highly interactive and entertaining ad formats due to advanced display technologies, strong graphics processors and fast processing speeds; (iv) wider spread access to high speed wireless data networks, which enables the consumption of high quality and rich media content on mobile devices; and (v) rapid growth in the mobile app economy, as developers have been able to create intuitive and interactive ways to deliver content on mobile devices, capitalizing on native operating system software development kits which facilitate the full harnessing of a mobile device’s processing capabilities and functionality.

Opera’s goal is to power the mobile advertising ecosystem through innovative and differentiated mobile advertising services and technology solutions, targeting premium advertisers, ad agencies, publishers and developers. Opera's ultimate mission is to help both premium publishers increase revenue from their mobile properties and content and advertisers reach and acquire potential customers.

Through Opera's mobile advertising network subsidiaries, Mobile Theory (USA) and 4th Screen Advertising (UK) (both acquired in 1Q12) and Opera's mobile ad technology platform, AdMarvel, Opera is able to offer premium mobile advertisers the ability to build their brands and engage with consumers by offering creative services, sophisticated targeting capabilities, significant audience and publisher reach, high levels of transparency and measurability on ad campaigns and support for highly interactive and engaging advertising experiences on a full range of mobile devices, including display banner ads, interactive rich media ads and video ads.

For premium mobile publishers and developers, Opera offers technology solutions and services, highly intuitive reporting and analytical tools and access to premium advertisers (via both Opera's owned and third party mobile ad networks), helping these publishers maximize revenue from their content and user base. At the core of Opera's success with premium publishers and developers is AdMarvel and the AdMarvel technology platform and software development kit (SDK). AdMarvel's success with premium publishers stems from three major sources: (i) Its Ad Serving capabilities (powerful rich media ad serving, targeting and analytics), (ii) Its Ad Mediation (ad performance optimization and transparency and control over ad network traffic from over 100 ad sources from around the world) and (iii) Its Campaign Management capabilities (management, uploading, scheduling and control of "house" ads and directly sourced advertising). These capabilities have helped AdMarvel publisher customers drive higher fill rates and CPMs and ultimately higher revenue.

In total, Opera, through its mobile advertising subsidiaries, reaches 8 out of 10 Smartphone users in the USA and delivers mobile advertising to around 140 million consumers worldwide (excluding Opera's mobile users) across more than 12,000 mobile applications and websites around the world.

Advertisers which ran campaigns in 4Q12 through Opera's mobile advertising subsidiaries include Amex, Coca-Cola, and Wal-Mart. Publisher customers include BSkyB, CBS, Dow Jones/Wall Street Journal and Time Warner. Moreover, Opera's USA based mobile advertising subsidiaries work, both directly and indirectly, with 70 out of the Top 100 Ad Age Advertisers in the United States.

In the quarter, Opera revenue in the Mobile Publisher and Advertiser business (Opera Network Members) grew 379% compared to 4Q11.

Revenue in 4Q12 compared to 4Q11 was fueled by expanded business with existing advertiser and publisher customers as well as new customers and by the acquisitions of Mobile Theory and 4th Screen Advertising, which closed in 1Q 2012. Revenue growth from both our mobile advertiser and mobile publisher customers, who provide content via mobile Web properties and mobile applications, continues to be strongest on Smartphone and tablet devices, with iOS and Android constituting the leading platforms.

Outlook

Opera remains positive about the Company's overall growth prospects, which is expected to be driven primarily by its mobile browser and mobile advertising businesses going forward.

Within its mobile browser business, Opera continues to drive a compelling value proposition for operators, helping them increase data and services revenue streams and profitability.

Moreover, Opera continues to deliver a very compelling value proposition to its rapidly burgeoning mobile consumer base, providing a fast and data saving, and thereby cheaper, browsing experience. Opera's strategy is to capitalize on its more than 230 million mobile browser user base by building Opera owned and operated properties and monetizing these properties via mobile advertising, mobile search and mobile applications.

Within Opera's Mobile Publisher & Advertiser business – Opera Network Members, Opera expects to generate meaningfully more revenue from this business in 2013 compared to 2012, as Opera continues to ramp up revenue directly from advertisers and ad agencies via its mobile advertising network subsidiaries, Mobile Theory and 4th Screen Advertising, and capitalizes on AdMarvel's strong position with premium USA publishers.

Opera's key operational priorities going into 2013 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, and expand usage and monetization of Opera's owned and operated properties; (iii) increase revenue from mobile publishers and advertisers (Opera Network Members), by expanding Opera's demand side advertising reach and capabilities; (iv) grow Opera's desktop user base, particularly in Russia/CIS; (v) build on the momentum Opera has with major ConnectedTV manufacturers; and (vi) increase Opera's overall profitability and margins.

Oslo, February 14, 2013

The Board of Directors

Opera Software ASA

Arve Johansen	Lars Boilesen
Chairman	CEO
(sign.)	(sign.)

This report and the description of Opera's business and financials should be read in conjunction with the presentation given by the Company of its quarterly numbers, a Webcast of which can be found at www.opera.com.

Consolidated Statement of Comprehensive Income

(Numbers in MUSD, except per share amounts)

	4Q 2012 (Unaudited)	4Q 2011 (Unaudited)	% Change	YTD 2012 (Unaudited)	YTD 2011 (Unaudited)	% Change
Revenue	**60.7**	43.5	39%	**216.0**	159.8	35%
Total operating revenue	**60.7**	43.5	39%	**216.0**	159.8	35%
Cost of goods sold	**9.3**	1.5	499%	**24.9**	3.5	607%
Payroll and related expenses, excluding stock option costs	**24.4**	19.1	28%	**91.1**	76.5	19%
Stock option costs	**0.9**	0.7	20%	**3.6**	3.1	16%
Depreciation expenses	**2.8**	1.9	46%	**9.7**	6.2	58%
Other operating expenses	**10.2**	8.9	14%	**36.4**	32.3	13%
Total operating expenses	**47.5**	32.3	47%	**165.8**	121.7	36%
Results from operating activities ("EBIT") excl. restructuring costs	**13.2**	11.3		**50.2**	38.1	
Costs for restructuring the business	**7.8**	0.6		**12.8**	1.7	
Results from operating activities ("EBIT")	**5.3**	10.6		**37.4**	36.4	
Other interest income/expense, net	**0.2**	0.6		**1.2**	1.4	
Interest expense related to VAT case	**0.0**	0.0		**0.0**	(0.3)	
Interest expense related to contingent consideration	**(2.1)**	(0.4)		**(7.7)**	(1.5)	
FX gains/losses related to contingent consideration, net	**1.2**	(0.3)		**1.4**	(0.0)	
Other FX gains/losses, net (negative amount = losses)	**(1.5)**	1.0		**(3.3)**	1.1	
Revaluation of contingent consideration	**0.4**	(0.0)		**0.2**	0.6	
Share of the profit/loss of associates accounted for using the equity method	**(1.4)**	(0.7)		**(3.7)**	(0.7)	
Profit before income tax	**2.2**	10.9		**25.6**	37.1	
Provision for taxes*	**0.6**	(4.0)		**(8.6)**	(11.8)	
Profit for the period	**2.8**	6.9		**17.0**	25.4	
Foreign currency translation differences for foreign operations	**0.3**	(3.5)		**4.4**	(2.4)	
Total comprehensive income for the period	**3.1**	3.5		**21.4**	22.9	
Earnings per share**	**0.023**	0.058		**0.143**	0.213	
Earnings per share, fully diluted**	**0.023**	0.057		**0.140**	0.210	
Shares used in earnings per share calculation	**119,064,407**	118,809,127		**118,782,269**	118,914,427	
Shares used in earnings per share calculation, fully diluted	**121,086,690**	120,377,252		**121,173,334**	120,780,112	
Number of employees	**931**	777		**931**	777	
Number of employees after restructuring	**840**			**840**		

*The quarterly and year to date provision for taxes is based on an estimated tax rate for the Group.
**Earnings per share is calculated based on the profit for the period.

