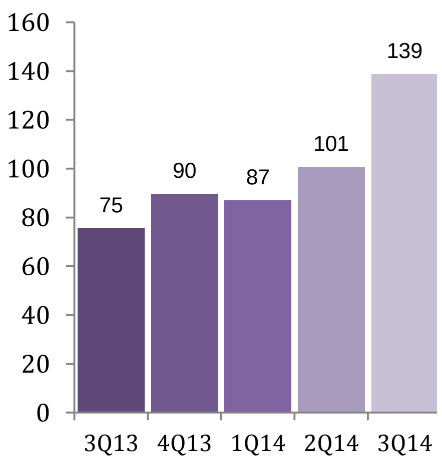
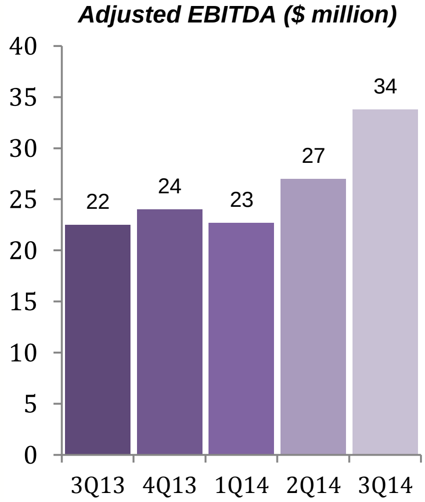
OPERA software

Quarterly Report 3Q14

Revenue ($ million)



Adjusted EBITDA ($ million)



Revenue growth of:

84%

HIGHLIGHTS

- Revenue growth of 84%
- Record revenue and adjusted EBITDA
- Strong revenue growth from Mobile Consumers and Mobile Publishers and Advertisers

Opera Quarterly Report 3Q14

Revenue was $138.8 million in 3Q14, up from $75.5million in 3Q13, an increase of 84%. Adjusted EBITDA was $33.9 million in 3Q14 compared to $22.5 million in 3Q13. EBIT was $19.5 million in 3Q14 compared to $15.6 million in 3Q13.

OPERATIONAL HIGHLIGHTS

Mobile Consumers (Opera Owned and Operated Properties)

- 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

- 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 reached $86.9 million in 3Q14, up 193% compared to 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

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

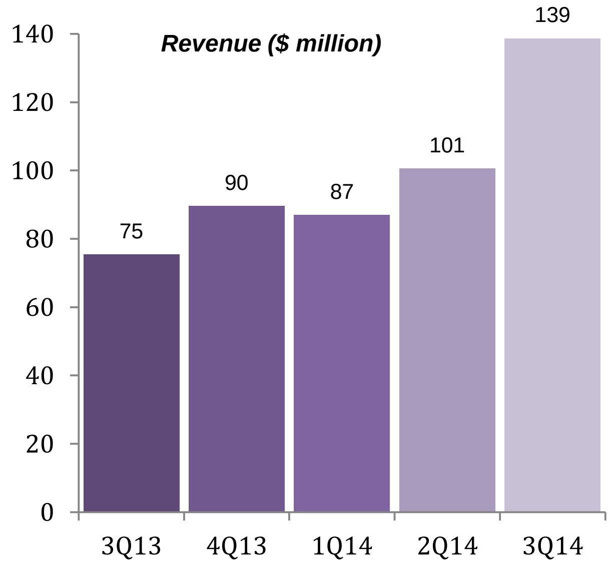
Device OEMs

- Announced the launch of an advertising solution for Connected TVs

FINANCIAL HIGHLIGHTS

Revenue

Revenue in 3Q14 was $138.8 million, up 84% from 3Q13, when revenue was $75.5 million.



Operating costs

Total operating costs were $119.3 million in 3Q14 compared to $59.9 million in 3Q13, an increase of 99%.

Cost of goods sold

Cost of goods sold in 3Q14 was $43.9 million compared to $14.9 million in 3Q13, an increase of 194%. Cost of goods sold expenses increased in 3Q14 versus 3Q13 due to higher publisher payout costs related to higher revenue from our Mobile Publisher and Advertiser business.

Payroll and related expenses

Total payroll and related expenses, excluding stock-based compensation expenses, were $39.1 million in 3Q14 compared to $25.9 million in 3Q13, an increase of 51%. Payroll and related expenses increased in 3Q14 versus 3Q13 due to headcount growth and higher payroll costs per employee.

Stock-based compensation expenses

Total stock-based compensation expenses for 3Q14 were $4.5 million compared to $1.0 million in 3Q13. 3Q14 stock based compensation costs include a full quarter of costs related to Opera´s new restricted stock unit (RSU) plan, which was approved by Opera´s shareholders at the 2014

Annual General Meeting held on June 3, 2014.

Depreciation and amortization

Depreciation and amortization expenses in 3Q14 were $10.0 million compared to $5.8 million in 3Q13, an increase of 71%. Depreciation and amortization costs increased primarily due to higher investments in Opera Mini server infrastructure, depreciation of intangible assets related to acquisitions, and amortization of research and development costs.

Other operating expenses

Other operating expenses in 3Q14 were $21.9 million compared to $12.1 million in 3Q13, an increase of 80%. Other operating expenses increased in 3Q14 versus 3Q13 primarily due to higher marketing, travel and hosting costs.

Non-IFRS EBITDA ("Adjusted EBITDA") and EBIT

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 $21.4 million in 3Q13. EBIT was $19.5 million in 3Q14 compared to $15.6 million in 3Q13.

Interest income and FX gains/ (losses)

Net interest expense was $0.9 million in 3Q14 compared to $0.3 million in 3Q13. Opera had a foreign exchange gain of $0.5 million in 3Q14 compared with a loss of $1.1 million in 3Q13.

Profit for the period

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.

Cash

Cash and cash equivalents at the end of 3Q14 were $145.3 million compared to $70.1 million in 3Q13. Proceeds from an equity offering ($125.9 million in net proceeds) consummated in late June were received in early July.

In 2Q14, the Company signed a $150 million secured revolving credit facility with DNB Bank ASA, of which $60 million has been drawn as of the end of 3Q14. This facility replaces a $100 million secured revolving credit facility that was signed with DNB Bank ASA in February 2013.

Organization

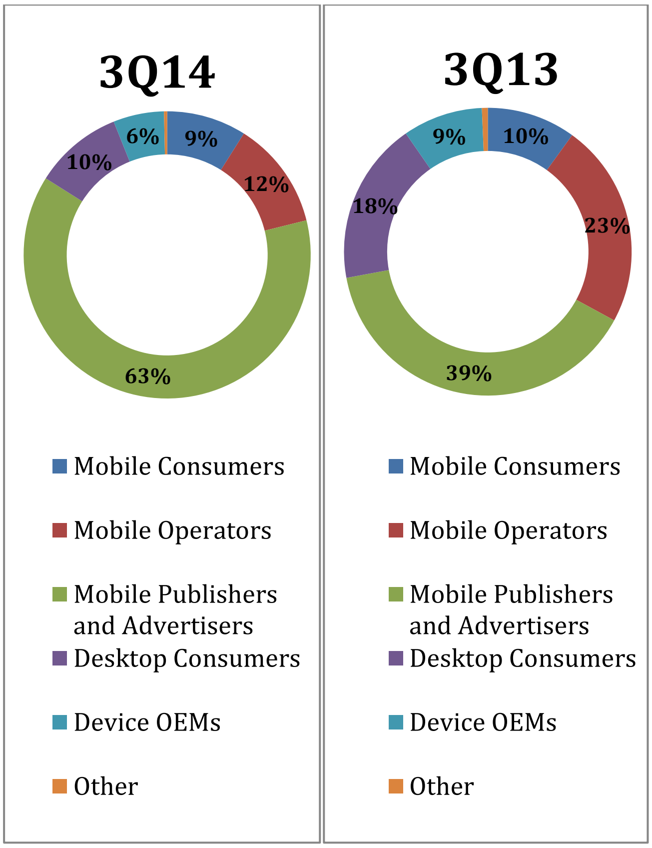
At the end of 3Q14, the Company had 1,435 full-time employees and equivalents compared to 1,016 at the end of 3Q13.

