

A large, stylized graphic of the letters 'Q4' in a vibrant blue color. The 'Q' is on the left and the '4' is on the right. The '4' is composed of several geometric shapes: a triangle at the top, a trapezoid in the middle, and a larger trapezoid at the bottom. The background is white.

OPERA SOFTWARE
2013 Q4 REPORT

4Q 2013 Financial Highlights

	Financial metric	4Q13 (MUSD)	4Q12 (MUSD)
Revenue	Total revenue	89.6	60.7
Profitability	Adj. EBITDA*	24.0	16.8
	EBIT**	16.8	13.2

- Revenue growth of 48%
- Record revenue and profit
- Strong revenue growth from Mobile Operators, Mobile Consumers and Mobile Publishers & Advertisers

*Non-IFRS EBITDA excludes stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.

** Excludes one-time extraordinary costs

Financial review

Erik Harrell, CFO/CSO

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Financial Highlights 4Q13

	Financial metric	4Q13 (MUSD)	4Q12 (MUSD)
Revenue	Total revenue	89.6	60.7
Profitability	Adj. EBITDA*	24.0	16.8
	EBIT**	16.8	13.2
Cash generation	Operating Cash Flow	14.9	16.0
	Free Cash Flow***	12.6	10.2

*Non-IFRS EBITDA excludes stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.

** Excludes one-time extraordinary costs

*** Operating Cash Flow less capital expenditures

4Q13 Actuals versus Guidance

	4Q 2013 Actuals	4Q 2013 Midpoint Guidance*
Revenue	MUSD 89.6	MUSD 85.5
Adj EBITDA**	MUSD 24.0	MUSD 23.0
EBIT***	MUSD 16.8	MUSD 17.5

*Provided at 3Q13 Presentation (October 25th, 2013)

** Non-IFRS EBITDA excludes stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.

*** Excludes one-time extraordinary costs

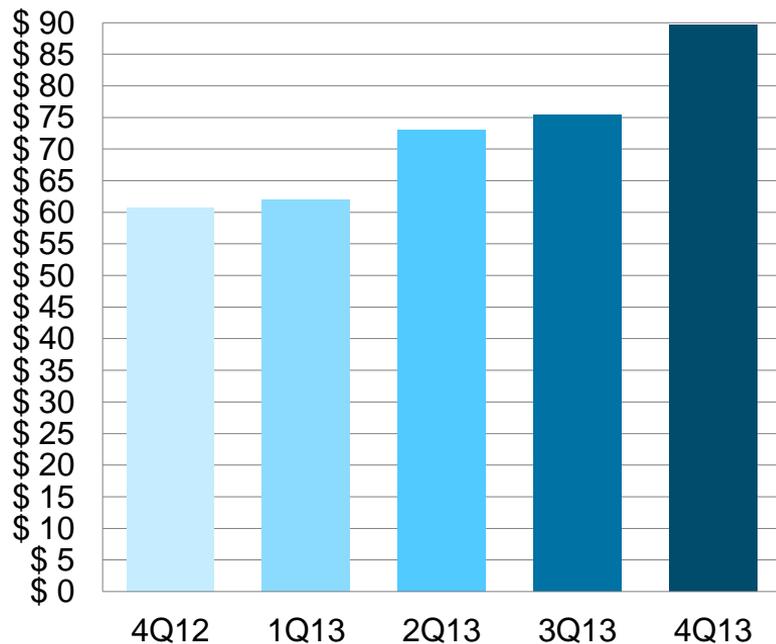
4Q13 Financial Review

MUSD	4Q13*	4Q12	Q on Q
Revenue	89.6	60.7	48%
Cost of Goods sold-	20.7	9.3	123%
Payroll and related expenses -	29.5	24.4	21%
Stock-based compensation expenses-	1.0	0.9	11%
Depreciation and amortization -	6.3	2.8	124%
Other operating expenses -	15.3	10.2	50%
Total expenses =	72.8	47.5	53%
EBIT*	16.8	13.2	28%
Extraordinary acquisition related adjustments	29.7	0.4	
Net Income	49.3	2.8	
EPS (USD)	0.385	0.023	
Non- IFRS Net Income	24.1	13.7	
Non- IFRS EPS (USD)	0.188	0.115	

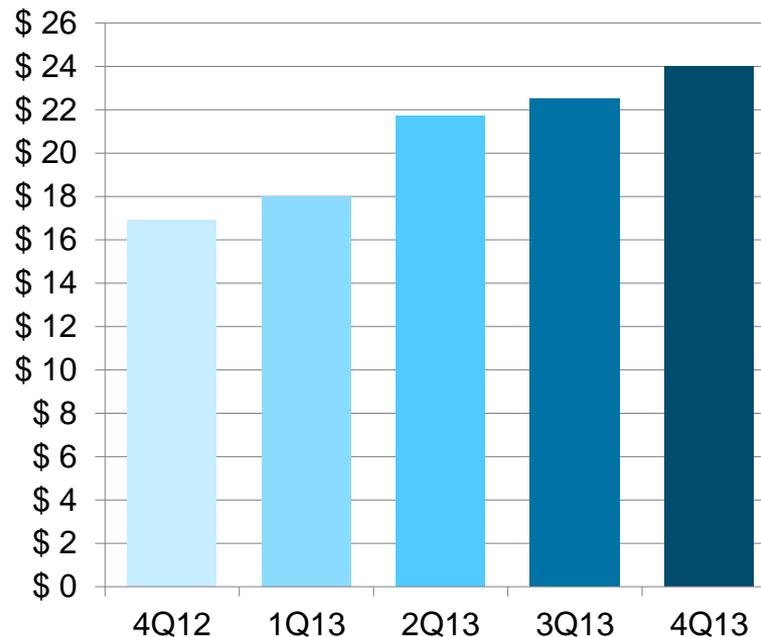
* Excludes one-time extraordinary costs

Financial Highlights: 4Q12 – 4Q13

Revenue (MUSD)



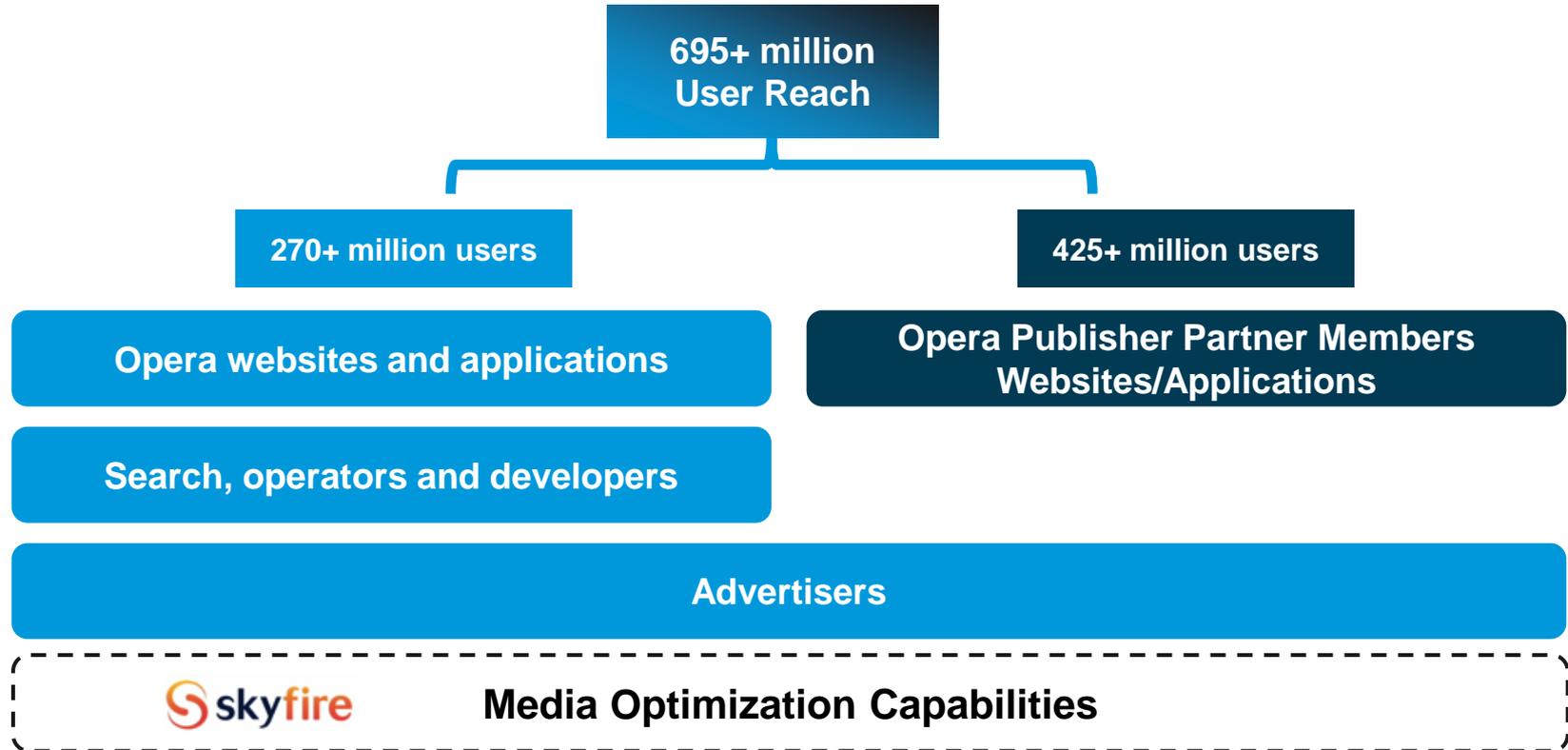
Adjusted EBITDA* (MUSD)