Consolidated Statement of Financial Position

(Numbers in MUSD)

	12/31/2012 (Unaudited)	12/31/2011 (Unaudited)
Assets		
Non-current assets		
Intangible assets		
Goodwill	**70.3**	27.2
Other intangible assets	**12.5**	4.7
Total intangible assets	**82.8**	32.0
Property, plant and equipment		
Property, plant and equipment	**15.8**	12.8
Total property, plant and equipment	**15.8**	12.8
Financial assets and deferred tax assets		
Deferred tax assets	**3.8**	0.8
Other investments and deposits	**5.6**	4.4
Total financial assets and deferred tax assets	**9.4**	5.2
Total non-current assets	**108.0**	49.9
Current assets		
Trade and other receivables		
Accounts receivable	**35.2**	14.4
Unbilled revenue	**26.7**	15.2
Other receivables	**12.4**	4.4
Total trade and other receivables	**74.3**	34.0
Cash and cash equivalents	**57.2**	83.1
Total current assets	**131.5**	117.1
Total assets	**239.5**	167.0

Consolidated Statement of Financial Position

(Numbers in MUSD)

	12/31/2012 (Unaudited)	12/31/2011 (Unaudited)
Shareholders' equity and liabilities		
Equity		
Paid in capital		
Share capital	**0.4**	0.4
Share premium reserve	**81.9**	76.2
Other reserves	**17.0**	12.4
Total paid in capital	**99.3**	89.0
Retained earnings		
Other equity	**44.4**	28.5
Total retained earnings	**44.4**	28.5
Total equity	**143.8**	117.5
Liabilities		
Non-current liabilities		
Deferred tax liability	**0.0**	0.0
Option liability	**0.1**	0.0
Provisions	**26.1**	1.7
Total non-current liabilities	**26.2**	1.7
Current liabilities		
Accounts payable	**19.6**	4.0
Taxes payable	**7.7**	3.3
Social security, VAT and other taxation payable	**5.9**	5.0
Deferred revenue	**11.2**	14.5
Option liability	**0.0**	0.0
Other short-term liabilities	**22.4**	13.4
Provisions	**2.7**	7.7
Total current liabilities	**69.6**	47.8
Total liabilities	**95.8**	49.5
Total equity and liabilities	**239.5**	167.0

Consolidated Statement of Cash Flows

(Numbers in MUSD)

	4Q 2012 (Unaudited)	4Q 2011 (Unaudited)	YTD 2012 (Unaudited)	YTD 2011 (Unaudited)
Cash flow from operating activities				
Profit/loss before taxes	**2.2**	10.9	**25.6**	37.1
Taxes paid	**(5.6)**	(0.1)	**(9.2)**	(4.6)
Depreciation expenses	**2.8**	1.9	**9.7**	6.2
Profit/loss from sales of property, plant and equipment	**0.1**	0.1	**0.1**	0.3
Impairment of assets ***	**3.0**	0.0	**3.0**	0.8
Changes in accounts receivable **	**(1.3)**	0.7	**(24.3)**	2.4
Changes in accounts payable	**6.5**	2.0	**5.4**	(0.4)
Changes in other liabilities and receivables, net	**2.2**	(0.4)	**4.9**	(7.4)
Equity method accounting for associate companies	**1.8**	0.7	**4.6**	0.7
Share-based remuneration	**1.0**	0.7	**3.6**	2.5
Interest and FX related to contingent payment */***	**0.4**	0.6	**6.0**	0.9
Conversion discrepancy	**2.9**	(2.4)	**8.1**	(1.8)
Net cash flow from operating activities	**16.0**	14.7	**37.6**	36.7
Cash flow from investment activities				
Capital expenditures	**(5.7)**	(1.3)	**(10.4)**	(10.6)
Investment in R&D *****	**(1.4)**	0.0	**(3.4)**	0.0
Acquisitions ***	**(11.8)**	(0.5)	**(44.2)**	(12.1)
Other investments ****	**(2.4)**	(2.4)	**(4.9)**	(2.4)
Net cash flow from investment activities	**(21.3)**	(4.2)	**(62.9)**	(25.1)
Cash flow from financing activities				
Proceeds from exercise of stock options	**0.6**	0.9	**3.4**	5.9
Proceeds of share issues, net	**0.0**	0.0	**0.0**	0.0
Dividends paid	**0.0**	0.0	**(4.0)**	(4.0)
Purchase of own shares	**0.0**	(9.8)	**0.0**	(16.3)
Net cash flow from financing activities	**0.6**	(8.8)	**(0.6)**	(14.4)
Net change in cash and cash equivalents	**(4.8)**	1.7	**(25.9)**	(2.8)
Cash and cash equivalents (beginning of period)	**62.0**	81.4	**83.1**	86.0
Cash and cash equivalents ****/*********	**57.2**	83.1	**57.2**	83.1

Consolidated Statement of Cash Flows (continued)

*Interest income and interest expenses are included in the profit and loss. Interest paid and interest received are recognized in the same quarter that interest income and interest expenses are recognized in the profit and loss, with the exception of interest related to re-evaluation of the contingent payment related to acquisitions. Conversion differences and interest related to re-valuation of the contingent payment are booked on a separate line as net cash flow from operating activities.

**Changes in unbilled revenue are included in changes in accounts receivables in the statement of cash flows.

***On April 30, 2010, Opera entered into an Asset Purchase Agreement with the Fastmail Partnership. The final earnout payments related to this deal were paid in 1Q 2012 with MUSD 0.9. The payments have been included in acquisitions in the statement of cash flows. Please see note 10 for more information.

In 4Q 2012, Opera has booked an estimated impairment cost related to the write down of the goodwill vale of the Fastmail partnership that was acquired by operations in April 2010. Please see note 10 for more information.

In 1Q 2012, Opera paid the final earnout payment of MUSD 6.5 related to the AdMarvel acquisition deal. The payment has been included in acquisitions in the statement of cash flows. Please see note 10 for more information.

In 1Q 2012, Opera made an earnout payment of MUSD 0.1 related to the Handster acquisition deal. The payment has been included in acquisitions in the statement of cash flows. Please see note 10 for more information.

On February 16, 2012, Opera Software International AS acquired 100% of the shares and voting interest of the privately held company Mobile Theory, Inc., following a payment of MUSD 3.9 for the shares acquired and an escrow payment of MUSD 13.0. Net cash of MUSD 0.3 in Mobile Theory, Inc. at acquisition day has been netted in acquisitions in the statement of cash flows. In 4Q 2012, Opera prepaid the 2012 earnout payment of MUSD 17.8 (of which MUSD 11.8 had CF effect in 4Q 2012).

On February 16, 2012, Opera Software International AS acquired 100% of the shares and voting interest of the privately held company 4th Screen Advertising Ltd, following a payment of MUSD 5.1 for the shares acquired and an escrow payment of MUSD 3.0. Net cash of MUSD 0.8 in 4th Screen Advertising Ltd at acquisition day has been netted in acquisitions in the statement of cash flows. In 2Q 2012, Opera paid a subsequent payment of MUSD 0.2 for the shares and voting interests.

On May 14, 2012, Opera Software ASA acquired 100% of the shares and voting interest of the privately held company Netview Technology AS, following a payment of MUSD 0.8 for the shares acquired. Net cash of MUSD 0.0 in Netview Technology at acquisition day has been netted in acquisitions in the statement of cash flows.

****In 2012, Opera invested MUSD 2.4 in both 3Q and 4Q in nHorizon Innovation. These investments come in addition to the MUSD 1.5 already invested in 2011. Please see note 11 for more information.

*****In 4Q 2012, Opera invested MUSD 1.4 (YTD: 3.4) in product development.

******Cash and cash equivalents of MUSD 1.8 were restricted assets as of December 31, 2012, and Cash and cash equivalents of MUSD 1.5 were restricted assets as of December 31, 2011.

*******As of December 31, 2012, the conversion discrepancy profit booked on Cash and cash equivalents was MUSD 1.0.

Note: The financial figures have been prepared based upon management's interpretation of the current International Financial Reporting Standards (IFRS).

Consolidated Statement of Changes in Equity

(Numbers in MUSD)

	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 9/30/2012	**119.0**	**0.4**	**77.3**	**15.4**	**0.0**	**1.7**	**42.4**	**137.2**
Comprehensive income for the period								
Profit for the period							2.8	2.8
Other comprehensive income								
Foreign currency translation differences						0.3		0.3
Total comprehensive income for the period		**0.0**	**0.0**	**0.0**	**0.0**	**0.3**	**2.8**	**3.1**
Contributions by and distributions to owners								
Dividend to equity holders								0.0
Own shares acquired								0.0
Own shares sold	0.2				0.0		0.6	0.6
Tax deduction loss own shares							0.7	0.7
Share-based payment transactions				2.2				2.2
Total contributions by and distributions to owners	**0.2**	**0.0**	**0.0**	**2.2**	**0.0**	**0.0**	**1.3**	**3.5**
Other equity changes								
Other changes								0.0
Total other equity changes		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Balance as of 12/31/2012	**119.2**	**0.4**	**77.3**	**17.6**	**0.0**	**2.0**	**46.4**	**143.8**

Face value of the shares
The face value of the shares are NOK 0.02.