REVENUE OVERVIEW

About

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.

Customer Type ($ million)



Summary

Revenue was $138.8 million in 3Q14 compared to $75.5 million in 3Q13, an increase of 84%.

Customer Type ($ million)	3Q14	3Q13
Mobile Consumers (Opera Owned and Operated properties)	12.8	7.6
Mobile Operators	17.0	17.1
Mobile Publishers and Advertisers (Opera Publisher Partner Members)	86.9	29.6
Desktop Consumers	13.9	13.8
Device OEMs	8.0	6.8
Other	0.2	0.5
Total Revenue	**138.8**	**75.5**

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.

Overall, Opera saw strong revenue growth from its cloud based mobile services, serving operators, consumers, advertisers and publishers. Revenue from Opera´s cloud based mobile services grew 117% to $115.6 million in 3Q14, compared to $53.3 million in 3Q13.

In the quarter, Mobile Publishers and Advertisers (Opera Publisher Partner Members) was the largest source of revenue ($86.9 million in revenue and 63% of revenue), followed by Mobile Operators ($17.0 million in revenue and 12% of revenue), Desktop Consumers ($13.9 million in revenue and 10% of revenue), Mobile Consumers ($12.8 million in revenue and 9% of revenue) and Device OEMs ($8.0 million in revenue and 6% of revenue).

Mobile Consumer (Opera Owned & Operated properties) revenue was up 68% compared to 3Q13, due in particular to growth in mobile advertising revenue related to Opera´s owned and operated properties, as well as higher licensing revenue.

Revenue from Operators decreased by 1% in 3Q14 versus 3Q13. Operator cloud based license/data revenue was flat at $16.0 million in 3Q14 compared to $16.1 in 3Q13. Operator revenue saw solid license revenue in the quarter, with Opera Mini Operator co-brands and Rocket Optimizer™ being the main contributors.

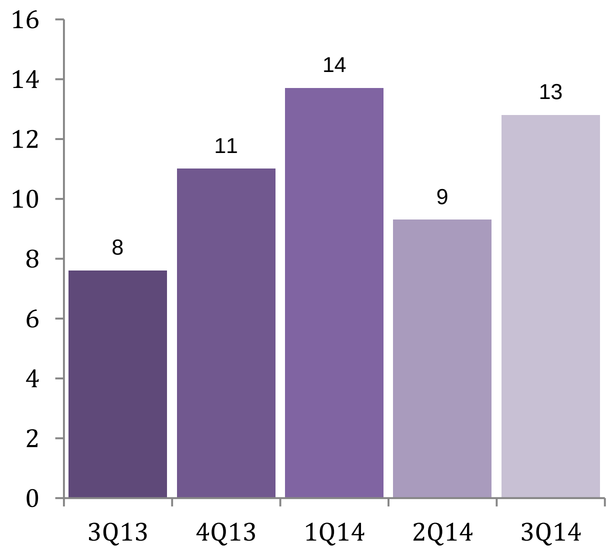
Mobile Publisher and Advertiser (Opera Publisher Partner Members) revenue grew 193% compared to 3Q13. Revenue growth was driven primarily by increased revenue from premium and performance advertisers and "app-install" driven spend from primarily the mobile gaming sector. Opera saw a very strong contribution from AdColony, whose results were incorporated into 3Q 14 from July 25, 2014.

Revenue from Desktop was flat in 3Q14 versus 3Q13, with lower search revenue offset by higher advertising revenue.

Device OEM revenue was up 17% compared to 3Q13, driven by higher license revenue from our Connected TV customers in particular.

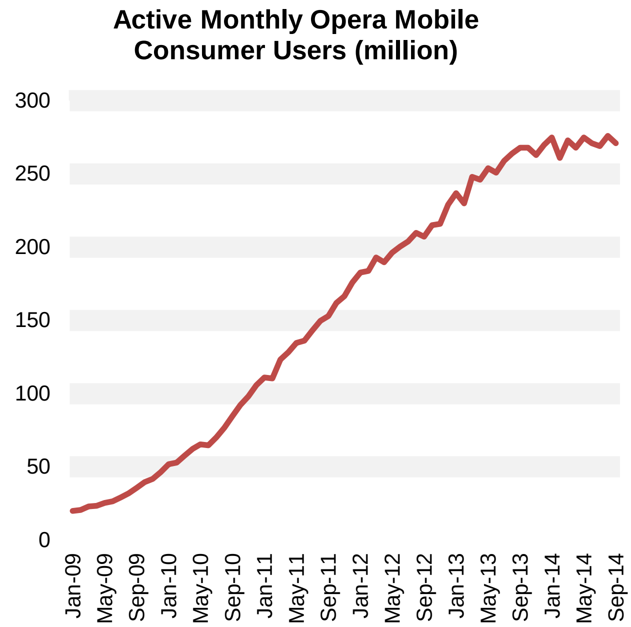
Mobile Consumers – Opera Owned and Operated Properties

Mobile Consumer Revenue ($ million)



During the quarter, mobile Internet usage around the world continued to grow at a rapid pace. Based on statistics from Global Statcounter, over 2 billion consumers accessed the Internet via a full Web mobile browser at the end of 3Q14, an increase of more than 30% compared to 3Q13.

Opera continues to maintain its position as a global leading mobile consumer company. In September 2014, 271 million unique users worldwide browsed the Web using Opera's mobile consumer 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 are superior to the competition.

Opera.com continues to be key channel for distributing the Opera branded version of Opera Mini. Opera has also focused on distribution via direct agreements with mobile OEMs and chip-set manufacturers, with these channels accounting for over 50% of Opera´s mobile user base. 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.

From a platform standpoint, Opera has put a significant focus on growing its user base on Android, both via Opera Mini and Opera for Android, Opera´s high end smartphone browser. In September 2014, the number of Opera users on Android reached 116 million, up 54% versus 3Q13. This makes Opera one of the leading third party browser applications on the Android platform.
In 3Q14, Opera announced that it signed a licensing agreement with Microsoft to make Opera Mini the default web browser for Microsoft's existing feature phones and Asha phones portfolio. The licensing agreement applies to mobile phones based on the Series 30+, Series 40 and Asha software platforms. As part of the agreement, people who use the current browser for these phones, Xpress, will be encouraged to upgrade to the latest Opera Mini browser and new factory built devices will have Opera Mini pre-installed.

During the quarter, MediaTek and Opera announced a partnership where the Opera Max™ data-savings app will be embedded into MediaTek's LTE System on Chips. Opera Max™ will enable smartphones with these chips to consume half as much the data within the same monthly plan at no extra cost. The app also enables videos to start faster and take far less time buffering. The chipsets target the emerging super-mid-market, where consumers are seeking high-performance smart devices at affordable prices.

In 3Q14, Opera and Micromax, one of the world's largest handset manufacturers, announced that they have extended their partnership to pre-install Opera Mini as an exclusive third-party mobile web browser on all Android devices launched by Micromax. These devices will be available in India, Russia, Bangladesh, Sri Lanka and Nepal.

The two companies joined forces last year and to date, Opera Mini has been pre-installed on over 50 models of Android smartphones and tablets shipped by Micromax. This partnership has enabled millions of Micromax users to enjoy the benefits of browsing the Internet with Opera Mini.

Overall, Opera´s extensive and burgeoning mobile user base has put the Company in an enviable position to both develop and expand its owned and operated properties and become a major global mobile publisher. These owned and operated properties include the Speed Dial page, the Smartpage, the Opera Mobile Store and the Discover page.