* Non-IFRS EBITDA excludes stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.

Opera helps partners reach its massive mobile audience

Opera Powers the Mobile Internet and App Economy



Revenue Growth Drivers

Operators

Users and Usage and explosion of video traffic

Mobile Consumers

Users and Usage and smartphone growth

Mobile Publishers & Advertisers

Mobile Advertising Spend from Premium Brands and Performance Advertisers

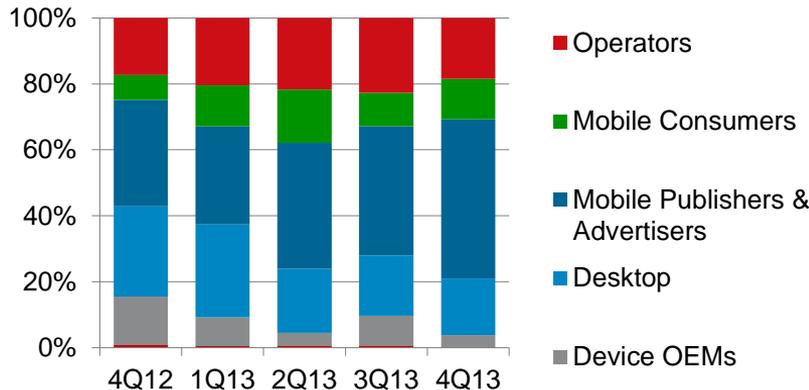
Desktop

Users and Usage

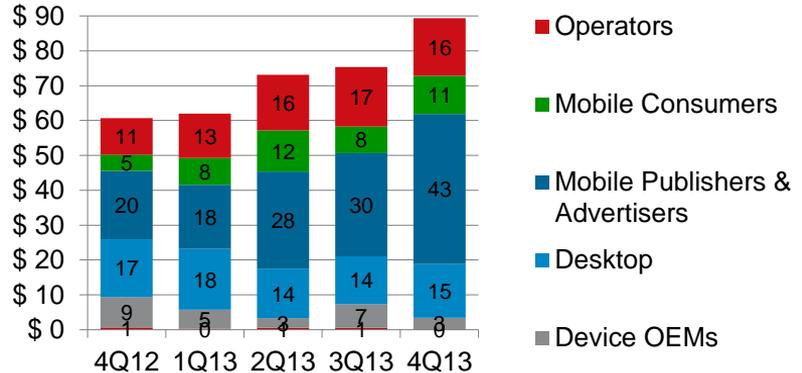
Revenue: Customer Type 4Q13

Overall revenue above expectations

Customer Type	
Operators	In line with expectations
Mobile Consumers – Opera Owned and Operated Properties	In line with expectations
Mobile Publishers & Advertisers – Opera Publisher Partner Members	Above expectations
Desktop Consumers	In line with expectations
Device OEMs	In line with expectations



MUSD



Revenue: Operators 4Q13

Operator revenue in line with expectations

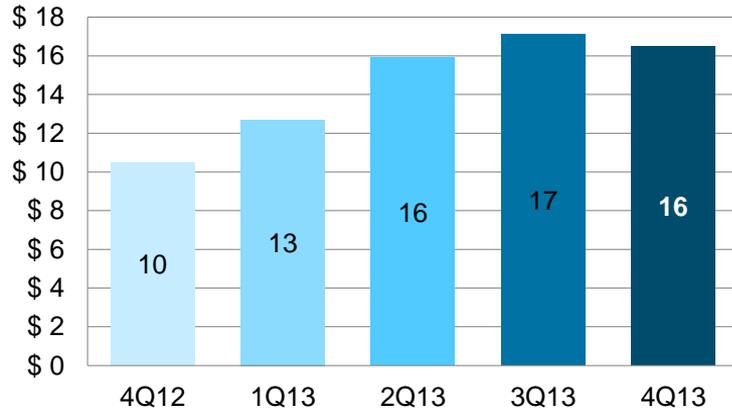
Cloud based Operator Data/License revenue up 55% to MUSD 15.5, driven primarily by Opera Mini Operator license revenue from user growth and revenue from Skyfire

Overall revenue growth: Up 57% versus 4Q12, driven by Cloud based Operator Data/License revenue growth

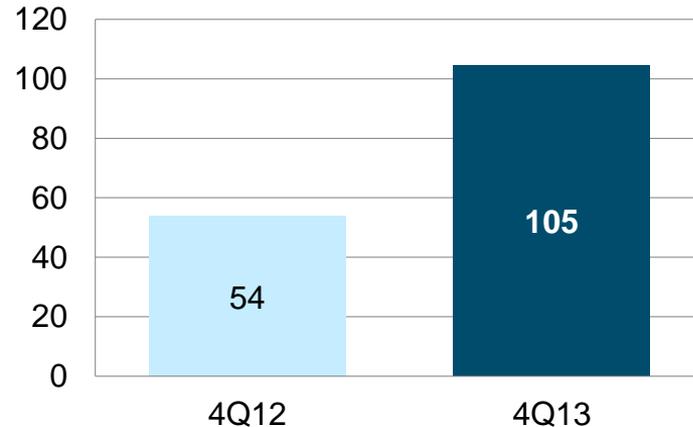
95% Operator active user growth December 2013 vs. December 2012

User growth driven by Airtel, MTN, Telenor, Vimpelcom and Vodafone in particular

MUSD Operator Revenue total*



Operator Cloud Users (Million)**



* Unaudited

** Operator Opera Mini users and Operator Horizon users

Revenue: Mobile Consumers – Opera Owned and Operated Properties 4Q13

Mobile Consumer revenue in line with expectations

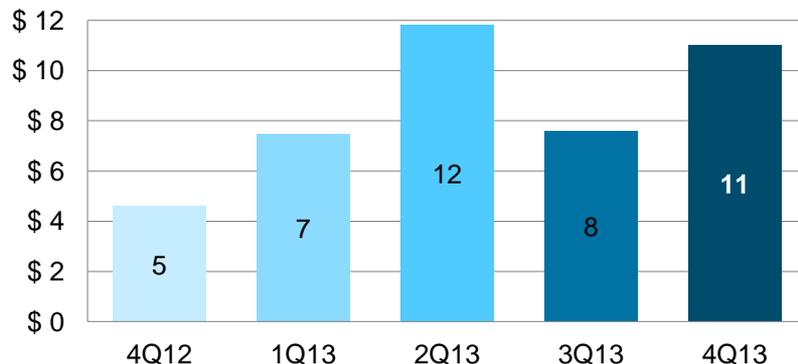
Revenue growth driven primarily by license revenue and mobile advertising

270M users by end of 4Q13, up 50M compared to end of 4Q12

27.8b ad requests from owned & operated properties in 4Q13, up 102% versus 4Q12. Application downloads from OMS of 161 million in 4Q13, up 147% compared to 4Q12. Opera users of the Smartpage and Discover page increased to 55 million users by the end of 4Q13, up from 48 Million in 3Q13.