Other reserves
Other reserves consists of option costs booked according to the Equity Settled Method and issued shares registered in the period after the current financial year.

Reserve for own shares
The reserve for the Group’s own shares comprises the face value cost of the Company’s shares held by the Company.

Translation reserve
The translation reserve consists of all foreign currency differences arising from the translation of the financial statements of foreign operations.

Other equity
Other equity consists of all other transactions, including but not limited to, total recognized income and expense for the current period and excess value of the Company's own shares.

Consolidated Statement of Changes in Equity

(Numbers in MUSD)

	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 9/30/2011	**119.5**	**0.4**	**77.4**	**12.1**	**(0.0)**	**1.0**	**30.4**	**121.3**
Comprehensive income for the period								
Profit for the period							6.9	6.9
Other comprehensive income								
Foreign currency translation differences						(3.5)		(3.5)
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(3.5)**	**6.9**	**3.5**
Contributions by and distributions to owners								
Dividend to equity holders								-
Own shares acquired	(2.0)				(0.0)		(9.8)	(9.8)
Own shares sold	0.4				0.0		0.9	0.9
Tax deduction loss own shares							0.9	0.9
Share-based payment transactions				0.7				0.7
Total contributions by and distributions to owners	**(1.6)**	**-**	**0.0**	**0.7**	**(0.0)**	**-**	**(7.9)**	**(7.2)**
Other equity changes								
Other changes								-
Total other equity changes		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as of 12/31/2011	**117.9**	**0.4**	**77.4**	**12.8**	**(0.0)**	**(2.4)**	**29.4**	**117.5**

Consolidated Statement of Changes in Equity

(Numbers in MUSD)

	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2011	**117.9**	**0.4**	**77.4**	**12.8**	**0.0**	**-2.4**	**29.4**	**117.5**
Comprehensive income for the period								
Profit for the period							17.0	17.0
Other comprehensive income								
Foreign currency translation differences						4.4		4.4
Total comprehensive income for the period		**0.0**	**0.0**	**0.0**	**0.0**	**4.4**	**17.0**	**21.4**
Contributions by and distributions to owners								
Dividend to equity holders							-4.0	-4.0
Own shares acquired	-				0.0		0.0	0.0
Own shares sold	1.3				0.0		3.4	3.4
Tax deduction loss own shares							0.7	0.7
Share-based payment transactions				4.8			0.0	4.8
Total contributions by and distributions to owners	**1.3**	**0.0**	**0.0**	**4.8**	**0.0**	**0.0**	**0.1**	**4.9**
Other equity changes								
Other changes			0.0				0.0	0.0
Total other equity changes		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Balance as of 12/31/2012	**119.2**	**0.4**	**77.3**	**17.6**	**0.0**	**2.0**	**46.4**	**143.8**

Consolidated Statement of Changes in Equity

(Numbers in MUSD)

	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2010	**119.0**	**0.4**	**77.4**	**10.3**	**0.0**	**0.0**	**17.5**	**105.6**
Comprehensive income for the period								
Profit for the period							25.4	25.4
Other comprehensive income								
Foreign currency translation differences						-2.4		-2.4
Total comprehensive income for the period		**0.0**	**0.0**	**0.0**	**0.0**	**-2.4**	**25.4**	**22.9**
Contributions by and distributions to owners								
Dividend to equity holders							-4.0	-4.0
Own shares acquired	(3.3)						-16.3	-16.3
Own shares sold	2.2						5.8	5.8
Tax deduction loss own shares							0.9	0.9
Issue expenses								0.0
Tax deduction on equity bookings								0.0
Share-based payment transactions				2.5				2.5
Total contributions by and distributions to owners	**(1.1)**	**0.0**	**0.0**	**2.5**	**0.0**	**0.0**	**-13.5**	**-11.0**
Other equity changes								
Other changes			0.0					0.0
Total other equity changes		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Balance as of 12/31/2011	**117.9**	**0.4**	**77.4**	**12.8**	**0.0**	**-2.4**	**29.4**	**117.5**

Disclosure

Note 1 - Corporate Information

Opera Software ASA is a company domiciled in Norway. The consolidated financial statements of the Company include the Company subsidiaries Hern Labs AB, Opera Distribution AS, Netview Technology AS and Opera Software International AS (which, in turn, includes the subsidiaries Opera Software Korea Ltd, Opera Software Technology (Beijing) Co., Ltd, Opera Software Poland Sp. z o.o, Opera Software Australia PTY LTD, Opera Software Singapore PTE. LTD., AdMarvel, Inc., LLC Opera Software (Russia), LLC Opera Software Ukraine, Opera Software Iceland ehf, Opera Web Technologies Pvt. Ltd, Handster, Inc., Mobile Theory, Inc., 4th Screen Advertising Ltd, 4th Screen Advertising Holdings Ltd, and the limited company Beijing Yuege Software Technology Service Co., Ltd. (of which Opera had full control) together referred to as the "Group". As of December 31, 2012, Opera Software International AS had branches in the Japan, USA, China, Taiwan and Poland.

Note 2 - Statement of Compliance

The consolidated financial statements have been prepared in accordance with IAS 34: Interim Financial Reporting. These condensed consolidated interim financial statements are unaudited. The report does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2011.

Note 3 - Financial Statements - Accounting Policies

The consolidated financial statements of the Opera Group for 2011 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act. The Group has used the same accounting policies and standards as in the consolidated financial statements of December 31, 2011, with the exception that the internal development costs are now capitalized and written down on a 3 year straight-line base (please see below for more details).

There were no new standards, interpretations or amendments to published standards that were effective from January 1, 2012 that have significantly affected the consolidated financial statements for the first, second, third and forth quarter 2012.

From 1Q 2012, Opera has started to present the numbers in USD, as USD is the new presentation currency for the Group.

Research and development
Opera has enhanced the internal reporting and bookkeeping systems and the Company has started to capitalize the cost of building new features, together with significant and pervasive improvements of the core platform provided that the significant and pervasive improvements of parts or main components of the core platform will generate probable future economic benefits. Opera has capitalized MUSD 1.4 (YTD 3.4) as of December 31, 2012.

Note 4 - Estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Change in an accounting estimate is recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Note 5 - Basic Earnings per Share

(Numbers in MUSD, except per share amounts)

	4Q 2012 (Unaudited)	4Q 2011 (Unaudited)	YTD 2012 (Unaudited)	YTD 2011 (Unaudited)
Earnings per share (basic)	**0.023**	0.058	**0.143**	0.213
Earnings per share, fully diluted	**0.023**	0.057	**0.140**	0.210
Shares used in per share calculation (mm)	**119,064,407**	118,809,127	**118,782,269**	118,914,427
Shares used in per share calculation, fully diluted (mm)	**121,086,690**	120,377,252	**121,173,334**	120,780,112

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted ordinary shares in issue during the period.

The average stock exchange price for 4Q 2012, and year to date, is used when calculating the options that are "in the money" and when calculating the fully diluted number of shares. The options have varying exercise prices and would, upon exercise, mean payment to the Company of MNOK 176.7 (YTD: 177.6) using the average stock exchange price for the 4Q 2012 and for the full year. In relation to the accounting standard regarding earnings per share, the effect of these funds being used by the Company to purchase shares in the market should be considered when calculating the fully diluted number of shares outstanding. Opera has included options with a strike price below NOK 33.01 (YTD: 35.92) when calculating the fully diluted number of shares outstanding. Total options used in the calculations are 7,733,356 (YTD: 7,758,356), of which 5,523,256 (YTD: 5,548,256) options are unvested and 2,210,100 (YTD: 2,210,100) are vested but not yet exercised.

	4Q 2012	YTD 2012
Average number of shares	**119,064,407**	**118,782,269**
The following equity instruments have a diluting effect:		
Options	**7,733,356**	**7,758,356**
Total	**7,733,356**	**7,758,356**
Options	**7,733,356**	**7,758,356**
Number of shares purchased (MNOK 176.7/33.01 and MNOK 177.6/35.92)	**5,354,200**	**4,945,339**
Number of shares with diluting effect	**2,379,156**	**2,813,017**
Expected options to be exercised	**2,022,283**	**2,391,065**

Note 6 - Revenue, Cost of Goods Sold and Segment Information

Opera's business activities stem from browser related sales (i.e., revenue generated from Opera owned and operated properties, such as license, search and advertising revenue) and advertising revenue generated from non Opera owned and operated properties (primarily from Opera's AdMarvel, Mobile Theory and 4th Screen Advertising subsidiaries).