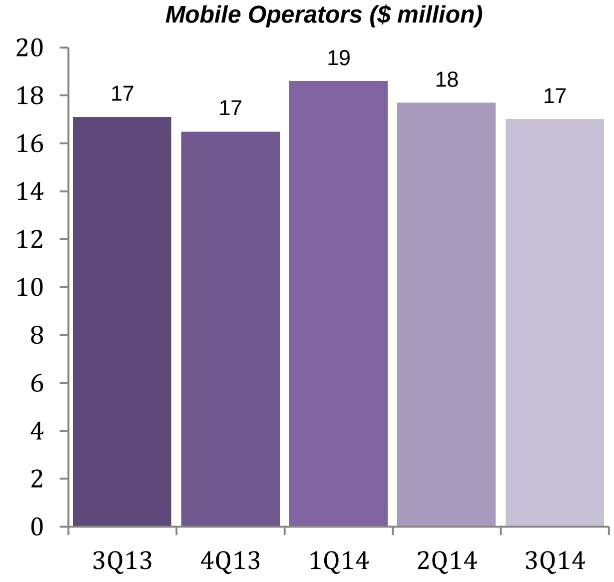
By expanding its mobile publisher properties, Opera has been able to increase usage of and user engagement with its mobile products, which, in turn, has led to higher ARPU (average revenue per user) via mobile advertising and mobile search, in particular.

Illustrating increasing usage of and engagement with Opera mobile consumer products, during the quarter, a total of 41.1 billion ad requests were generated from Opera´s owned and operated properties, an increase of 92% from 3Q13.

In addition, during the quarter, the number of application downloads from the Opera Mobile Store in 3Q14 reached 171 million, up 18% compared to 3Q13. Moreover, the number of Opera users of the Smartpage and Discover page increased to 65 million users by the end of 3Q14, up from 48 million in 3Q13, an increase of 35%.

Ultimately, Opera has created a large and growing mobile audience, and as a result of Opera´s first-party user data, the Company has become an increasingly attractive channel for advertisers and app developers as they seek to reach the Company´s large and diverse audience base.

Mobile Operators



As mobile 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, differentiation via data services and network performance/quality, and solutions to manage the explosion of mobile video and multi-media data network traffic spurred by the rapid adoption of smartphones and tablets, with video alone expected to comprise close to 70% of total mobile data traffic by 2017.

Opera is a trusted partner for operators globally. The Company currently offers five major cloud based solutions and services to Operators worldwide: (i) Operator/Co-branded versions of Opera Mini, whereby Operators are able to offer their mass market subscribers content compression, fast Internet download speeds, convenient access to operator portal services in order to drive incremental revenue, and lower priced data plans and data packages, capitalizing on the up to 90% data compression that Opera´s cloud services enables; (ii) Rocket Optimizer™, which allows mobile operators to leverage cloud computing to optimize and compress video and other multimedia traffic on crowded cell towers, including 3G and 4G LTE networks, enabling operators to both boost the capacity of their networks by up to 60% and offer better network performance and quality to their subscribers; (iii) Horizon™, a mobile browser extension and toolbar platform that allows users to personalize their smartphone browser and operators to gain new monetization opportunities, such as advertising; (iv) Opera WebPass, which allows users to easily buy time-based or content-based mobile data packages through a simple, one-click purchase, similar to how users buy apps today, enabling operators to both offer a broad array of personalized data package alternatives for their subscribers and increase average revenue generated per subscriber and (v) Opera Sponsored WebPass, where operators are able to facilitate advertisers sponsoring free Internet browsing for their subscriber base, enabling operators to generate advertising revenue.

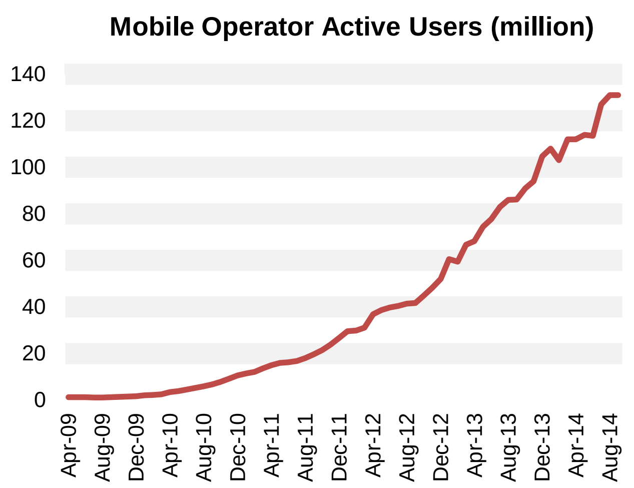
A key element of Opera´s revenue growth plan with Operators is the Rocket Optimizer™ mobile video/media optimization solution, which can detect when specific users are facing poor network connections and then intervene in milliseconds to improve network quality and performance for that user. Rocket Optimizer™ can minimize long start times, rebuffering, and stalls on video and audio streams that frustrate mobile users around the world. The Rocket Optimizer™ solution provides operators with an instant 60% boost in bandwidth capacity across smartphones, tablets and laptops on 3G and 4G LTE networks. Its flexible cloud architecture and intelligent traffic steering dramatically reduce an operator's total cost of ownership, in comparison with the cost of legacy in-line hardware solutions.

Rocket Optimizer™ is offered to global operators under a revenue model that includes a platform fee for the core Rocket Optimizer™ technology and a network capacity fee that is tied to the operator´s traffic levels.

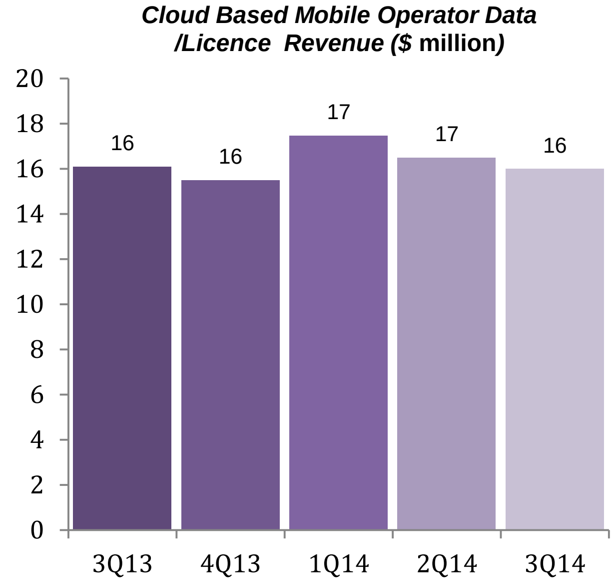
Revenue for Operator Opera Mini and Horizon™ is driven by active users of the respective products on the mobile operator´s network and can also include revenue share on data, advertising and m-Commerce. Revenue that Opera generates from WebPass is based on a revenue share with the operator based on actual WebPass data purchases.

At the end of 3Q14, Opera had active agreements with 53 operators worldwide (total of 130+ agreements when including all subsidiaries of global frame agreements signed), including 17 out of the top 30 operators worldwide, which have approximately 2.8 billion subscribers combined, or around 40% of the total global subscriber base. These customer figures also include Skyfire´s customer list. Skyfire itself counts the global mobile operator Telenor and three large U.S. mobile operators as customers, with three customers for its Rocket Optimizer™ solution and two customers for its Skyfire Horizon™ solution.

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, Telenor, Vimpelcom and Vodafone; the active user figures also include Skyfire Horizon™ active users from two major US operators. At the end of September 2014, the total number of Opera Mini and Horizon™ active users with Operators grew to 131 million, an increase of 52% versus the end of September 2013.



This increase in Operator active users (Opera Mini and Skyfire´s Horizon™ service) and revenue from Rocket Optimizer™ and Horizon™ services have driven cloud based revenue from operators, which reached $16.0 million in 3Q14 compared to $16.1 million in 3Q13.



In 3Q14, Idea Cellular, India's 3rd-largest mobile operator and Opera joined hands with Quikr, India's largest online mobile classifieds portal, to offer sponsored mobile data through Sponsored Web Passes to over 137 million Idea customers in India. The tri-partnership is aimed at enabling more Indians to get online and experience the power of the Internet on their mobile phones, the first such initiative in South Asia. With Sponsored Web Pass, Idea subscribers will enjoy the Internet on their mobile phones, sponsored by Quikr. To get sponsored web access, Idea users just need to open Opera Mini and click the "Idea Web Pass" Speed Dial entry, then select the "Free Internet by Quikr (10 MB)" web pass option. From there, users will be able to enjoy 10 MB of sponsored internet access on their mobile phones for an entire day.