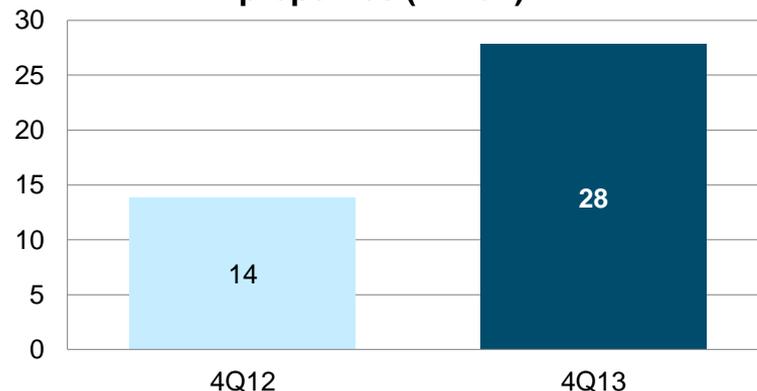
Revenue growth: 141% versus 4Q12

Mobile Consumers – Opera Owned and Operated Properties* (MUSD)



* Unaudited

Ad requests from owned & operated properties (Billion)



Revenue: Mobile Publishers & Advertisers – Opera Publisher Partner Members 4Q13

Mobile Publisher & Advertiser revenue above expectations

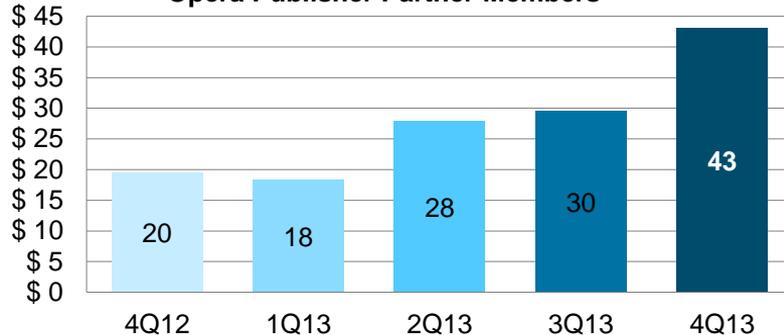
Revenue growth driven by both premium advertisers, including Amazon, AMEX, BMW, Google, Home Depot, Lloyds Samsung and Walmart, and performance advertisers such as King.com and Netspend

AdMarvel platform managed 180B ad impressions in 4Q13, up 29% vs. 4Q12

14,000+ websites and applications enabled in 4Q13, up from 12,000+ in 4Q12 and total reach of 425m+ in 4Q13 up from 140m+ in 4Q12

Revenue growth: 120% versus 4Q12

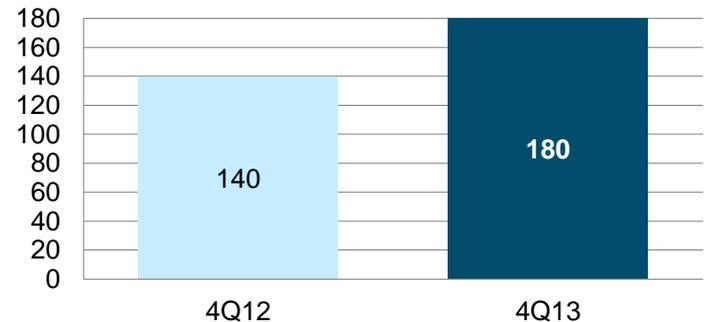
**MUSD Mobile Publishers & Advertisers
Opera Publisher Partner Members***



*Unaudited

** Includes Opera's O&O ad impressions

AdMarvel managed ad impressions (Billion)**



Revenue: Desktop Consumer 4Q13

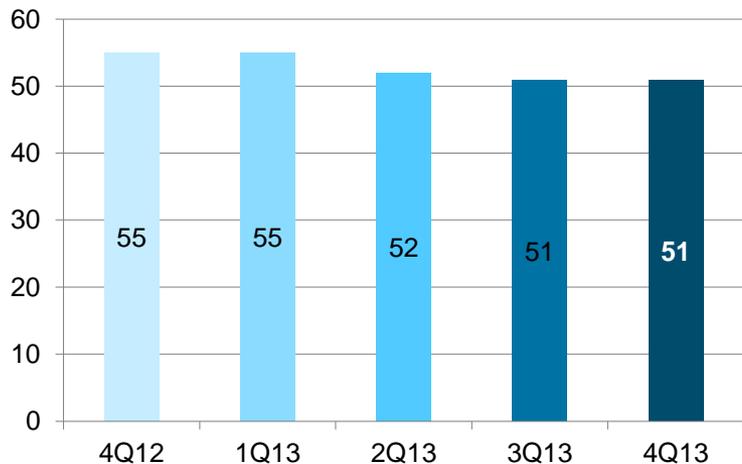
Desktop revenue in line with expectations

Solid ARPU with lower search revenue, partly offset by higher content and advertising revenue

Desktop users at 51 million, down 7% versus 4Q12

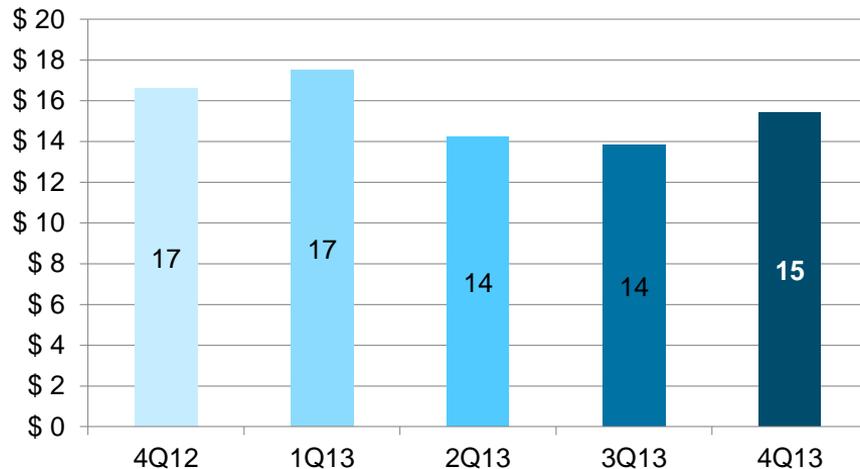
Overall revenue growth: -7% versus 4Q12

Monthly Desktop users* (last month of quarter)



* Unaudited.