Opera's chief operating decision-makers are members of the Executive Team. The Executive Team meets regularly to review the period's assets, liabilities, revenues and costs for the Group as a whole, and to make decisions about how resources are to be allocated based on this information. These executive meetings also include reviews of the total revenue from advertising.

Members of the Executive Team are specified in note 3 of the FY 2011 Annual Report.

Based on the above, Opera has determined that it has two segments. Please see note 1 in the FY 2011 Annual Report for a definition of products and services for each reportable segment.

(Numbers in MUSD)

SEGMENT INFORMATION	Browser		Advertising	
	4Q 2012 (Unaudited)	4Q 2011 (Unaudited)	4Q 2012 (Unaudited)	4Q 2011 (Unaudited)
External revenues	**41.1**	**39.4**	**19.6**	**4.1**

(Numbers in MUSD)

SEGMENT INFORMATION	Browser		Advertising	
	YTD 2012 (Unaudited)	YTD 2011 (Unaudited)	YTD 2012 (Unaudited)	YTD 2011 (Unaudited)
External revenues	**162.0**	**149.0**	**54.0**	**10.8**

(Numbers in MUSD)

REVENUE BY REGION	4Q 2012 (Unaudited)	4Q 2011 (Unaudited)	YTD 2012 (Unaudited)	YTD 2011 (Unaudited)
EMEA	**21.6**	10.7	**78.1**	47.1
Americas	**30.8**	20.3	**107.0**	71.8
Asia Pacific	**8.3**	12.5	**31.0**	40.9
Total	**60.7**	43.5	**216.0**	159.8

The geographical revenue breakdown reflects revenues from external customers attributed to the entity's country of domicile. Consequently, the revenue breakdown reflects the location of Opera's customers and partners. Because the products of Opera's customers and partners are distributed globally, the breakdown above does not accurately reflect where Opera's derivative products are actually used.

In 4Q 2012, Opera had sales to one customer that accounted for more than 10% of total Group revenues. Revenue attributed to customers domiciled in USA amounted to MUSD 13.9 (YTD: 57.9).

Revenues attributed to Norway for 4Q 2012 were MUSD 0.0 (YTD: 0.2), and revenue attributed to all foreign countries in total were MUSD 60.7 (YTD: 215.9).

Note 6 - Revenue, Cost of Goods Sold and Segment Information (continued)

(Numbers in MUSD)

NON-CURRENT ASSETS	12/31/2012 (Unaudited)	12/31/2011 (Unaudited)
Non-current assets located in Norway	**17.8**	7.2
Non-current assets located in foreign countries in total	**86.4**	42.0
Total	**104.3**	49.2

The breakdown above reflects non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts) located in Norway and located in all foreign countries.

Assets located in the USA account for MUSD 70.6 of the total non-current assets. The vast majority of the value is related to the acquisitions described in more details in note 8.

(Numbers in MUSD)

COST OF GOODS SOLD	4Q 2012 (Unaudited)	4Q 2011 (Unaudited)	YTD 2012 (Unaudited)	YTD 2011 (Unaudited)
Publisher cost	**9.3**	1.5	**24.9**	3.5
License cost	**(0.0)**	0.0	**(0.0)**	0.1
Total	**9.3**	1.5	**24.9**	3.5

Publisher cost consists of the agreed-upon payments we make to publishers for their advertising space in which we deliver mobile ads. These payments are typically determined in advance as either a fixed percentage of the advertising revenue we earn from mobile ads placed on the publisher's application or Website, or as a fixed fee for that ad space. We recognize publisher cost at the same time we recognize the associated revenue.

License cost is cost from the purchase of licenses from third party suppliers.

(Numbers in MUSD)

REVENUE TYPE	4Q 2012 (Unaudited)	4Q 2011 (Unaudited)	YTD 2012 (Unaudited)	YTD 2011 (Unaudited)
Licenses/royalties	**17.1**	17.7	**67.3**	68.0
Development fees	**1.9**	2.0	**10.8**	12.2
Maintenance, support and hosting	**1.7**	1.8	**6.7**	7.5
Search	**16.1**	14.7	**62.6**	52.7
Affiliate	**2.1**	1.2	**8.5**	3.7
Advertising	**20.0**	4.2	**54.6**	11.1
Application & Content	**1.3**	1.1	**4.3**	2.8
Subscription	**0.3**	0.7	**1.2**	1.6
Other revenue	**(0.0)**	0.0	**0.1**	0.1
Total	**60.7**	43.5	**216.0**	159.8

Please see note 1 in the FY 2011 Annual Report for definition and revenue recognition of the products and services.

Note 7 - Shareholder Information

Authorization to acquire own shares
The Annual General Meeting (AGM), held on June 5, 2012, passed the following resolution:
a) The Board of Directors is authorized to acquire shares in the Company. The shares are to be acquired at market terms, in or in connection with a regulated market where the shares are traded.
b) The shares may only be used to fulfill obligations under incentive schemes approved by the shareholders. No new authority is granted by this item for new incentive schemes.
c) The maximum face value of the shares which the Company may acquire pursuant to this authorization is in total NOK 238,000. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 10, and the maximum amount is NOK 100.
d) The authorization comprises the right to establish pledge over the Company's own shares.
e) This authorization is valid from registration with the Norwegian Register of Business Enterprises until June 30, 2013.
f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.

During 4Q 2012, Opera purchased 0 (YTD: 0) shares and sold 190,186 (YTD: 1,302,430) own shares for MUSD 0.6 (YTD: 3.4). As of December 31, 2012, Opera owned 529,686 shares.

Board authorization to increase the share capital by issuance of new shares
The Annual General Meeting, held on June 5, 2012, passed the following resolutions:

1 Authorization regarding incentive program
a) The Board of Directors is authorized to increase the Company’s share capital by a total amount of up to NOK 239,000, by one or several share issues of up to a total of 11,950,000 shares, each with a nominal value of NOK 0.02. The subscription price and other terms will be determined by the Board of Directors.
b) The authorization includes the right to increase the Company’s share capital in return for non-cash contributions or the right to assume special obligations on behalf of the Company.
c) The preferential rights pursuant to Section 10-4 of the Public Limited Liability Companies Act may be deviated from by the Board of Directors.
d) The authorization may only be used for issuing new shares in relation to the Company’s incentive schemes existing at any time in the Opera Group. The authorization cannot be used in connection with options that may be granted to directors on or after June 15, 2010.
e) The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until June 30, 2013.
f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.
g) The authorization cannot be used if the Company, in the period of June 5, 2012 to June 30, 2013, pursuant to board authorizations, has issued new shares in the Company representing more than 10% of the Company’s share capital.

2 Authorization regarding acquisitions
a) The Board of Directors is authorized to increase the Company’s share capital by a total amount of up to NOK 239,149, by one or several share issues of up to a total of 11,950,000 shares, each with a nominal value of NOK 0.02. The subscription price and other terms will be determined by the Board of Directors.
b) The authorization includes the right to increase the Company’s share capital in return for non-cash contributions or the right to assume special obligations on behalf of the Company.
c) The preferential rights pursuant to Section 10-4 of the Public Limited Liability Companies Act may be deviated from by the Board of Directors.
d) The authorization may only be used in connection with acquisitions of businesses or companies, including mergers, within the business areas operated by the Opera Group, or which relates thereto.
e) The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until June 30, 2012.
f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.
g) The authorization cannot be used if the Company, in the period of June 14, 2011 to June 30, 2012, pursuant to board authorizations, has issued new shares in the Company representing more than 10% of the Company’s share capital.

Note 7 - Shareholder Information (continued)

Dividends for 2011 of NOK 0.20 per share

The Annual General Meeting, held on June 5, 2012, passed the following resolution:
NOK 0.20 per share is paid as dividend for 2011, constituting an aggregate dividend payment of KNOK 23,915.
The dividend will be paid to those who are shareholders at end of trading on June 5, 2012, and the shares will be trading exclusive of dividend rights as of June 6, 2012.

Other items passed at the AGM

For further details about the meeting held on June 5, 2012, please see the protocol from the Annual General Meeting published on the Oslo Stock Exchange Website (www.oslobors.no).