In 3Q14, Opera announced that MTS Russia subscribers will get unlimited access to games and apps with the launch of App Market. The App Market store, built on the same technology pioneered by the Opera Mobile Store, offers MTS Russia mobile customers a weekly subscription to more than 3,000 premium games and apps.

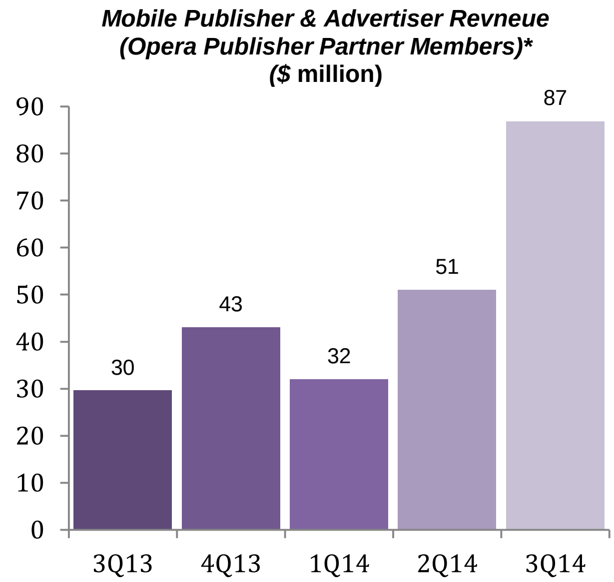
During the quarter, Opera announced that Robi Axiata, with 25 million mobile subscribers and the second-largest mobile operator in Bangladesh in terms of revenue, has signed an agreement to offer a co-branded Opera Mini web browser to Robi subscribers. In the co-branded version, Robi will get a unique opportunity to engage with Opera Mini users in a more personalized and non-intrusive manner, presenting its brand and services as an integrated part of the user experience. According to the latest statistics from the Bangladesh Telecommunications Regulatory Commission (BTRC), more than 95% of all internet users in the country access the web using mobile devices.

In 3Q14, Opera announced that the leading Vietnamese smartphone brand Mobiistar will preinstall Opera Max™ on selected phone models, in a partnership that marks the debut of Opera's compression app in Vietnam.
It is estimated that around 70% of videos on 2G and 3G networks in Vietnam experience stalling.

In the quarter, Opera announced that Opera's Skyfire unit added streaming audio optimization to Rocket Optimizer™, a new technology that enables mobile operators to quickly deliver high-quality audio streaming to subscribers without buffering or stalling. The addition of optimized audio streaming to Rocket Optimizer™ also comes as increasing numbers of mobile operators partner with digital music streaming services as a way to differentiate themselves in the market, improve customer loyalty and reduce churn. It is for this reason that an increasing number of operators don't count music streaming against their customers' data plans.

In 3Q14, Opera and Kyivstar, the largest mobile operator in Ukraine, signed a strategic partnership agreement. Kyivstar will be able to launch a co-branded version of the Opera Mini mobile web browser and can also opt into the entire Opera portfolio of products, including such products as Opera Web Pass, Rocket Optimizer™ and Opera Max™. The agreement is part of the Global Framework Agreement that was signed between Opera and Vimpelcom Group in 1Q14.

Mobile Publishers & Advertisers – Opera Publisher Partner Members



*** Refers to advertising revenue which is served on Opera´s network of third party publishers. Advertising revenue which is served on Opera´s owned and operated properties is reported under "Mobile Consumers – Opera Owned and Operated Properties".**

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 on mobile devices 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) the dramatic increase in smartphone users to over 1.5 billion in 2014, with smartphone users spending significantly more time engaged with their mobile devices than feature phone users; (ii) reach and "anytime-anywhere" access to users – there are more than 5 billion mobile phone users worldwide overall (compared to around 2 billion desktop users, for example); (iii) strong targeting characteristics – advertisers are able to glean meaningful amounts of aggregated information about mobile users, such as location, demographics and behavior; (iv) 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; (v) wider spread access to high speed wireless data networks, which enables the consumption of high quality and rich media and video content on mobile devices; and (vi) rapid increase in consumer time spent in smartphone mobile applications in particular, as developers have been able to deliver highly intuitive, engaging and personalized content experiences "in-app", 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 brand and performance advertisers, ad agencies, publishers and application developers. Opera's ultimate mission is to help both publishers increase revenue from their mobile properties and content and advertisers reach and acquire potential customers.

Under the Opera Mediaworks brand, Opera is able to offer premium brand mobile advertisers the ability to build their brands and engage with consumers by offering creative services, sophisticated audience 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 banner display ads, interactive rich media and video ads and native advertising. Moreover, Opera offers advertisers the ability to purchase advertising through the traditional insert order (IO) method and electronically via Opera´s real time bidding (RTB) and programmatic platform.

Under the Opera Response brand, Opera is able to provide performance advertisers with comprehensive tools to better reach their target audience and acquire new customers. Opera Response facilitates real-time targeting, real-time bidding (RTB) and real-time reporting on mobile ad campaigns. Overall, Opera Response helps performance advertisers and application developers with "cost per action" (CPA) campaigns, such as campaigns to secure customer sign-ups, leads and application downloads.

For premium mobile publishers and developers, Opera offers technology solutions and services, highly intuitive reporting and analytical tools and access to premium advertisers (via Opera's own advertiser relationships 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 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 capabilities (ad performance optimization and transparency and control over ad network traffic from over 120 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. Premium publisher customers include Pandora Media, Shazam, Sky, The Wall Street Journal, and Univision.

Via the Opera Mediaworks Ad Exchange (OMAX), Opera offers a real-time bidding (RTB) platform that brings advertisers, ad networks and agencies together with mobile publishers and app developers for an efficient, automated media buying and selling experience. Through OMAX 2.0, publishers now have access to a range of demand-side platforms (DSPs), facilitated by new audience segmentation and expanded targeting capabilities, designed to improve monetization of publisher properties. Publisher customers can also choose the option of setting up private marketplaces for their inventory with "programmatic direct" on OMAX. This brings in diverse demand sources while still maintaining publisher control.

Building on a legacy as a trusted partner for the management of a publisher´s private data, Opera also offers a cooperative DMP solution. Here, publishers can opt-in, consistent with their privacy policies, to share non-personally identifiable information about their consumers to improve ad targeting capabilities and drive better monetization. This helps both publishers to pool their data to provide better targeting and advertisers to more easily identify and reach their target consumer.

In 3Q14, Opera announced that it completed its purchase of the mobile video advertising platform company AdColony. AdColony clearly establishes Opera as a global leader in mobile advertising, with a combined audience reach north of 800 million consumers. AdColony became a wholly-owned subsidiary of Opera on July 24, 2014.

AdColony excels in delivering innovative, TV-like crystal-clear video ads instantly in HD across the most popular iOS and Android smartphone and tablet apps in the world. The video ads can be shown "anywhere" as part of a native app experience, not just as part of other video content. AdColony's proprietary Instant-Play video ad technology eliminates latency and long load times for video, providing the highest quality video experience for advertisers, publishers and consumers, with interactive elements to drive engagement, action and results. The company's customers include Fortune 500 brands, performance advertisers and more than 70 percent of the world's top grossing app publishers.

The AdColony acquisition was spurred by the huge demand demonstrated by Opera´s existing advertiser and publisher customers for high quality mobile video advertising solutions and the fact that mobile video is the fastest growing ad format within the mobile advertising industry.

Integrating AdColony's highly differentiated mobile video advertising platform into Opera's end-to-end mobile advertising platform makes Opera a global leader in mobile video advertising, complementing the Company´s traditional strength in rich media advertising. Moreover, AdColony's demonstrated expertise in leveraging mobile video advertising for performance advertisers is expected to further strengthen Opera's value proposition in the hyper growth user acquisition/app-install segment of the mobile advertising industry.