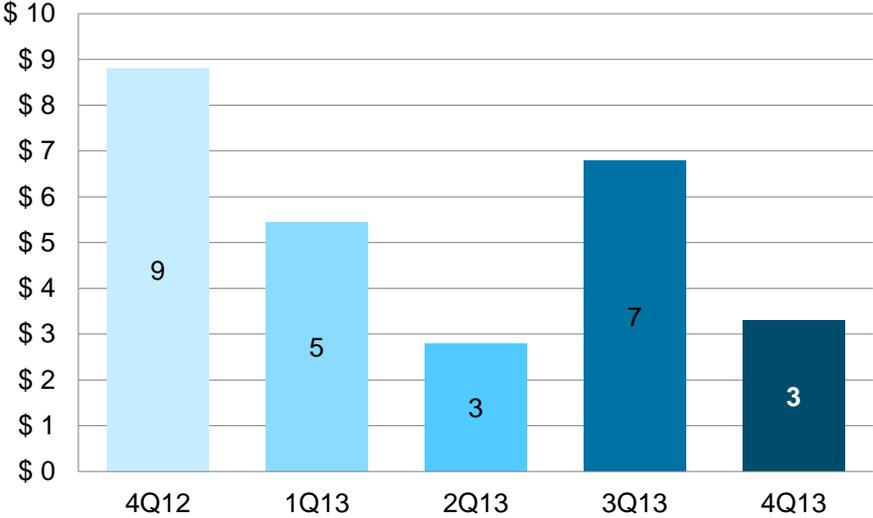
Desktop revenue* (MUSD)



Revenue: Device OEM 4Q13

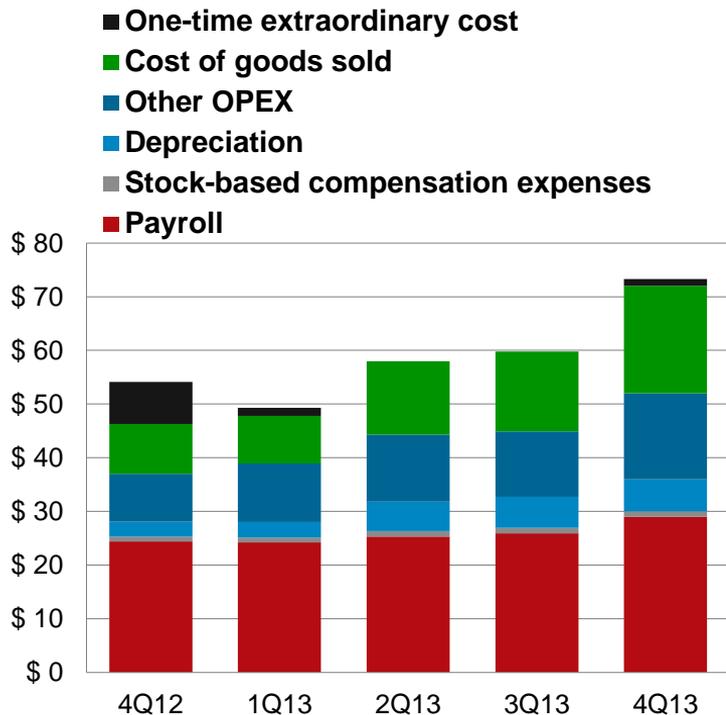
Device OEM revenue in line with expectations
Revenue driven by Connected TV customers
License revenue: ~80% of revenue
Overall revenue growth: Down 62% versus 4Q12

MUSD Device OEM revenue*



* Unaudited

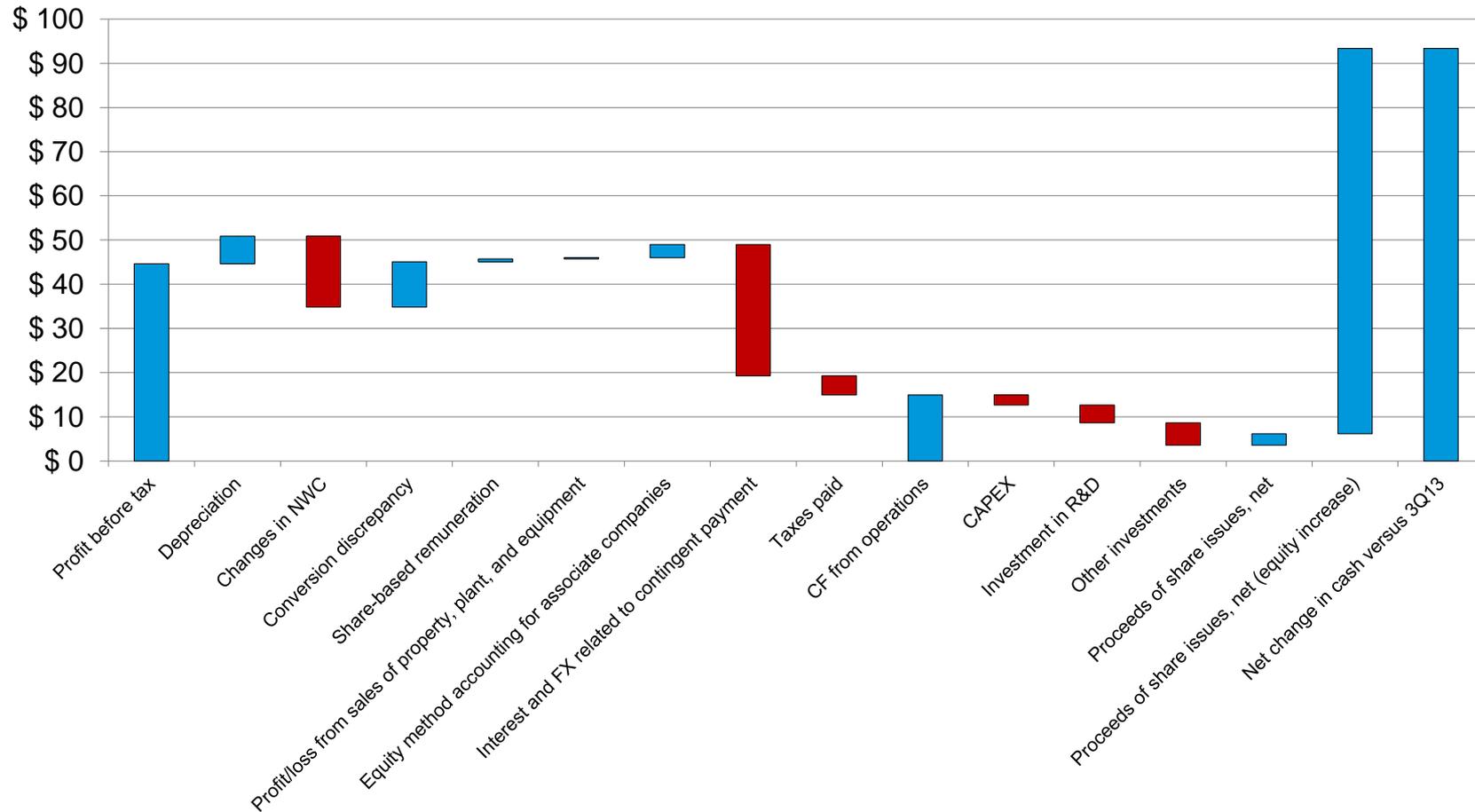
OPEX Development



Cost line	4Q13 vs. 4Q12	Comments
Payroll	21%	Higher headcount
Cost of Goods Sold	123%	Driven by 110% growth in Mobile Publisher and Advertiser revenue COGS or Publisher Cost related to Mobile Publisher & Advertiser business
Other OPEX	50%	Hosting costs, marketing and travel expenses key drivers
Depreciation & Amortization	124%	Higher investments in Opera Mini server infrastructure and depreciation on intangible assets related to acquisitions
Stock-based compensation expenses	11%	Higher strike price for granted options
One-time extraordinary cost	NA	Opera recorded restructuring charges of MUS\$ 1.1 related to a strategic cost reduction that will better align costs with revenues and legal fees related to business combinations.
Total Expenses*	53%	

*Excludes one-time extraordinary cost

Cash Flow 4Q13 (MUSD)



2013 review

Metric	2012	2013	2013 vs. 2012
Revenue	MUSD 216	MUSD 300.1	39%
Adj EBITDA*	MUSD 63.6	MUSD 86.6	36%
Operating Cash Flow	MUSD 37.6	MUSD 49.5	32%

* Non-IFRS EBITDA excludes stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.