Options to Executives

On June 6, 2012 the board of directors granted 400,000 options to executives Erik Harrell and Andreas Thome. Rikard Gillemyr was granted 250,000 options. 200,000 of the options granted to Erik Harrell and Andreas Thome, and 50,000 of the options granted to Rikard Gillemyr, are subject to approval from the AGM. The vesting period started from June 6, 2012, and the options are currently booked as option liability and included in Total current liabilities.

New boardmember

Greg Coleman replaced Alberto Torres as a board member on November 14, 2012.

Option programs

For information about the employee option program, please see note 3 in the FY 2011 Annual Report.

Note 8 - Financial Information

Opera has chosen to include more information regarding currency risk as of December 31, 2012.

The majority of the financial risk carried by the Group, as a result of its subsidiaries, relates to foreign exchange fluctuations. Both sales and expenses are exposed to currency risk.

Most of the Company's foreign exchange risk relates to sales and is the result of revenue contracts signed in EUR and other currencies. In 4Q 2012, approximately 68% (YTD: 71%) of revenues were in USD and 21% (YTD: 22%) in EUR; for expenses, approximately 39% (YTD: 36%) were in USD, 20% (YTD: 30%) in NOK, 7% (YTD: 7%) in PLN, 7% (YTD: 7%) in SEK, 7% (YTD: 5%) in GBP, 7% (YTD: 3%) in AUD,3% (YTD: 3%) in CNY, 3% (YTD: 3%) in JPY and 7% (YTD: 6%) in other currencies.

Foreign currency movements had impact on Opera's 4Q 2012 income statement in the following way: Revenue would have been approximately MUSD 61.0 (higher by approximately 1%) using the 4Q 2011 constant currency FX rates and revenue would have been approximately MUSD 60.1 (lower by approximately 1%) using the 3Q 2012 constant currency FX rates. Costs would have been approximately MUSD 56.6 (higher by approximately 2%) using the 4Q 2011 constant currency FX rates and cost would have been approximately MUSD 55.1 (lower by approximately 0%) using the 3Q 2012 constant currency FX rates. The majority of the Company's purchases are made in the following denominations: NOK, USD, SEK, PLN, GBP, JPY, CZH, CNY, KRW, TWD, AUD, UAH, ISK, SGD, EUR and INR. Exchange rate fluctuations in these currencies do impact Opera's income statement.

For 4Q 2012, Opera had a net foreign exchange loss of MUSD 0.3. MUSD 1.1 was realized foreign exchange loss and MUSD 1.3 was unrealized foreign exchange gain. The unrealized disagio is estimated as the difference between the exchange rate at the closing date and date of the transaction.

Opera had not entered into any foreign exchange contracts as of December 31, 2012.

Note 9 - Business Combinations

Mobile Theory, Inc.

On February 16, 2012, Opera Software International AS acquired 100% of the shares and voting interest of the privately held company Mobile Theory, Inc. Mobile Theory (www.mobiletheory.com) is a leading premium mobile advertising network based in San Francisco, California, USA, with offices in New York, Chicago, Los Angeles and Seattle. The company, which is focused on the fast growing American mobile advertising market, experienced strong revenue growth in 2011 and is profitable. Mobile Theory's acquisition transaction highlights include: (i) $4 million cash at closing; (ii) $13 million cash in escrow (to be paid to the Sellers in 2013 and 2014 based on minimum 2012 and 2013 revenue performance targets); and (iii) $0 - $32 million in potential earnout cash consideration (to be paid to the Sellers in 2013 and 2014 based on aggressive 2012 and 2013 revenue and EBIT targets), plus additional potential limited consideration based on over performance on EBIT in 2012 and 2013.

The acquisition enables Opera to: (i) broaden its value proposition to US based mobile advertisers and publishers by providing demand side advertising services and (ii) bring in-house mobile advertising capabilities that will help better monetize Opera's own properties and traffic that is generated by Opera's vast user base.

Mobile Theory, Inc. currently employs 43 full-time equivalents. In 4Q 2012, the Group incurred acquisition-related costs of MUSD 0.0 (YTD: 0.0) related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the consolidated statement of comprehensive income.

(Numbers in MUSD)

Identifiable assets acquired and liabilities assumed	
Other intangible assets	0.0
Other investments and deposits	0.0
Property, plant and equipment	0.0
Accounts receivable*	2.0
Unbilled revenue	0.3
Other receivables	0.0
Cash and cash equivalents	0.3
Accounts payable	-1.8
Social security, VAT and other taxation payable	0.0
Other short-term liabilities	-1.2
Total net identifiable assets	**-0.4**
Cash consideration	-3.9
Contingent consideration	-32.7
Excess value	**-37.0**
Related customer relationships	3.6
Proprietary technology	0.8
Deferred tax on excess values	-1.7
Goodwill	34.4

** The provision for bad debt are MUSD 0.2.*

Note 9 - Business Combinations (continued)

The assets and liabilities that were recognized by Mobile Theory immediately before the business combination equaled the carrying amount recognized by the Group on the acquisition date. In addition, the Group booked the excess price of the fair value of the total identifiable assets as related customer relationships, proprietary technology, deferred tax on excess values and goodwill, since the excess price has been deemed to be related to these intangible assets. The substantial amount of goodwill in the acquisition of Mobile Theory can be attributed to the synergies that exist between the two companies, and the qualified Mobile Theory workforce.

Opera calculated the fair value on the acquisition date and booked a contingent consideration of MUSD 32.7 in the financial statements. The contingent consideration is revalued each quarter, and more information can be found in note 10.

The value of the related customer relationships and the proprietary technology are depreciated over a 4 year period.

The fair value of the net identifiable assets has not been calculated by an external company. Opera has treated the entire contingent consideration as consideration for the purchase of the business and no part as remuneration. The evaluation is based on the indicators outlined in IFRS 3.

4th Screen Advertising, Ltd.

On February 16, 2012, Opera Software International AS acquired 100% of the shares and voting interest of the privately held company 4th Screen Advertising, Ltd. 4th Screen Advertising (www.4th-screen.com) is a leading premium mobile advertising network in the United Kingdom. The company, which is focused on the fast growing mobile advertising market in the United Kingdom, is profitable and experienced strong revenue growth entering 2012. 4th Screen Advertising's acquisition transaction highlights include: (i) $5 million cash at closing; (ii) $3 million cash in escrow (to be paid to the Sellers in 2012 and 2014) and (iii) $0 - $6.5 million in potential earnout cash consideration (to be paid to the Sellers in 2013 and 2014 based on aggressive 2012 and 2013 revenue and EBIT targets), plus additional potential limited consideration based on over performance on EBIT in 2012 and 2013.

The acquisition enables Opera to: (i) provide demand side advertising services and an even broader value proposition to mobile publishers and mobile advertisers in Europe, which is a key strategic geographic market for Opera and (ii) bring in-house mobile advertising capabilities that will help better monetize Opera's own properties and traffic that is generated by Opera's vast user base.

4th Screen Advertising, Ltd currently employs 39 full-time equivalents. In 4Q 2012, the Group incurred acquisition-related costs of MUSD 0.0 (YTD: 0.0) related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the consolidated statement of comprehensive income.

Note 9 - Business Combinations (continued)

(Numbers in MUSD)

Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	0.1
Accounts receivable*	1.5
Unbilled revenue	5.4
Other receivables*	0.4
Cash and cash equivalents	0.8
Accounts payable	-6.9
Social security, VAT and other taxation payable	-0.5
Other short-term liabilities	-0.5
Total net identifiable assets	**0.3**
Cash consideration	-7.2
Escrow	-1.0
Contingent consideration	-4.9
Excess value	**-12.8**
Related customer relationships	2.0
Deferred tax on excess values	-0.5
Goodwill	11.3

** No provision for bad debt.*

The assets and liabilities that were recognized by 4th Screen Advertising immediately before the business combination equaled the carrying amount recognized by the Group on the acquisition date. In addition, the Group booked the excess price of the fair value of the total identifiable assets as related customer relationships, deferred tax on excess values and goodwill, since the excess price has been deemed to be related to these intangible assets. The substantial amount of goodwill in the acquisition of 4th Screen Advertising can be attributed to the synergies that exist between the two companies, and the qualified 4th Screen workforce.

Opera calculated the fair value on the acquisition date and booked a contingent consideration of MUSD 4.9 in the financial statements. The contingent consideration is revalued each quarter, and more information can be found in note 10.

The value of the related customer relationships is depreciated over a 4 year period.

The fair value of the net identifiable assets has not been calculated by an external company. Opera has treated the entire contingent consideration as consideration for the purchase of the business and no part as remuneration. The evaluation is based on the indicators outlined in IFRS 3.