AdColony also significantly increases both Opera´s audience reach (adding unduplicated reach north of 300 million consumers) and Opera´s portfolio of publishers in the mobile gaming segment, which accounts for the largest amount of consumer time spent within mobile applications.

Overall, Opera has established a very strong competitive position in the mobile advertising market due to its ability to drive meaningful results for its advertiser and publisher customers. The five key reasons for Opera´s success in the market place are: (i) Opera´s mobile ad tech platform, which is highly effective at matching what audience an advertiser is trying to reach with the optimal publisher traffic, leveraging first party data from the publishers, third party data from external providers and data analytics insight from Opera´s data management platform; (ii) Opera´s publisher relationships, which Opera has gained through the presence of its mobile ad SDK in 17,500 mobile applications. As a result of these strong publisher relationships, Opera is able to get meaningful amounts of both "first-call" access to publisher traffic (i.e., preferential access to premium traffic which performs significantly better than more "remnant" inventory) and exclusive access to publisher traffic, which enables Opera to sell unique inventory that is not available to any other ad platform company in the market; (iii) Opera´s global scale, enabling Opera to offer its advertiser and publisher customers broad reach on both the demand and supply side of its mobile advertising marketplace. For advertisers, Opera is able to offer a global audience reach of more than 800 million consumers; for publishers, Opera is able to offer access to 90 of the top 100 global advertisers; (iv) High service levels, enabled not only by its reporting and analytics tools, but also by its ad operations, creative and innovation teams; and (v) AdColony´s highly differentiated and unique mobile video advertising inventory at significant scale, which is highly sought after by mobile advertisers, as mobile video advertising has proved to be the most effective ad format in terms of driving results for brand and performance advertisers.

In 3Q14, Opera announced a partnership with Celtra, a leading creative, analytics and optimization company, to unveil Selfie and Gyro ad units. Advertisers can now integrate high-quality selfies into their mobile ad campaigns and showcase products in 3D panoramic mode. With these new Selfie and Gyro ad formats, advertisers can create highly-personalized, engaging campaigns and serve them to a precisely-targeted audience.

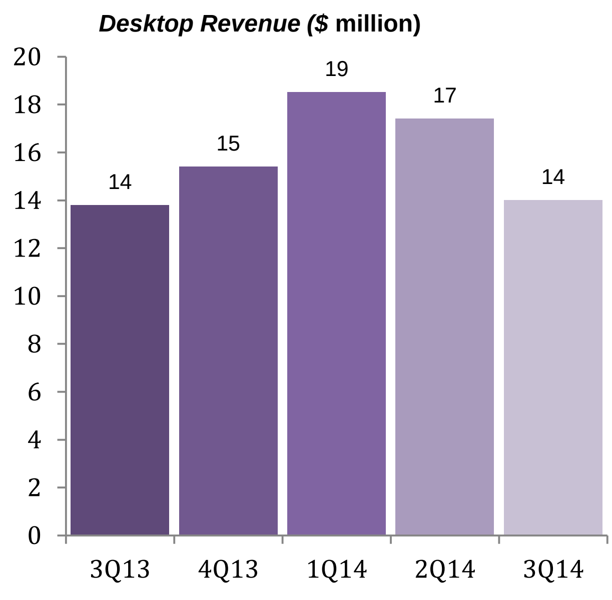
Overall, Opera's US mobile advertising operation works directly and indirectly with 25 of the top 25 US Ad Age Global Advertisers. In addition, Opera powers advertising for 18 of the top 25 Global Media companies with over 64B monthly ad impressions under management.

Reflecting its strongly differentiated value proposition for brand advertisers, Opera´s Mobile Publisher and Advertiser business ran a record number of campaigns in 3Q14, attracting category leading brands and advertisers such as CVS, Comcast, JPMorgan Chase, Nestlé, Nissan, Starbucks, T-Mobile and Walmart, as well as performance advertisers such as Glu, King.com, Spotify and SuperCell.

In the quarter, Opera revenue in the Mobile Publisher and Advertiser business (Opera Publisher Partner Members) grew to $86.9 million, up 193% compared to 3Q13. Revenue in 3Q14 compared to 3Q13 was fueled by expanded business with existing advertiser and publisher customers as well as new customers, as well as the addition of approximately 2 months and a week of revenue from AdColony. 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.

In 3Q14, the number of applications and websites powered by Opera Mediaworks grew to over 17,500, up from over 14,000 in 3Q13, and the number of advertising impressions managed grew to over 187.5 billion in 3Q14 compared to 172 billion in 3Q13, an increase of 9%. Opera´s platform audience reach for advertisers stood at over 800 million at the end of 3Q14, compared to 400 million consumers (Opera Publisher Partner Members) in 3Q13.

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 desktop-centric computing. This trend is no more pronounced than with social networking, where Facebook, for example, has more than 800 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.

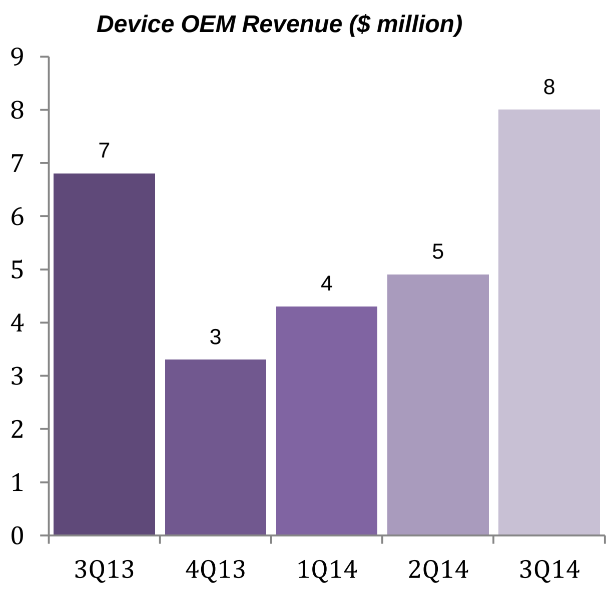
Since the first public release in 1995, Opera has continuously delivered browser innovation to desktop PCs. Opera's desktop browser provides its users with a safe, efficient, personalizable and enjoyable browsing experience.

Today, the vast majority of Opera´s desktop users are in the Russia/CIS region and in the emerging markets. Opera is particularly focused on growing users in regions where it already has a strong base of users, such as Russia.

Opera's monetization strategy for its desktop browser revolves predominantly around search, which comes pre-configured on all of the Company´s desktop versions. Google and Yandex are Opera's key strategic search partners and provide the majority of the Company´s desktop monetization. These partnerships are supplemented by local search partnerships in certain markets, such as Japan, and China, where Opera works with 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 September 2014, the number of Desktop users was approximately 51 million, flat versus 3Q13. Revenue was flat in in the 3Q14 compared to 3Q13, with lower search revenue offset by higher partnership and licensing revenue.

Device OEMs



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

Traditionally, television has been referred to as a "lean back" medium, where interaction is passive. Today, television manufacturers and operators 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 and operators to differentiate, obtain premium pricing for their product and service 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 and operators are able to offer not only Web browsing capabilities and full Internet access to their 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 and operators are able to use their own (and third-party) developers to 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, an HTML5-based app store for connected TVs, set-top boxes and media players, offers a selection of high-quality, easily navigated web apps. Side-by-side applications allow viewers to use TV apps without losing focus on the program they are watching. The Opera TV Store has also been enhanced with the ability to display ads, thereby enabling publishers and content providers to inject pre-roll ads and to monetize their applications. The Opera TV Store, which contains hundreds of TV apps from popular content providers such as Vimeo, Facebook and Fashion TV, has already been shipped on tens of millions of devices, including Internet TVs and Blu-ray Disc players. In addition, with innovative toolkits such as Opera TV Snap, brands and content owners can quickly repurpose their online video inventory into HTML5-based TV apps, at zero cost.