1Q14 Guidance

Metric	1Q14 Guidance
Revenue*	MUSD 85-88
Adj EBITDA***	MUSD 21-23

* Assumes currency remainder of 1Q14 (NOK 6.2 /USD, USD 1.35 /EUR)

** Non-IFRS EBITDA excludes stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.

1Q14 Guidance Overview

		Vs. 4Q13*	Comments
Revenue	Operators	Flat/Up	Solid cloud based license/data revenue
	Mobile Consumers	Up	Solid user growth and solid ARPU
	Mobile Publishers & Advertisers	Down	Seasonally weaker quarter
	Desktop	Flat	Stable user trend and solid ARPU
	Device OEMs	Up	Driven by Connected TV customers
Expenses	Payroll	Up	Growing headcount in MP&A business
	Cost of goods sold	Down	Reflecting Mobile Publisher & Advertiser revenue trend
	Stock-based compensation	Flat	General trend
	Depreciation	Up	Continued investments in cloud based server hosting infrastructure
	Other Opex	Flat/Up	Growing headcount in MP&A business

Assumes currency remainder of 1Q14 (NOK 6.2/USD, USD 1.35/EUR)

2014 Guidance

Metric	2014 Guidance
Revenue*	MUSD 390-410
Adj EBITDA**	MUSD 108-116

* Assumes currency remainder of 2014 (NOK 6.2 /USD, USD 1.35 /EUR)

** Non-IFRS EBITDA excludes stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.

2014 Outlook

	2013 Actual	2014 Outlook
Operators	\$62.1mm	Up, driven by Operator co-brands and Rocket Optimizer
Mobile Consumers – Opera Owned and Operated Properties	\$37.9mm	Up, driven by growth in mobile advertising revenue on O&O properties
Mobile Publishers & Advertisers – Opera Publisher Partner Members	\$119.1mm	Up, driven by growth from brand and performance advertisers
Desktop Consumers	\$60.9mm	Flat, driven user trend, search, content and advertising revenue
Device OEMs	\$18.3mm	Flat, driven by Connected TV customers

2014 Guidance Puts Us On Track Towards 2015 Financial Aspirations

Metric	2012 Actual	2013 Actual	2014 Guidance	2015 Aspiration
Revenue*	MUSD 216	MUSD 300.1	MUSD 390-410	MUSD 500
Adj EBITDA**	MUSD 63.6	MUSD 86.6	MUSD 108-116	MUSD 150

* Assumes currency remainder of 2014 (NOK 6.2 /USD, USD 1.35 /EUR)

** Non-IFRS EBITDA excludes stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.

Operational update Lars Boilesen, CEO



2013

OPERA mediaworks | mobile
tablet
interactive tv

skyfire



Q4: Best quarter of the year

Highlights from our business units:

Consumer products: Products launched on all platforms and good user growth

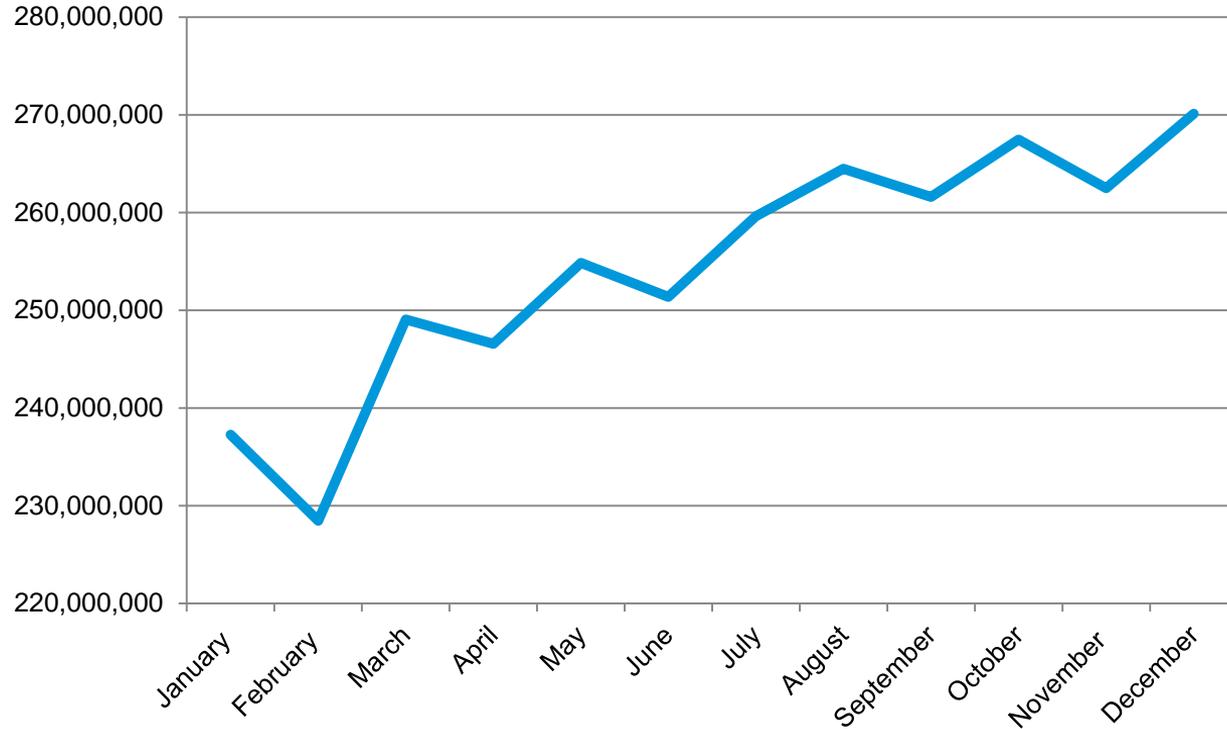
Operators: New product added to portfolio and new deals signed

Opera Mediaworks: Record revenue quarter and new acquisition in Latin America

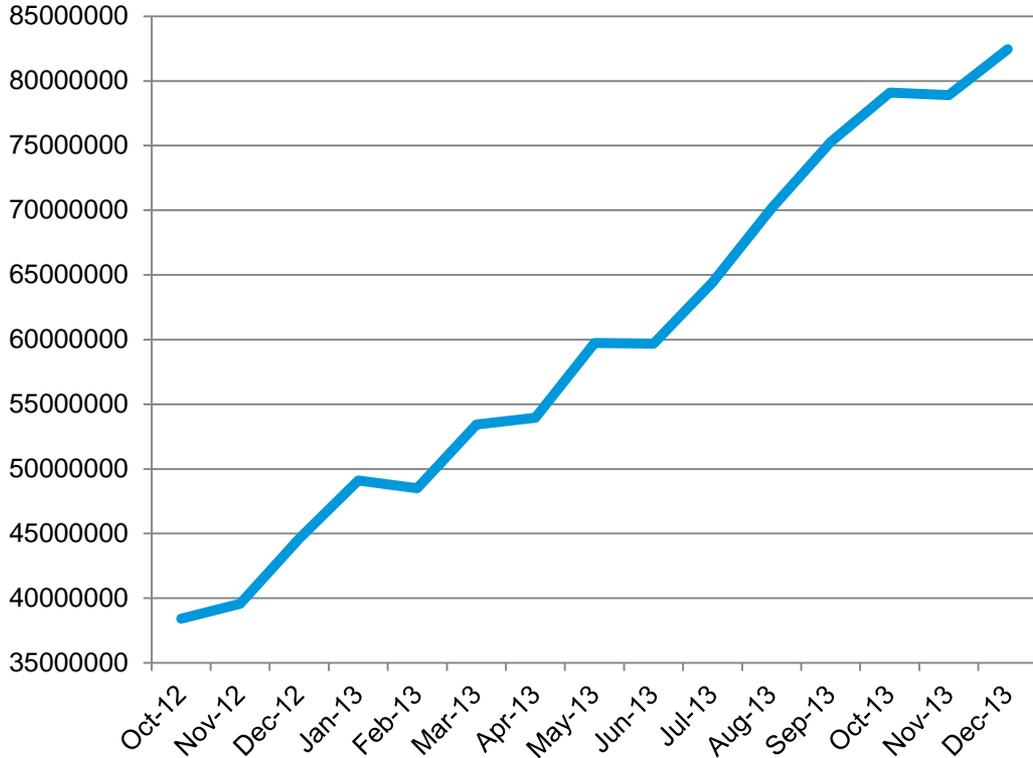
Consumer products

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270+ million active monthly mobile users