Note 9 - Business Combinations (continued)

Handster, Inc

On September 9, 2011, Opera Software International AS acquired 100% of the shares and voting interest of the privately held company Handster, Inc., a leading mobile application store solution company. The agreed acquisition price was approximately MUSD 6.8 in cash. The acquisition structure also envisages up to an additional MUSD 3.0 in cash consideration, paid only if specific financial, operational and product development performance targets are met.

Opera expects that Handster, Inc. will strengthen its mobile store offerings to consumers, mobile operators and handset manufacturers. The combination of the Handster platform, along with Opera's position in the market, will make a meaningful impact on the mobile ecosystem, benefiting developers, publishers, operators and handset manufacturers around the world.

Handster, based in Northbrook, Illinois, with operations in Odessa, Ukraine, has assembled the world's largest independent Android content library and offers services to mobile operators, device manufacturers and application stores globally. The company's offerings include a white-label app store platform, content management, developer tools, content curation and financial settlement services. Handster, Inc. was founded in 2004 and is an application store solution company with operations in the U.S. and Ukraine. The Handster application store offers a scalable, highly flexible white-label application store solution for mobile operators, handset manufacturers and distributors. For more information, visit www.handster.com.

Handster, Inc., and the new Opera Software Ukraine operation, currently employs 24 full-time equivalents. In 4Q 2012, the Group incurred acquisition-related costs of MUSD 0.0 (YTD: 0.0) related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the consolidated statement of comprehensive income.

(Numbers in MUSD)

Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	0.0
Accounts receivable*	0.1
Other receivables*	0.0
Cash and cash equivalents	0.3
Accounts payable	0.0
Other short-term liabilities	-0.2
Total net identifiable assets	**0.1**
Cash consideration	-6.8
Contingent consideration	-1.7
Excess value	**-8.4**
Related customer relationships	0.8
Related developer relationships	0.8
Proprietary technology	0.4
Deferred tax on excess values	-0.8
Goodwill	7.2

** No provision for bad debt.*

Note 9 - Business Combinations (continued)

The assets and liabilities that were recognized by Handster immediately before the business combination equaled the carrying amount recognized by the Group on the acquisition date. In addition, the Group booked the excess price of the fair value of the total identifiable assets as related customer relationships, proprietary technology, deferred tax on excess values and goodwill, since the excess price has been deemed to be related to these intangible assets. The substantial amount of goodwill in the acquisition of Handster can be attributed to the synergies that exist between the two companies, the qualified Handster workforce, and the potential value of a future patent grant.

Opera calculated the fair value on the acquisition date and booked a contingent consideration of MUSD 1.7 in the financial statements. The contingent consideration is revalued each quarter, and more information can be found in note 10.

The value of the related customer and related developer relationships is depreciated over a 5 year period, and the value of the proprietary technology is depreciated over a 4 year period.

The fair value of the net identifiable assets has not been calculated by an external company. Opera has treated the entire contingent consideration as consideration for the purchase of the business and no part as remuneration. The evaluation is based on the indicators outlined in IFRS 3.

(Numbers in MUSD)

Information regarding goodwill

Goodwill at acquisition cost for Hern Labs AB	1.3
Accumulated depreciation as of 12/31/04	1.1
Net book value as of 12/31/04	0.3
Reversed depreciation 2004	0.3
Net book value as of 1/1/04 and 12/31/08	0.5
Goodwill at acquisition cost for Opera Software Poland Sp. z o.o	2.2
Net book value as of 12/31/09	2.8
Goodwill at acquisition cost for AdMarvel	13.2
Goodwill at acquisition cost for FastMail	4.0
Net book value as of 12/31/10	20.0
Goodwill at acquisition cost for Handster	7.2
FX adjustment to the goodwill acquisition cost	0.0
Net book value as of 12/31/11	27.2
Goodwill at acquisition cost for Mobile Theory	34.4
Goodwill at acquisition cost for 4th Screen Advertising	11.3
Goodwill at acquisition cost for Netview Technology	0.3
Impairment of Fastmail goodwill	-3.0
FX adjustment to the goodwill acquisition cost	0.1
Net book value as of 12/31/12	**70.3**

The Group has performed a complete impairment test as of December 31, 2012 according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill.

Note 10 - Contingent Liabilities and Provisions

Mobile Theory - Earnout agreement

Valuation techniques and key model inputs used to measure the contingent consideration:

Opera has estimated the total earnout value before discounting to be MUSD 45.5, at the acquisition date. Opera used a WACC of 20% and foreign exchange rate of 5.7284, when calculating the earnout. Based on these assumptions and the earnout valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of KUSD 32.7 in the financial statements. The FY 2012 and FY 2013 earnout targets are both based on revenue and EBIT targets. The maximum possible payment for both FY 2012 and FY 2013 is MUSD 45.0 plus additional potential limited consideration based on over performance of EBIT in 2012 and 2013. At the acquisition date, Opera calculated the earnout value before discounting to be MUSD 18.3 in FY 2012 and MUSD 27.3 in FY 2013. The weighted probability rates are estimated to change +/- 10 %.

The contingent consideration is revalued each quarter, and MUSD 21.8 has been booked as a non-current provision and MUSD 0.2 as a current provision as of December 31, 2012. For 4Q 2012, Opera booked MUSD 1.7 (YTD 6.6) as an interest expense, MUSD - 1.0 (YTD -1.3) as an FX expense and MUSD - 0.3 (YTD 0.6) as change in likelihood. The weighted probability rates are estimated to change +/- 10 %. Please also see note 9 for more details.

In 4Q 2012, Opera prepaid the 2012 earnout payment of MUSD 17.8 (of which MUSD 11.8 had CF effect in 4Q 2012).

4th Screen Advertising - Earnout agreement

Valuation techniques and key model inputs used to measure the contingent consideration:

Opera has estimated the total earnout value before discounting to be MUSD 6.9, at the acquisition date. Opera used a WACC of 20% and foreign exchange rate of 5.7284, when calculating the earnout. Based on these assumptions and the earnout valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of MUSD 4.9 in the financial statements. The FY 2012 and FY 2013 earnout targets are both based on revenue and EBIT targets. The maximum possible payment for both FY 2012 and FY 2013 is MUSD 6.5 plus additional potential limited consideration based on over performance of EBIT in 2012 and 2013. At the acquisition date, Opera calculated the earnout value before discounting to be MUSD 2.2 in FY 2012 and MUSD 4.7 in FY 2013. The weighted probability rates are estimated to change +/- 10 %.

The contingent consideration is revalued each quarter, and MUSD 3.5 has been booked as a non-current provision and MUSD 1.9 as a current provision as of December 31, 2012. For 4Q 2012, Opera booked MUSD 0.3 (YTD 0.7) as an interest expense, MNOK - 0.1 (YTD - 0.2) as an FX expense and MUSD - 0.0 (YTD - 0.2) as change in likelihood. The weighted probability rates are estimated to change +/- 10 %. Please also see note 9 for more details.

Note 10 - Contingent Liabilities and Provisions (continued)

Handster - Earnout agreement

Valuation techniques and key model inputs used to measure the contingent consideration:

Opera has estimated the total earnout value before discounting to be MUSD 2.5, at the acquisition date. The value after discounting was MUSD 1.7. Opera used a WACC at 20 %, tax rate at 40 % and foreign exchange rate at 5.651, when calculating the earnout. Based on these assumptions and the earnout valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of MUSD 1.7 in the financial statements. The FY 2012 and FY 2013 earnout targets are both based on revenue and business targets. The maximum possible payment for both FY 2012 and FY 2013 is MUSD 1.5. At the acquisition date, Opera estimated the weighted probability of reaching the FY 2012 target to be 89%, and calculated the earnout value before discounting to be MUSD 1.3. The weighted probability of reaching the FY 2013 earnout target is calculated to be 80% and the earnout value before discounting is calculated to be MUSD 1.2. The weighted probability rates are estimated to change +/- 10 %.

The contingent consideration is revalued each quarter, and MUSD 0.8 has been booked as a non-current provision and MUSD 0.6 as a current provision as of December 31, 2012. Opera has re-evaluated the same assumptions that were used on the acquisition date. For 4Q 2012, Opera booked MUSD 0.1 (YTD 0.3) as an interest expense, MNOK 0.0 (YTD - 0.1) as an FX expense and MUSD -0.2 (YTD - 0.7) as change in likelihood. The weighted probability of reaching the FY 2012 earnout target is calculated to be 75% and the weighted probability of reaching the FY 2013 earnout target is calculated to be 68%. Please also see note 9 for more details.