In 3Q14, Opera announced the launch of an advertising solution for Connected TVs, adding monetization opportunities for app publishers, operators and OEMs. Opera's video advertising solution was previously available exclusively to apps distributed via the Opera TV Store application platform and developed through the Opera TV Snap technology, which transforms online video channels into apps for connected-TV devices. Now, the Opera TV Ads SDK is available as a standalone feature for any HTML5 app or Smart TV device, whether on the Opera TV Store or other application platforms. The solution leverages and integrates with Opera Mediaworks, Opera's world-leading new media advertising platform.

The Opera Devices SDK powers the web experience on tens of millions of devices made by over 50 customers, including Altech, Amino, Arris, Cisco, Humax, Samsung, Sharp, Sony, TCL, TiVo and Vestel. Opera´s web products for Smart TV devices also include the Opera TV Store app platform and the Opera TV browser.

Outlook

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

Within our mobile business, the Company continues to deliver a very compelling value proposition to our burgeoning mobile consumer base, providing a fast and data saving, and therefore cheaper, browsing experience. Opera's strategy is to capitalize on our over 270 million mobile browser user base by building and expanding Opera's owned and operated properties and monetizing these properties via mobile advertising, mobile search and mobile applications. Opera expects to generate solid revenue growth from our mobile-consumer user base in 2014 versus 2013, due to much larger mobile advertising revenue streams in particular from our owned and operated mobile properties, including the Speed Dial page and the Smart Page.

Moreover, Opera continues to drive a compelling value proposition for operators, helping them increase data and services revenue streams and profitability. With the continued rollout of the cloud-based Rocket Optimizer™ solution and other smartphone-targeted products and services to the Company's existing and prospective operator customers, Opera expects to generate solid revenue growth from our operator business in 2014 compared to 2013.

Within Opera's Mobile Publisher & Advertiser business (Opera Publisher Partner members), Opera expects to generate meaningfully more revenue from this business in 2014, compared to 2013, as Opera continues to ramp up revenue from brand and performance advertisers and application developers.

Opera's key operational priorities in 2014 include continuing to (i) sign operator agreements for Opera's existing and new products and services, including the Rocket Optimizer™ solution; (ii) grow revenues and users of Opera's mobile consumer products, particularly on the Android and iOS smartphone platforms, and expand usage and monetization of Opera's owned and operated properties; (iii) increase revenue from Mobile Publishers and Advertisers (Opera Publisher Partner members), by expanding Opera's demand-side advertising reach and capabilities; (iv) grow Opera's desktop user base, particularly in Russia/CIS; and (v) increase Opera's overall profitability and margins.

Oslo, October 29, 2014
The Board of Directors
Opera Software ASA

Sverre Munck	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 $ million, except per share amounts)

	3Q 2014 (Unaudited)	3Q 2013 (Unaudited)	% Change	YTD 2014 (Unaudited)	YTD 2013 (Unaudited)	% Change
Revenue	**138.8**	75.5	84%	**326.4**	210.6	55%
Total operating revenue	**138.8**	75.5	84%	**326.4**	210.6	55%
Cost of goods sold	**43.9**	14.9	194%	**83.4**	37.5	123%
Payroll and related expenses, excluding stock option costs	**39.1**	25.9	51%	**103.8**	75.1	38%
Stock-based compensation expenses	**4.5**	1.0	330%	**7.7**	3.0	158%
Depreciation and amortization expenses	**10.0**	5.8	71%	**23.5**	14.5	62%
Other operating expenses	**21.9**	12.1	80%	**55.6**	35.5	57%
Total operating expenses	**119.3**	59.9	99%	**274.0**	165.5	66%
Results from operating activities ("EBIT"), excl. restructuring costs	**19.5**	15.6		**52.4**	45.0	
Costs for restructuring the business	**0.0**	0.0		**3.2**	1.5	
Results from operating activities ("EBIT")	**19.5**	15.6		**49.2**	43.6	
Other interest income/expense, net	**(0.9)**	(0.3)		**(0.7)**	(0.7)	
Interest expense related to contingent consideration	**(7.3)**	(4.4)		**(12.4)**	(13.6)	
FX gains/losses related to contingent consideration, net	**(7.3)**	1.0		**(6.5)**	(5.5)	
Other FX gains/losses, net (negative amount = losses)	**0.5**	(1.1)		**1.2**	5.1	
Revaluation of contingent consideration	**(0.2)**	(5.0)		**(5.5)**	(5.2)	
Share of the profit/loss of associates accounted for using the equity method	**(10.6)**	(2.0)		**(8.7)**	(0.9)	
Profit before income tax	**(6.4)**	3.8		**16.5**	22.9	
Provision for taxes*	**5.4**	2.5		**16.4**	11.9	
Profit for the period	**(11.7)**	1.3		**0.2**	11.0	
Foreign currency translation differences for foreign operations	**(3.2)**	0.3		**(4.8)**	(0.0)	
Total comprehensive income for the period	**(14.9)**	1.6		**(4.6)**	11.0	
Earnings per share:						
Basic earnings per share (USD)**	**-0.082**	0.011		**0.001**	0.091	
Diluted earnings per share (USD)**	**-0.080**	0.010		**0.001**	0.089	
Shares used in earnings per share calculation	**142,646,807**	122,551,999		**135,910,667**	121,405,188	
Shares used in earnings per share calculation, fully diluted	**147,477,666**	125,802,816		**140,679,135**	123,894,708	
Number of employees	**1,435**	1,016		**1,435**	1,016	

*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.

IFRS to Non-IFRS Reconciliations

(Numbers in $ million, except per share amounts)

	3Q 2014 (Unaudited)	3Q 2013 (Unaudited)	YTD 2014 (Unaudited)	YTD 2013 (Unaudited)
IFRS Profit for the period	**(11.7)**	1.3	**0.2**	11.0
Non-cash stock-based compensation	**4.5**	1.0	**7.7**	3.0
Acquisition-related adjustment - depreciation of acquired intangible assets	**5.1**	2.1	**9.5**	4.9
Items excluded from operating expenses	**9.6**	3.2	**17.2**	7.9
Non-operations related costs	**0.0**	0.0	**3.2**	1.5
Items excluded from costs for restructuring the business	**0.0**	0.0	**3.2**	1.5
Acquisition-related adjustment - non-cash interest expense, net	**7.3**	4.4	**12.4**	13.6
Acquisition-related adjustment - non-cash FX gains/losses, net	**7.3**	(1.0)	**6.5**	5.5
Gain/losses on non-controlling strategic equity interest	**9.1**	2.0	**9.1**	0.9
Acquisition-related adjustment - other non-cash items, net	**0.2**	5.0	**5.5**	5.2
Items excluded from finance costs	**23.9**	10.4	**33.5**	25.1
Acquisition-related adjustment - non-cash income taxes	**(1.4)**	(0.9)	**(1.8)**	(1.7)
Items excluded from provision for taxes*	**(1.4)**	(0.9)	**(1.8)**	(1.7)
Non-IFRS Profit for the period***	**20.4**	14.0	**52.3**	43.7
Basic earnings per share (USD)**	**0.143**	0.114	**0.385**	0.360
Diluted earnings per share (USD)**	**0.138**	0.111	**0.372**	0.353

*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.
***From time to time Opera Software ASA may publicly disclose certain “Non-IFRS” financial measures in the course of its financial presentations, earnings releases, earnings conference calls and otherwise. The management uses certain Non-IFRS performance measures and ratios in managing the business and may provide users of this financial information with additional meaningful comparisons between current results and results in prior operating periods. We consider the use of non-IFRS financial information helpful in understanding the performance of our business, as it excludes acquisition related adjustments to revenue and expenses and other non-cash items. While our management uses the non-IFRS financial information as a tool to enhance their understanding of certain aspects of our financial performance, our management does not consider these measures to be a substitute for, or superior to, the information provided by IFRS numbers and financial information. Consistent with this approach, we believe that disclosing non-IFRS financial information to the readers of our financial statements provides such readers with useful supplemental data that, while not a substitute for IFRS numbers and financial information, allows for greater transparency in the review of our financial and operational performance.

