



OPERA SOFTWARE ANNOUNCES THIRD QUARTER RESULTS

Record Revenue and Adjusted EBITDA

Oslo, Norway – October 30, 2014 – Opera Software (OSEBX: OPERA) today reported financial results for the third quarter, which ended September 30, 2014.

3Q 2014 financial highlights include:

- Revenue of \$138.8m, up 84% versus 3Q13
- Adjusted EBITDA* of \$33.9m, up 51% versus 3Q13
- Operating Cash Flow of \$18.2m versus \$20.1m in 3Q13
- Free Cash Flow of \$15.4m versus \$15.8m in 3Q13

Revenues

Compared to 3Q13, 3Q14 saw strong revenue growth from Mobile Consumers (Owned and Operated Properties) and Mobile Publishers and Advertisers (Opera Publisher Partner Members), revenue growth from Device OEMs and a relatively flat revenue trend from Desktop Consumers and Mobile Operators.

Profit

EBITDA, excluding stock-based compensation expenses, was \$33.9 million compared with \$22.5 million in 3Q13. EBITDA was \$29.4 million in 3Q14 compared with \$22.5 million in 3Q13. EBIT was \$19.5 million in 3Q14 compared to \$15.6 million in 3Q13.

3Q14 IFRS Net Income was -\$11.7 million compared to \$1.3 million in 3Q13. Non-IFRS 3Q14 Net Income was \$20.4 million compared to \$14.0 million in 3Q13. The Company's non-IFRS Net Income in 3Q14 excludes the effects of \$4.5 million in non-cash stock-based compensation expenses, \$9.1 million related to a non-controlling strategic equity interest in a joint venture and \$18.5 million in acquisition related adjustments. Note that the \$18.5 million in acquisition related adjustments is comprised of the following: \$14.8 million of this cost is interest expense and FX adjustments related primarily to the AdColony acquisition and \$3.7 million relates to acquisition depreciation expenses and tax expenses associated with all of Opera's acquisitions.

EPS and fully diluted EPS were -\$0.082 and -\$0.080, respectively, in 3Q14, compared to \$0.011 and \$0.010, respectively, in 3Q13. Non-IFRS EPS and fully diluted Non-IFRS EPS were \$0.143 and \$0.138, respectively, in 3Q14, compared to \$0.114 and \$0.111, respectively, in 3Q13.

Liquidity and capital resources

The Company's net cash flow from operating activities was \$18.2 million in 3Q14 compared to \$20.1 million in 3Q13. Cash flow from operating activities was impacted positively by strong profitability and negatively by changes in working capital. Opera's cash balance was impacted positively by net cash flow from operating activities, proceeds from the equity offering and proceeds from sale of equipment and negatively by expenses related to acquisitions, share buybacks, investments in research and development and capital expenditures. Capital expenditures, which are primarily related to Opera's hosting operations, were \$2.7 million in 3Q14 versus \$4.4 million in 3Q13.

Operational Highlights

■ Mobile Consumers – Opera Owned and Operated Properties

Revenue of \$12.8 in 3Q14, up 68% versus 3Q13

Total Opera mobile consumer users reached 271 million at the end of 3Q14, up 4% versus the end of 3Q13

Opera's Android users reached 116 million at the end of 3Q14, up 54% versus the end of 3Q13

Total of 41.1 billion ad requests were generated from Opera's owned and operated properties, an increase of 92% from 3Q13

Signed a licensing agreement with Microsoft to make Opera Mini the default web browser on Microsoft's Asha and existing feature phone platforms

Announced a partnership with MediaTek where the Opera Max™ data-savings app will be embedded into MediaTek's LTE System on Chips

■ Mobile Operators

Revenue of \$17.0m in 3Q14, down 1% versus 3Q13

Operator cloud based license/data revenue of \$16.0 million in 3Q14, flat versus 3Q13

Operator active users (Opera Mini and Skyfire's Horizon™ service) reached 131 million by the end of 3Q14, up 52% versus the end of 3Q13

Announced that Opera's Skyfire unit added streaming audio optimization to Rocket Optimizer™

Signed sponsored WebPass contract with Idea Cellular, India's 3rd-largest mobile operator

■ Mobile Publishers & Advertisers – Opera Publisher Partner Members

Revenue of \$86.9m in 3Q14, up 193% versus 3Q13

Total mobile advertising impressions managed (including O&O) was 187.5 billion in 3Q14, up 9% compared to 3Q13

Completed acquisition of mobile video advertising platform company AdColony

■ *Desktop Consumers*

Revenues of \$13.9m in 3Q14, flat versus 3Q13

Desktop users reached 51 million by the end of 3Q14, flat versus the end of 3Q13

■ *Device OEMs*

Revenues of \$8.0 in 3Q14, up 17% versus 3Q13

Announced the launch of an advertising solution for Connected TVs

Guidance

4Q FY14 Guidance:

Revenue: Revenue for the company's fourth fiscal quarter is projected to be in the range of \$159m to \$169m.

Adj EBITDA*: Adjusted EBITDA for the company's fourth fiscal quarter is projected to be in the range of \$36m to \$40m.

FY14 Guidance:

Revenue: Revenue for the company's full fiscal year 2014 is projected to be in the range of \$485m to \$495m.

Adj EBITDA*: Adjusted EBITDA for the company's full fiscal year 2014 is projected to be in the range of \$120m to \$124m.

Please find the third quarter report (3Q14.pdf), third quarter press release (3Q14_Press_release.pdf) and third quarter presentation (3Q14_presentation.pdf) attached.

Webcast:

<http://www.operasoftware.com/company/investors/webcasts/q32014>

Or

<http://embed.smartcomtv.no/88923F03-FD0B-4B1F-A4DD-14405D7A5A1C>

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About Opera Software ASA

Opera enables more than 350 million internet consumers worldwide to connect with the content and services that matter most to them and more than 130 mobile operators to deliver the very best possible internet experience to their subscriber base. Opera also helps publishers monetize their content through advertising and advertisers reach the audiences that build value for their businesses, capitalizing on a global consumer audience reach that exceeds 800 million.

This Press Release contains forward-looking statements. These statements include, among other things, statements regarding future operations and business strategies and future financial condition and prospects. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences are covered in the Opera Software FY 2013 Annual Report under the heading "Risk Factors." We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

**Adjusted EBITDA", or Non- IFRS EBITDA, refers to EBITDA excluding stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.