AdMarvel - Earnout agreement

The FY 2011 earnout of MUSD 6.5 was paid in March 2012. After this, there is no further contingent consideration to be paid.

FastMail - Earnout agreement

The final FY 2011 earnout portion of MUSD 0.9 was paid in March 2012. After this, there is no further contingent consideration to be paid.

Note 11 - Investment in Associated Companies

In 1Q 2011, Opera and China's Telling Telecom announced that they planned on establishing a company in Greater China with the goal of becoming the most popular consumer mobile Web browser and Web services platform in China. Opera will provide its browser technology and Telling Telecom will contribute a local operations team and strong distribution capabilities. Telling Telecom is the leading mobile phone distributor in China, with an 18% market share and 40,000 retail outlets.

nHorizon Innovation (Beijing) Software Ltd was co-founded by Opera Software ASA and Telling Telecom in August 2011. nHorizon is committed to developing and marketing the Oupeng mobile browser, to providing users with a simple, fast and smooth mobile Internet experience and to help people to enjoy a comfortable mobile Internet life. To learn more, please visit http://www.oupeng.com.

The total initial investment in the associate company is planned to be 135 million RMB over three years. Opera will own 25 to 40% of the associate company, depending on Opera's capital contribution over this period. In addition, Opera is guaranteed a minimum amount of revenue from the company corresponding to Opera's initial capital contribution over the three year period from the establishment of the company.

The focus of the company will be on the massive consumer mobile Internet market and revenue opportunity in China. Opera China will continue to target the operator, mobile OEM, device OEM and desktop markets independent from the company.

(Numbers in MUSD)

Information regarding nHorizon Innovation

nHorizon Innovation had the following numbers as of December 31, 2012:

Revenue	**2.0**
EBIT	**-18.4**
Net profit	**-18.5**
Assets	**0.9**
Short term liabilities	**6.2**
Equity	**0.7**

(Numbers in MUSD)

Investment in associate

The investments in nHorizon Innovation are accounted for using the equity method. In 2012, Opera invested MUSD 2.4 in both 3Q and 4Q. These investments come in addition to the MUSD 2.4 already invested in 2011. As of December 31, 2012, Opera owned 25% of nHorizon Innovation, and Opera has booked the following fair value on the accounting line "Other investments and deposits":

Investment (Booked value January 1, 2012)	1.5
Investment during the fiscal year	4.8
FX adjustment	0.3
Share of the profit/loss	-3.7
Elimination portion of sale	-0.9
Booked value	**2.0**

Note 12 - Unusual Transactions

Opera Software ASA noted no unusual transactions during the reporting period.

Note 13 - Subsequent Events

No subsequent events have occurred after the reporting date that would require the consolidated financial statements to be adjusted.

For announcements of new contracts, please see announcements published on the Oslo Stock Exchange Website (www.oslobors.no).

Note 14 - Costs for restructuring the business

During 4Q 2012, the Opera group recorded restructuring charges related to its strategic cost reduction program, which will better align costs with revenues, as well as an impairment cost for its e-mail business. Accordingly, Opera has booked an estimated impairment cost related to the goodwill write down of the Fastmail partnership that was acquired by operations in April 2010. The difference between the reassessed fair values of Fastmail, less the cost to sell and the current fair value, has been booked as an impairment cost.

During 2Q 2012, Opera Software ASA recorded restructuring charges related to a strategic cost reduction that will better align costs with revenues and legal fees related to business combinations. Opera Software ASA has in 2Q 2012 signed a new office lease agreement in Nydalen and a sub lease agreement for the current real-estate building on Waldemar Thranes gate in Oslo, Norway. The sub lease agreement is signed with NAV and is effective from August 1, 2012 to March 31, 2016. The total booked cost in 2Q for moving the office to Nydalen has been MUSD 3.1. The cost includes costs related to loss on contracts, broker fees, lawyer fees, moving costs, VAT costs, impairment costs and other fees. In addition Opera incurred moving costs in US of MUSD 0.0, severance costs of MUSD 1.0 and legal fees related to business combinations of MUSD 0.1.

During 1Q 2012, Opera Software ASA recorded legal fees related to business combinations of MUSD 0.7.

(Numbers in MUSD)

RESTRUCTURING COSTS	4Q 2012 (Unaudited)	4Q 2011 (Unaudited)	YTD 2012 (Unaudited)	YTD 2011 (Audited)
Salary restructuring cost	**5.0**	0.5	**5.9**	0.8
Option restructuring cost	**0.0**	0.0	**0.0**	-0.8
Office restructuring cost	**-0.2**	0.0	**3.0**	0.0
Termination cost - hosting center	**0.0**	0.1	**0.0**	0.6
Impairment cost	**3.0**	0.0	**3.0**	0.8
Legal fees related to business combinations	**0.0**	0.0	**0.9**	0.2
Costs for restructuring the business	**7.8**	0.6	**12.8**	1.7

Note 15 - Forward Looking Statements/Risk Factors

This Quarterly Report 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 on page 16, 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.

Historical Summary - Last 6 Quarters

(Numbers in MUSD, except per share amounts)

	4Q 2012 (Unaudited)	3Q 2012 (Unaudited)	2Q 2012 (Unaudited)	1Q 2012 (Unaudited)	4Q 2011 (Unaudited)	3Q 2011 (Unaudited)
Revenue (KUSD)						
Revenue	**60.7**	56.4	52.1	46.9	43.5	40.1
			0.0	0.0	0.0	0.0
Total revenue	**60.7**	56.4	52.1	46.9	43.5	40.1
Revenue (% sequential growth)	**8%**	8%	11%	8%	8%	2%
EBIT*	**13.2**	13.7	11.0	12.4	11.3	11.0
EBIT, excluding stock option costs*	**14.0**	14.6	12.0	13.2	12.0	11.9
EBITDA*	**16.0**	16.2	13.5	14.4	13.2	12.7
EBITDA, excluding stock option costs*	**16.8**	17.0	14.5	15.2	13.9	13.6
EPS	**0.023**	0.055	0.009	0.056	0.058	0.077
EPS, fully diluted	**0.023**	0.054	0.008	0.055	0.057	0.076

* excluding costs for restructuring the business

Supplemental information

(Numbers in MUSD)

Revenue Customer Type YTD numbers	YTD 2012 (Unaudited)	YTD 2011 (Unaudited)
Operators	**41.7**	47.4
Mobile OEMs	**3.7**	12.0
Device OEMs	**28.2**	27.5
Mobile Consumers	**19.5**	6.1
Mobile Publishers and Advertisers	**54.1**	10.8
Desktop Consumers	**67.5**	53.8
Other	**1.2**	2.2
Total	**216.0**	159.8

(Numbers in MUSD)

Revenue Customer Type QTR numbers	4Q 2012 (Unaudited)	3Q 2012 (Unaudited)	2Q 2012 (Unaudited)	1Q 2012 (Unaudited)	4Q 2011 (Unaudited)
Operators	**10.5**	10.4	10.4	10.4	9.9
Mobile OEMs	**0.3**	0.3	1.3	1.8	2.5
Device OEMs	**8.8**	4.2	7.4	7.8	9.0
Mobile Consumers	**4.6**	8.6	3.4	3.0	2.3
Mobile Publishers and Advertisers	**19.6**	14.1	13.5	6.9	4.1
Desktop Consumers	**16.6**	18.5	15.7	16.7	15.0
Other	**0.3**	0.3	0.3	0.3	0.7
Total	**60.7**	56.4	52.1	46.9	43.5

Operators: Opera is a trusted partner for operators globally. The Company currently offers a co-branded Opera/Operator-branded hosted solution to operators around Opera Mini and Opera Mobile with Turbo. Opera Mini is a hosted solution for mass-market phones which offers server-side content compression and fast Internet download speeds. A similar cloud-based content compression technology is also offered for Opera Mobile for smartphones, which is packaged for distribution to Operators and OEMs as Opera Turbo. Opera Mini and Opera Mobile with Turbo offer up to 90% content compression, all increasing an operator's implied throughput capacity of its mobile network. Opera's revenue sources from this hosted solution include active user fees, data fees, NRE/development fees, hosting services, advertising and maintenance and support.

Mobile Original Equipment Manufacturers (OEMs): The Company has focused on Mobile OEMs as a key source of distribution to drive Opera's overall mobile Internet user base. Opera is focused, not only on the distribution of Opera Mini, but also on the distribution of Opera Mobile with Turbo, with particular focus on the Android platform.