Consolidated Statement of Financial Position

(Numbers in $ million)

	9/30/2014 (Unaudited)	9/30/2013 (Unaudited)	12/31/2013 (Audited)
Assets			
Non-current assets			
Goodwill	**348.0**	149.5	149.5
Other intangible assets	**115.9**	46.8	46.6
Total intangible assets	**463.9**	196.4	196.2
Property, plant, and equipment			
Office machinery, equipment, etc.	**17.1**	15.4	15.4
Total property, plant, and equipment	**17.1**	15.4	15.4
Financial assets and deferred tax assets			
Deferred tax assets	**21.0**	4.1	23.6
Other investments and deposits	**3.2**	5.9	5.0
Total financial assets and deferred tax assets	**24.2**	10.0	28.6
Total non-current assets	**505.2**	221.8	240.1
Current assets			
Trade and other receivables			
Accounts receivable	**108.1**	50.6	61.5
Unbilled revenue	**37.1**	29.6	32.4
Other receivables	**37.6**	30.4	35.6
Total trade and other receivables	**182.8**	110.6	129.5
Cash and cash equivalents	**145.3**	70.1	163.4
Total current assets	**328.1**	180.7	292.9
Total assets	**833.2**	402.5	533.0

Consolidated Statement of Financial Position

(Numbers in $ million)

	9/30/2014 (Unaudited)	9/30/2013 (Unaudited)	12/31/2013 (Audited)
Shareholders' equity and liabilities			
Equity			
Paid in capital			
Share capital	**0.4**	0.4	0.4
Share premium reserve	**297.1**	104.1	184.2
Other reserves	**24.0**	18.4	18.9
Total paid in capital	**321.6**	122.9	203.6
Retained earnings			
Other equity	**87.7**	50.6	110.4
Total retained earnings	**87.7**	50.6	110.4
Total equity	**409.2**	173.5	314.0
Liabilities			
Non-current liabilities			
Deferred tax liability	**0.0**	0.0	0.0
Finance lease liabilities	**1.7**	0.0	0.0
Other long-term liabilities	**60.1**	60.1	60.1
Provisions	**109.9**	31.7	14.8
Total non-current liabilities	**171.7**	91.9	74.9
Current liabilities			
Current portion of secured bank loans	**0.0**	0.0	0.0
Current portion of finance lease liabilities	**1.4**	0.0	0.0
Accounts payable	**56.8**	17.9	22.2
Taxes payable	**18.6**	10.6	20.2
Social security, VAT, and other taxation payable	**9.9**	8.7	9.8
Deferred revenue	**16.2**	14.1	17.9
Option liability	**0.4**	0.0	0.0
Other short-term liabilities	**52.2**	24.9	29.1
Provisions	**96.8**	60.9	44.9
Total current liabilities	**252.3**	137.2	144.1
Total liabilities	**424.0**	229.0	219.0
Total equity and liabilities	**833.2**	402.5	533.0

Consolidated Statement of Cash Flows

(Numbers in $ million)

	3Q 2014 (Unaudited)	3Q 2013 (Unaudited)	YTD 2014 (Unaudited)	YTD 2013 (Unaudited)
Cash flow from operating activities				
Profit/loss before taxes	**(6.4)**	3.8	**16.5**	22.9
Taxes paid	**(7.6)**	(3.5)	**(23.6)**	(8.6)
Depreciation and amortization expenses	**10.0**	5.8	**23.5**	14.5
Profit/loss from sales of property, plant, and equipment	**0.3**	(0.3)	**0.6**	(0.3)
Impairment of intangible assets	**0.0**	0.0	**0.0**	0.0
Changes in accounts receivable **	**(9.5)**	6.3	**(23.9)**	(5.1)
Changes in accounts payable	**2.3**	0.9	**(0.9)**	(3.7)
Changes in other liabilities and receivables, net	**6.6**	3.5	**14.4**	(2.9)
Equity method accounting for associate companies	**9.1**	2.7	**9.1**	4.3
Share-based remuneration	**4.2**	0.9	**7.0**	2.7
Interest and FX related to contingent payment */***	**14.8**	8.3	**24.4**	24.2
Conversion discrepancy	**(5.8)**	(8.2)	**(9.0)**	(13.4)
Net cash flow from operating activities	**18.2**	20.1	**38.2**	34.7
Cash flow from investment activities				
Proceeds from sale of property, plant, and equipment	**3.9**	0.0	**3.9**	0.0
Capital expenditures	**(2.7)**	(4.4)	**(8.9)**	(7.9)
Investment in R&D ****	**(2.6)**	(3.8)	**(8.9)**	(10.3)
Acquisitions ***	**(88.2)**	0.0	**(134.2)**	(62.7)
Other investments*****	**(4.8)**	(2.9)	**(9.1)**	(2.9)
Net cash flow from investment activities	**(94.4)**	(11.0)	**(157.1)**	(83.9)
Cash flow from financing activities				
Proceeds from exercise of own shares (incentive program)	**0.0**	0.0	**0.0**	1.5
Proceeds from share issues, net (incentive program)	**2.2**	3.8	**3.6**	5.9
Proceeds from share issues, net (equity increase)	**125.9**	0.0	**125.9**	0.0
Proceeds from sale of shares	**0.0**	0.7	**0.0**	0.7
Proceeds from loans and borrowings	**0.0**	0.0	**0.0**	60.0
Payments of loans and borrowings	**0.0**	0.0	**0.0**	(1.6)
Payment of finance lease liabilities	**(0.3)**	0.0	**(0.3)**	0.0
Dividends paid	**0.0**	0.0	**(5.2)**	(4.4)
Purchase of own shares	**(23.2)**	0.0	**(23.2)**	0.0
Net cash flow from financing activities	**104.5**	4.6	**100.7**	62.1
Net change in cash and cash equivalents	**28.3**	13.7	**(18.1)**	12.9
Cash and cash equivalents (beginning of period)	**117.0**	56.4	**163.4**	57.2
Cash and cash equivalents ******	**145.3**	70.1	**145.3**	70.1

Consolidated Statement of Cash Flows

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.

***In 3Q 2014, a cash payment of $93.4 million, for Jirbo Acquisition Company, Inc. (DBA: AdColony), has been included in acquisitions in the statement of cash flows. At the same time, a second payment of $25.0 million was set in escrow. Net cash of $21.1 million, existing on the day of acquisition, has been netted in acquisitions in the statement of cash flows. Please see note 9 and 10 for more information.

In 3Q 2014, the escrow agent repaid $9.0 million of the indemnity escrow fund to Opera as Skyfire Labs did not meet the performance targets related to the escrow.

***In 2Q 2014, a cash payment of $5.4 million, for an immaterial transaction, has been included in acquisitions in the statement of cash flows. At the same time, a second payment of $0.9 million was set in escrow. Net cash of $0.2 million, existing on the day of acquisition, has been netted in acquisitions in the statement of cash flows. Please see note 10 for more information.

In 2Q 2014, Opera paid the FY 2013 earnout payment of $10.0 million related to an immaterial acquisition. The payment has been included in acquisitions in the statement of cash flows. Please see note 10 for more information.

In 1Q 2014, a cash payment of $2.5 million, for an immaterial transaction, has been included in acquisitions in the statement of cash flows. At the same time, a second payment of $2.5 million was set in escrow and is to be released if certain financial targets are achieved. Net cash of $0.6 million, existing on the day of acquisition, has been netted in acquisitions in the statement of cash flows. Please see note 10 for more information.

In 1Q 2014, Opera paid the FY 2013 earnout payment of $31.3 million related to the Mobile Theory acquisition deal. $7.0 million of the 2013 earnout payment had no cash effect in 1Q 2014. The payment has been included in acquisitions in the statement of cash flows. Please see note 10 for more information.

In 1Q 2014, Opera paid the FY 2013 earnout payment of $4.8 million and released and escrow payment of $1.0 million related to the 4th Screen Advertising acquisition deal. The escrow release payment had no cash effect in 1Q 2014. The payment has been included in acquisitions in the statement of cash flows. Please see note 10 for more information.

In 1Q 2014, Opera paid the FY 2013 earnout payment of $1.4 million related to an immaterial acquisition. The payment has been included in acquisitions in the statement of cash flows. Please see note 10 for more information.