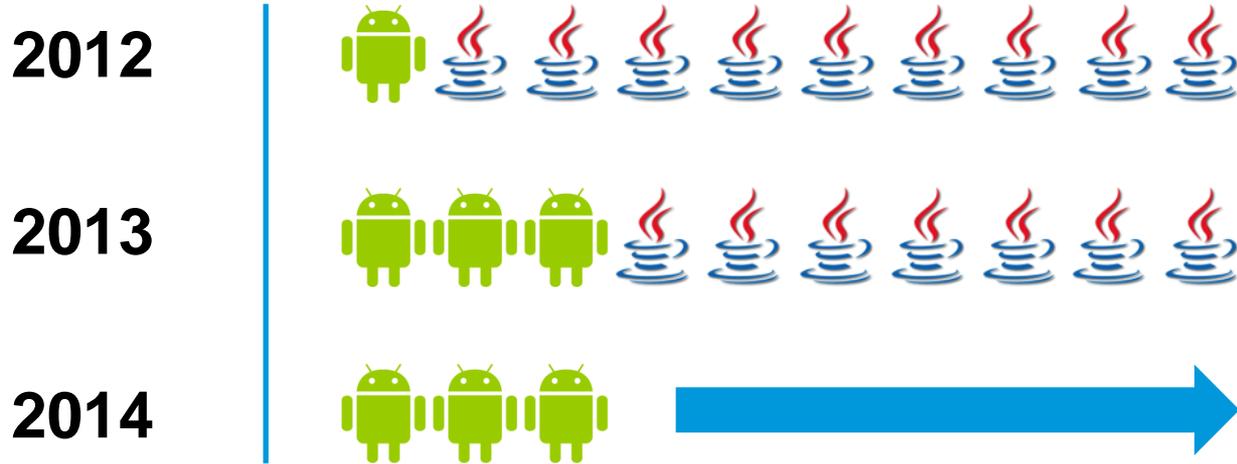


More than 82 million active monthly Opera Android users



Migrating our user base to smartphones

Major part of our mobile users will be on Android or iOS this year



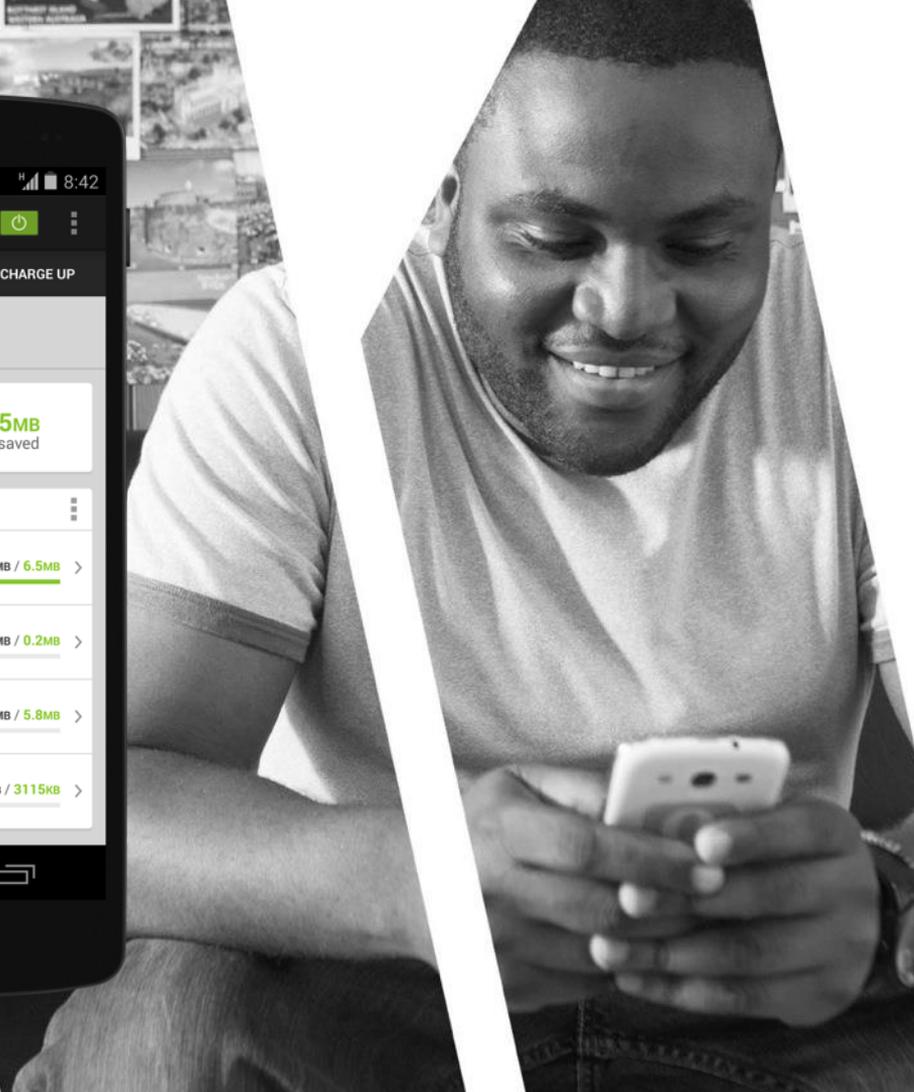
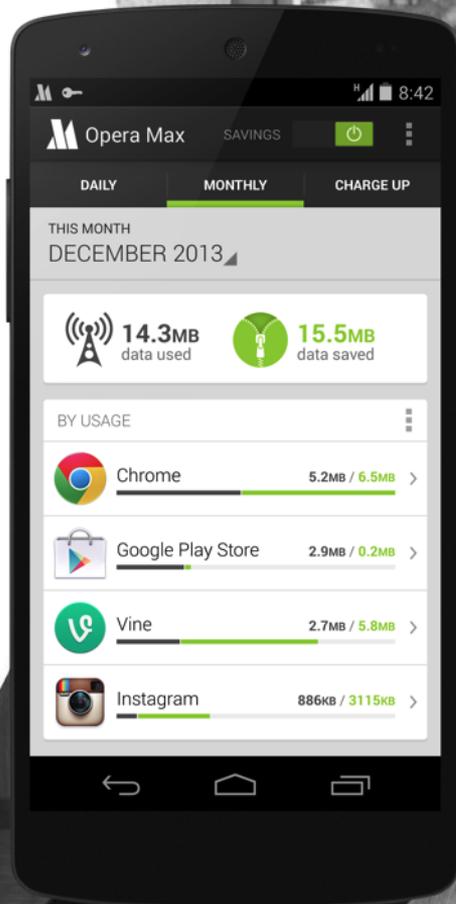


Opera Max

Video compression enabled

Q1: US Final, Android

Q1: EU Beta, Android

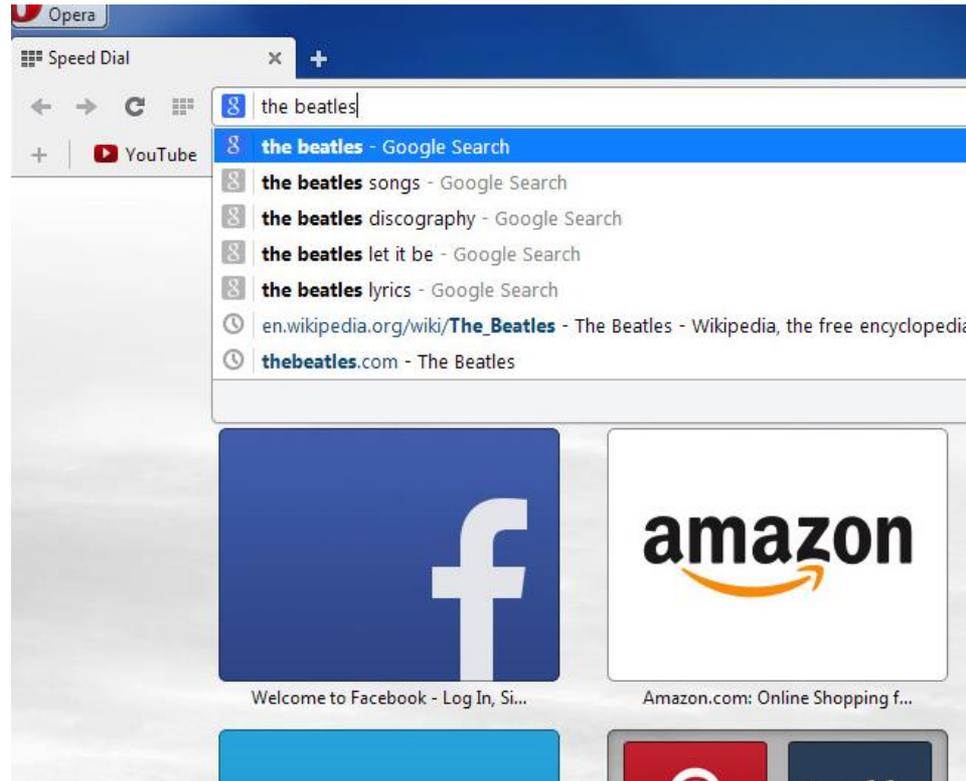


2013 was a turning-point year for Opera desktop

Major part of user base is now on the new product, high engagement among these users