Overall, Mobile OEM distribution has become a very important complement to the distribution of Opera's products on Opera.com, with approximately 30% of Opera's Opera Mini users coming via this distribution channel.

In addition, Opera has been focused on expanding its distribu-tion partners in this space to include the chipset manufacturers.

Opera currently has license and distribution agreements with a diverse range of chipset manufacturers and mobile OEMs, including: Cosmo Air (Opera Mobile), HTC (Opera Mobile), Huawei (Opera Mobile & Mini), Micromax (Opera Mini), Motorola (Opera Mobile & Opera Mini), MTK (Opera Mobile & Opera Mini), Nokia (Opera Mini), Pantech (Opera Mini), Qualcomm (Opera Mini), Samsung (Opera Mobile & Opera Mini), Sony (Opera Mini), Spice Mobiles (Opera Mini), Spreadtrum (Opera Mini & Opera Mobile), TCL (Opera Mini) and ZTE (Opera Mobile & Opera Mini).

Global device Original Equipment Manufacturers (OEMs): As device manufacturers seek to enhance their relationships with and provide compelling applications and services to their consumers, they are increasingly developing Internet-connected devices.

Traditionally, television has been referred to as a "lean back" medium, where interaction is passive. Today, television manufacturers are trying to encourage consumers to become more actively engaged with their TV sets, referred to as a "lean-forward" model, by providing Web applications, Web browsing and other digital content on TVs. This has been spurred not only by the desire of the TV manufacturers to differentiate, obtain premium pricing for their product offerings and generate new revenue streams, but also by the perceived opportunity to bring many of the same services that have been deployed successfully in the mobile phone eco-system, such as mobile Web browsing and application stores, to their TV consumer customers.

Supplemental information (continued)

Opera currently has license agreements with a wide range of consumer electronic device OEMs, including Entone, Huawei, Humax, Loewe, Mediatek, Nintendo, Pioneer, Philips, Sagem, Sharp, Sony, Technicolor, Technisat, Toshiba, Verifone, and Vestel.

Mobile Consumers ***(Opera owned and operated properties) :*** Opera's tremendous worldwide success with mobile consumers across all mobile platforms has occurred because of Opera Mini. First, Opera Mini is faster than the competition, due to the up to 90% compression compared to a normal full Web browser. This makes for a much more enjoyable and efficient browsing experience for consumers. Second, Opera Mini is much cheaper for consumers – i.e., consumers save up to 90% browsing with Opera Mini compared to competitive products, due to Opera's unique proxy browsing technology. Third, Opera works on the vast majority of mobile phones, supporting more than 3,000 different mobile phone models. Fourth, Opera believes its user interface design and rendering quality is superior to the competition.

Mobile Publishers and Advertisers ***(Opera Network Members) :*** Revenue generated from mobile publishers and advertising customers relates to non-Opera owned and operated properties. Opera's goal is to power the mobile advertising ecosystem through innovative and differentiated mobile advertising services and technology solutions, targeting premium advertisers, ad agencies, publishers and developers. Opera's ultimate mission is to help both premium publishers increase revenue from their mobile properties and content and advertisers reach and acquire potential customers.

Through Opera's mobile advertising network subsidiaries, Mobile Theory (USA) and 4th Screen Advertising (UK) (both acquired in 1Q12) and Opera's mobile ad technology platform, AdMarvel, Opera is able to offer premium mobile advertisers the ability to build their brands and engage with consumers by offering creative services, sophisticated targeting capabilities, significant audience and publisher reach, high levels of transparency and measurability on ad campaigns and support for highly interactive and engaging advertising experiences on a full range of mobile devices, including display banner ads, interactive rich media ads and video ads.

Desktop Consumers: Opera's monetization strategy for its desktop browser revolves predominantly around search. Google is Opera's global search partner and provides the majority of desktop monetization. This global partnership is supplemented by local search partnerships in certain markets, such as Russia, Japan, and China, where Opera works with Yandex, Yahoo! Japan and Baidu, respectively. In addition, Opera has signed up e-commerce players such as Amazon.com (USA, Germany, Japan), Booking.com (64 countries), and Ozon (Russia) to further enhance ARPU.

(Numbers in MUSD)

Operator revenue **YTD numbers**	**YTD 2012** (Unaudited)	**YTD 2011** (Unaudited)
NRE and M&S	**2.5**	8.7
Licenses, active-user fees and hosting	**39.2**	38.7
Total	**41.7**	47.4

(Numbers in MUSD)

Operators **QTR numbers**	**4Q 2012** (Unaudited)	**3Q 2012** (Unaudited)	**2Q 2012** (Unaudited)	**1Q 2012** (Unaudited)	**4Q 2011** (Unaudited)
NRE and M&S	**0.4**	0.5	0.9	0.8	0.7
Licenses, active-user fees and hosting	**10.1**	10.0	9.5	9.7	9.2
Total	**10.5**	10.4	10.4	10.4	9.9

(Numbers in MUSD)

Mobile OEMs **YTD numbers**	**YTD 2012** (Unaudited)	**YTD 2011** (Unaudited)
NRE and M&S	**2.2**	5.0
Licenses and active-user fees	**1.5**	7.1
Total	**3.7**	12.0

(Numbers in MUSD)

Mobile OEMs **QTR numbers**	**4Q 2012** (Unaudited)	**3Q 2012** (Unaudited)	**2Q 2012** (Unaudited)	**1Q 2012** (Unaudited)	**4Q 2011** (Unaudited)
NRE and M&S	**0.2**	0.2	0.7	1.0	1.3
Licenses and active-user fees	**0.0**	0.1	0.6	0.8	1.2
Total	**0.3**	0.3	1.3	1.8	2.5

Supplemental information (continued)

(Numbers in MUSD)

Device OEMs **YTD numbers**	**YTD 2012** (Unaudited)	**YTD 2011** (Unaudited)
NRE and M&S	**9.4**	**5.2**
Licenses and active-user fees	**18.8**	**22.2**
Total	**28.2**	**27.5**

(Numbers in MUSD)

Device OEMs **QTR numbers**	**4Q 2012** (Unaudited)	**3Q 2012** (Unaudited)	**2Q 2012** (Unaudited)	**1Q 2012** (Unaudited)	**4Q 2011** (Unaudited)
NRE and M&S	**2.0**	2.4	3.0	1.9	1.6
Licenses and active-user fees	**6.8**	1.8	4.4	5.9	7.4
Total	**8.8**	4.2	7.4	7.8	9.0

In million subscribers

Total Opera mobile browser users **Operator and co-branded**	(Unaudited)
January 2011	11.5
February 2011	12.0
March 2011	13.6
April 2011	15.0
May 2011	16.1
June 2011	16.2
July 2011	16.8
August 2011	18.0
September 2011	19.7
October 2011	21.5
November 2011	23.9
December 2011	26.7
January 2012	29.4
February 2012	29.5
March 2012	31.1
April 2012	36.9
May 2012	38.7
June 2012	39.8
July 2012	41.2
August 2012	42.0
September 2012	41.7
October 2012	**45.8**
November 2012	**48.8**
December 2012	**53.7**

In million subscribers

Total Opera mobile browser users State of the Mobile Web*	(Unaudited)
January 2010	51.8
February 2010	52.8
March 2010	57.8
April 2010	62.3
May 2010	65.3
June 2010	64.7
July 2010	70.1
August 2010	76.7
September 2010	84.7
October 2010	92.2
November 2010	98.3
December 2010	105.9
January 2011	111.0
February 2011	110.4
March 2011	123.4
April 2011	128.3
May 2011	134.8
June 2011	136.2
July 2011	143.2
August 2011	149.7
September 2011	153.0
October 2011	161.9
November 2011	166.6
December 2011	175.9
January 2012	182.8
February 2012	183.7
March 2012	193.0
April 2012	189.6
May 2012	196.2
June 2012	200.4
July 2012	205.8
August 2012	209.9
September 2012	207.2
October 2012	**215.4**
November 2012	**215.9**
December 2012	**229.2**

**These numbers include Opera and operator hosted Mini users as well as Opera Mobile users. Please also see: http://www.opera.com/smw/.*

In million users

Monthly Desktop users (last month of quarter)	4Q 2012 (Unaudited)	3Q 2012 (Unaudited)	2Q 2012 (Unaudited)	1Q 2012 (Unaudited)	4Q 2011 (Unaudited)
Total	**55**	55	55	60	57