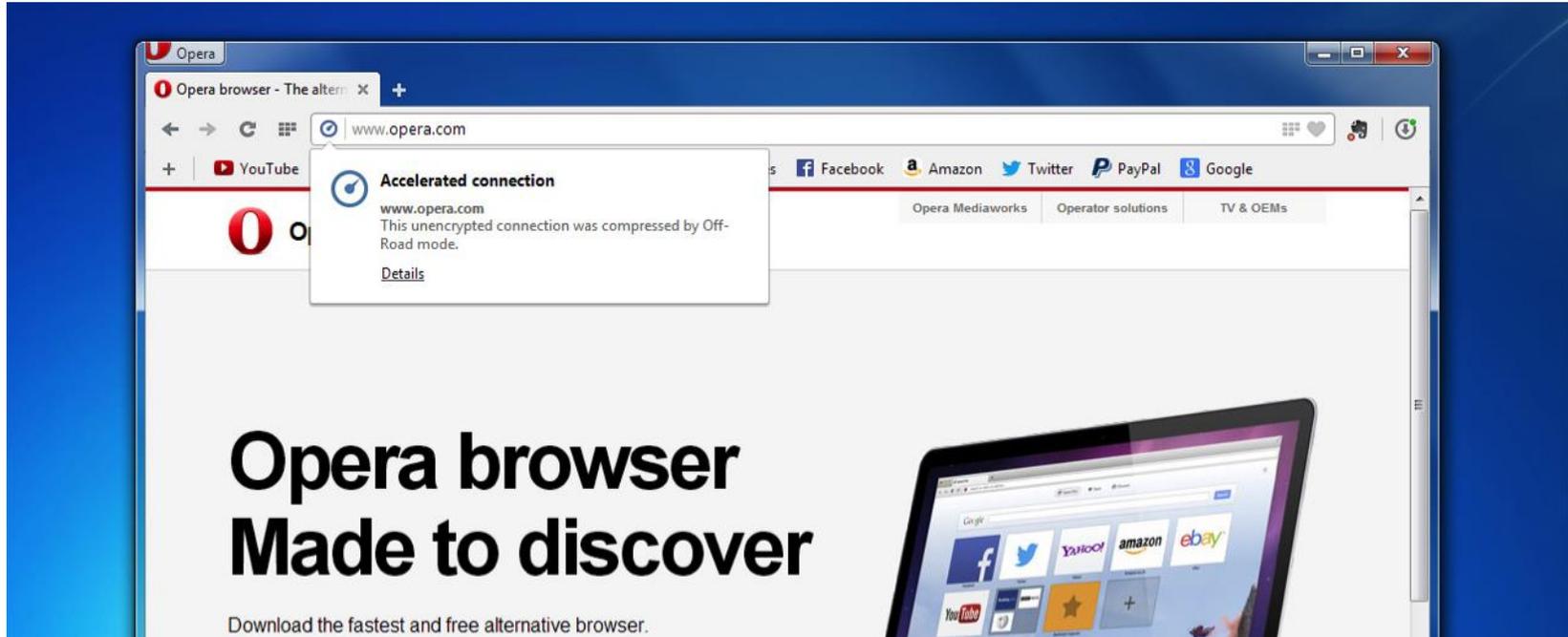
User base improvement in Russia and CIS

New product cuts churn by more than 25%



2nd generation data compression

Planned release 1st half of the year



The image shows a screenshot of the Opera browser interface. The address bar displays 'www.opera.com'. A notification box is overlaid on the page, titled 'Accelerated connection', with the text: 'www.opera.com This unencrypted connection was compressed by Off-Road mode. Details'. The notification box has a blue checkmark icon. Below the notification, the main content area features a large banner with the text 'Opera browser Made to discover' and a smaller text 'Download the fastest and free alternative browser.' To the right of the text is an image of a tablet displaying a mobile version of the Opera browser interface with various social media and shopping icons like Facebook, Twitter, Yahoo!, Amazon, and eBay.

TV & Devices

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Opera TV Store lands on Samsung Blu-Ray players

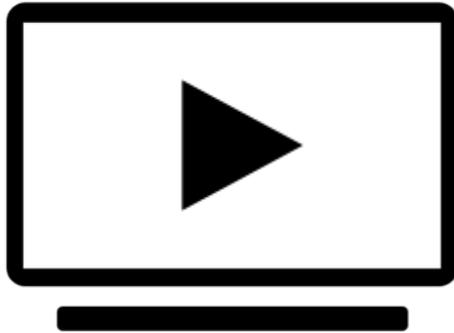
Brings hundreds of TV apps to million of viewers

Available on:

- Samsung Blu-ray player Series 5
- Samsung Home Theater System Series 5
- As well as Samsung's Series 4 models



Opera TV Store shipping on millions of devices worldwide



TVs



Blue-ray
Players



Set-up Boxes

Skyworth SONY Hisense MEDIATEK HUMAX TCL CHANGHONG  amino KONKA 

Opera TV Snap growing inventory of internet media and TV-channels



Operators

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Our operator offering one year ago



Co-branded Opera Mini

Rocket Optimizer

Opera Web Pass



Co-branded Opera Mini



Opera Max

Horizon



Rocket Optimizer

Opera Web Pass

Opera Mobile Store



VimpelCom

“By extending our strategic partnership with Opera we now have a strong toolkit to deliver an improved mobile internet experience to all our customers, using any device, any app, while browsing or streaming video and music.”

Mikhail Gerchuk

VimpelCom’s Group Chief Commercial and Strategy Officer

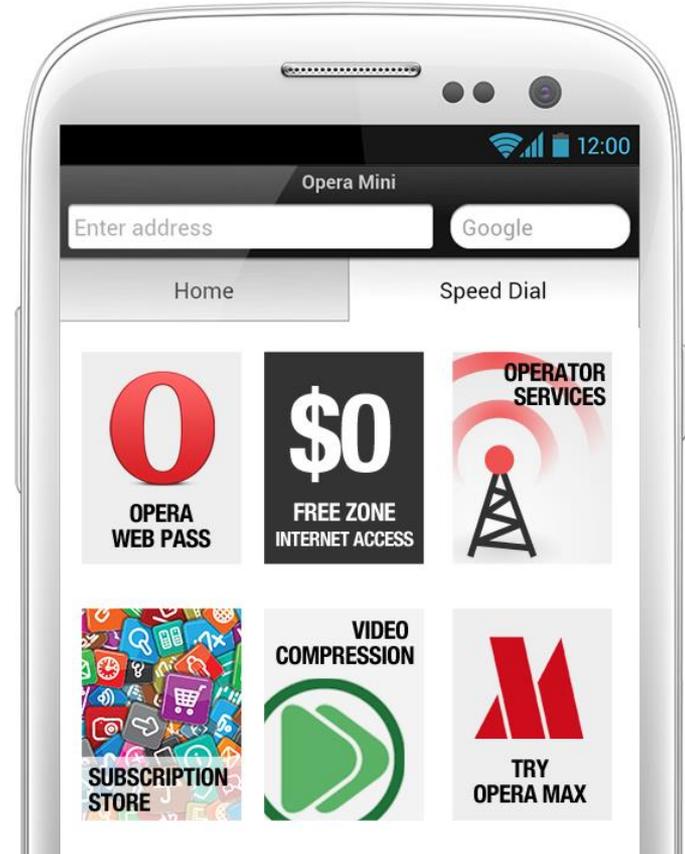
Co-branded Opera Mini

Opera Max

Q4: Crossed the 100 million milestone for co-branded Opera Mini users

In 2014, we will extend the suite of co-branded services to further drive monetization:

- Free internet to users who watch an ad
- Sponsorships for Opera Web Passes
- Speed Dial links for operator campaigns
- Subscriptions for unlimited access to mobile games
- Video savings to help users stay longer online
- Promotion of new products like Opera Max

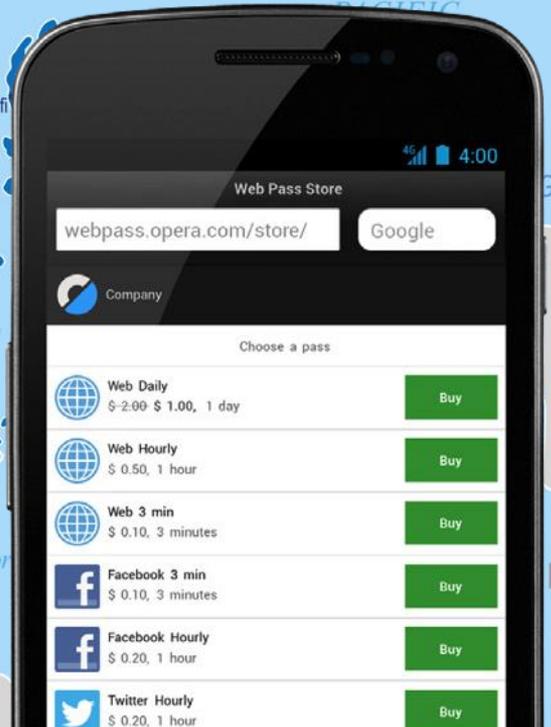


Oi, we signed a new co-branded deal

The largest telecommunications telephone company in Brazil and the second largest in Latin America



Strong momentum on Opera Web Pass



Philippine Sea

Celebes Sea

Java Sea

INDIAN OCEAN



Video savings in
Opera products



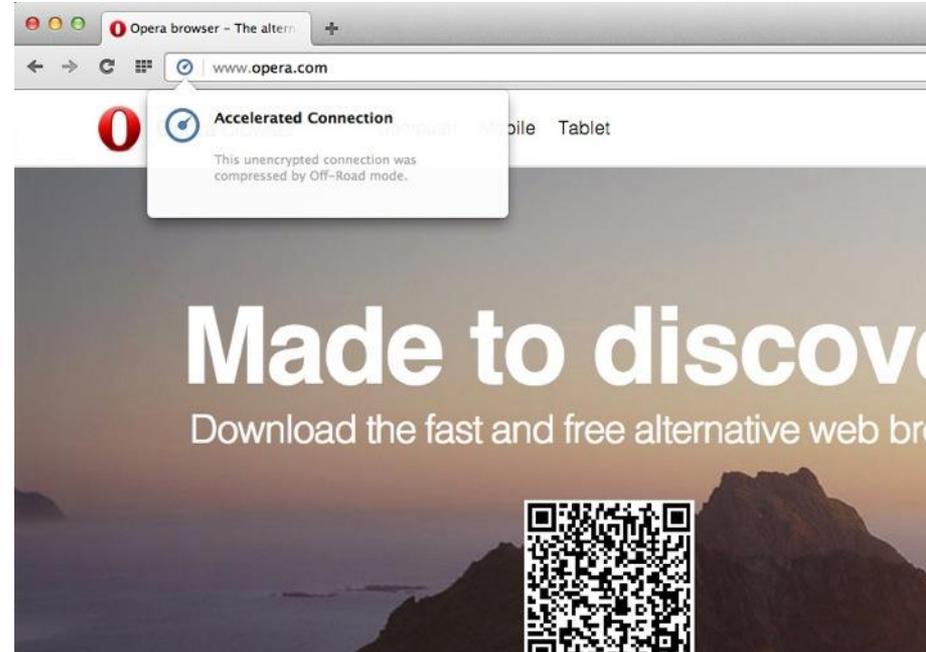
Extensive offering
to mobile operators



Technology licensing
to partners



Skyfire mobile optimization technology will be a key differentiator in Opera browsers





Growing pipeline and momentum for Skyfire

Mobile video is growing rapidly across operator networks. Smartphone's and 4G makes this trend grow even faster.

Operators need tools to manage traffic, analytics and reports to always give the user a good experience.

ROCKET
OPTIMIZER



**US Tier 1
Operator**



Skyfire technology will help our partners

Increased interest from internet companies and mobile manufacturers to license video technology.

Improves our relevance and creates opportunities for significant revenue.



New Skyfire management led by Nitin Bhandari

Co-founded Skyfire in 2007

Expertise on video savings technology and mobile browser development

Will work closely to integrate Skyfire technology into Opera technology



Opera Mediaworks

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Q4: Advertisers & Agencies customers



Ad requests – these are our top 10 countries



1. United States



2. India



3. United Kingdom



4. Indonesia



5. Brazil



6. Canada



7. Russia



8. Mexico



9. Germany



10. France

Expanding in Latin America

Expands presence in Latin America with offices in:

Argentina: Buenos Aires

Mexico: Mexico City

Costa Rica: San Jose

Colombia: Bogotá

Brazil: Sao Paulo

As well as the U.S. Hispanic market through Miami, Florida.



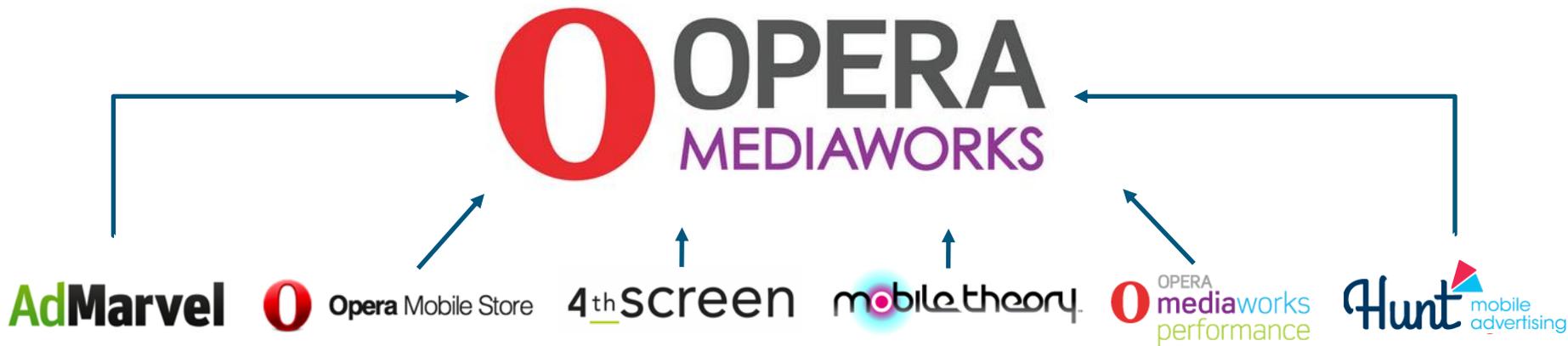
Why Mobile Advertising in Latin America?

Represents a market of over 600 million consumers that are rapidly adopting the mobile internet.

Reach hundreds of millions of global consumers, whose eyes will turn to the World Cup in 2014 and the Summer Olympics in 2016 – both in Brazil.

2 of the top of our 10 advertising markets (by country) are in Latin America (Brazil and Mexico)

Over 50 million of the 270 million mobile consumers that use Opera's mobile browsers are based in Latin America, with an exploding growth in ad impressions expected in 2014.





Q&A
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