In 1Q 2014, the escrow agent repaid $5.0 million of the indemnity escrow fund to Opera as Skyfire Labs did not meet the performance targets related to the escrow.

****In 3Q 2014, $2.6 million (YTD: 8.9) of Opera's investment in product development was capitalized in the consolidated statement of financial position.

*****In 3Q 2014, Opera invested $11.0 million in nHorizon Innovation together with a loan grant of $1.8 million (YTD: 6.0). In addition, nHorizon Innovation repaid a loan of $8.0 million. Please see note 11 for more information.

******As of September 30, 2014, the conversion discrepancy profit booked on cash and cash equivalents was $-1.6 million.

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 $ million)

	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2013	**132.3**	**0.4**	**186.9**	**20.9**	**0.0**	**1.8**	**103.8**	**314.0**
Comprehensive income for the period								
Profit for the period							0.2	0.2
Other comprehensive income								
Foreign currency translation differences						-4.8		-4.8
Total comprehensive income for the period		**0.0**	**0.0**	**0.0**	**0.0**	**-4.8**	**0.2**	**-4.6**
Contributions by and distributions to owners								
Dividend to equity holders							-5.2	-5.2
Issue of ordinary shares related to business combinations								0.0
Issue of ordinary shares related to the incentive program	0.9	0.0	3.5					3.6
Issue of ordinary shares related to equity increase	10.0	0.0	125.8	0.0				125.9
Own shares acquired	(2.2)				-31.1			-31.1
Own shares sold								0.0
Tax deduction on equity bookings								0.0
Share-based payment transactions				7.0				7.0
Total contributions by and distributions to owners	**8.7**	**0.0**	**129.4**	**7.0**	**-31.1**	**0.0**	**-5.2**	**100.2**
Other equity changes								
Other changes			-0.1				-0.1	-0.3
Total other equity changes		**0.0**	**-0.1**	**0.0**	**0.0**	**0.0**	**-0.1**	**-0.3**
Balance as of 9/30/2014	**141.0**	**0.5**	**316.2**	**28.0**	**-31.1**	**-3.0**	**98.7**	**409.2**

Capital increase

On June 27, 2014, Opera Software ASA announced the successful completion of the offering of 10 million shares, equal to 7.5% of the existing share capital of the Company (the "Offering"). Gross proceeds from the Offering amount to NOK 800 million, and the transaction expenses amount to NOK 27.5 million. Net proceeds of $125.9 million has been reflected in the equity reconciliation. The capital increase was paid to the company and registered in the Business Register in July 2014.

Face value of the shares

The face value of the shares is 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 $ million)

	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2012	**119.2**	**0.4**	**77.3**	**17.6**	**0.0**	**2.0**	**46.4**	**143.8**
Comprehensive income for the period								
Profit for the period							11.0	11.0
Other comprehensive income								
Foreign currency translation differences						0.0		0.0
Total comprehensive income for the period		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**11.0**	**11.0**
Contributions by and distributions to owners								
Dividend to equity holders							-4.4	-4.4
Issue of ordinary shares related to business combinations	2.0	0.0	13.2					13.2
Issue of ordinary shares related to the incentive program	1.8	0.0	5.9					5.9
Issue of ordinary shares related to equity increase								0.0
Own shares acquired								0.0
Own shares sold	0.3				0.0		1.5	1.5
Tax deduction on equity bookings								0.0
Share-based payment transactions				2.7				2.7
Total contributions by and distributions to owners	**4.2**	**0.0**	**19.0**	**2.7**	**0.0**	**0.0**	**-2.9**	**18.8**
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 9/30/2013	**123.5**	**0.4**	**96.4**	**20.3**	**0.0**	**2.0**	**54.5**	**173.5**

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 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, Skyfire Labs, Inc., Opera Software International US, Inc., Opera Mediaworks, LLC., Opera Mediaworks Performance, LLC, OMWMSG, LLC, Opera Holdings Ireland Limited, Opera Mediaworks Ireland Limited, Opera Software Ireland Limited, Opera Mediaworks Ad Exchange, Inc, Foriades Park SA, Hunt Mobile Ads Panamá Corp., Hunt Mobile Ads SA de CV, Hunt Mobile Ads aplicativos para internet Ltda, Huntmads SA, Apprupt GmbH, Opera Software Netherland BV, Opera Software Americas, LLC., Opera Commerce, LLC., Jirbo, Inc., AdColony Uk Limited, Jirbo Acquisiton Company, Inc., Jirbo Holdings, Inc., Opera Software Brazil Ltda., Opera Software Financing Limited, Opera Financing AS, 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 September 30, 2014, Opera Software International AS had branches in Japan, 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, 2013.

Note 3 - Financial Statements - Accounting Policies

The consolidated financial statements of the Opera Group for 2013 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, 2013. All references to "$" shall mean U.S. dollars, which is our reporting currency.

The Board of Directors and the Company’s shareholders at the Annual General Assembly has in June 2014 adopted a program for the grant of equity compensation in the form of restricted stock unit (“RSU”) awards to the executive officers and other employees of the Company (the “RSU Program”). The RSU Program has replaced the Company’s previous program authorizing the grant of options to the executive officers and other employees of the Company. The RSU Program can be summarized as follows (and as further detailed below):
- One RSU will entitle the holder to receive one share of capital stock of the Company against payment in cash of the par value for the share (currently NOK 0.02 per share).
- The total number of RSUs available for grant under the RSU Program is 3,000,000 over four years, subject to a maximum of 1.9 million RSUs that can be granted in any one year.
- The RSUs may be performance based or time based.
- The standard vesting period is 4 years, with an initial one year non-vesting period and annual vesting thereafter, unless the Board decides otherwise for specific grants.
- Key executives and key employees world-wide will be eligible for grants.
- No employee can receive RSUs in any financial year which in value exceeds 200% of that employee’s annual cash compensation (unless the Board makes exemptions in special cases).

The Group has during third quarter 2014 entered into a finace lease agreements. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that Group will obtain ownership by the end of the lease term. Minimum lease payments made under finance leases are apportioned between finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

There were no new standards, interpretations or amendments to published standards that were effective from January 1, 2014 that have significantly affected the consolidated financial statements for the first, second, and third quarter 2014.

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 - Earnings per Share

(Numbers in $)

	3Q 2014 (Unaudited)	3Q 2013 (Unaudited)	YTD 2014 (Unaudited)	YTD 2013 (Unaudited)
Earnings per share (basic)	**(0.082)**	0.011	**0.001**	0.091
Earnings per share, fully diluted	**(0.080)**	0.010	**0.001**	0.089
Shares used in per share calculation	**142,646,807**	122,551,999	**135,910,667**	121,405,188
Shares used in per share calculation, fully diluted	**147,477,666**	125,802,816	**140,679,135**	123,894,708

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 3Q 2014, 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 NOK 241.1 million (YTD: 241.1). 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 and RSUs with a strike price below NOK 81.42 (YTD: 79.45) when calculating the fully diluted number of shares outstanding. Total options and RSUs used in the calculations are 8,644,757 (YTD: 8,644,757), of which 7,041,032 (YTD: 7,041,032) options are unvested and 1,603,725 (YTD: 1,603,725) are vested but not yet exercised.

	3Q 2014	YTD 2014
Average number of shares	**142,646,807**	**135,910,667**
The following equity instruments have a diluting effect:		
Options	**6,784,902**	**6,784,902**
RSUs	**1,859,855**	**1,859,855**
Total	**8,644,757**	**8,644,757**
Options/RSUs	**8,644,757**	**8,644,757**
Number of shares purchased (NOK 241.1 million/81.42 and NOK 241.1 million/79.45)	**2,961,394**	**3,034,795**
Number of shares with diluting effect	**5,683,363**	**5,609,962**
Expected options to be exercised	**4,830,859**	**4,768,468**

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

The Group's business activities stem from browser related sales (i.e., revenue generated from Opera's-owned-and-operated properties, such as license, search, and advertising revenue) and advertising revenue generated from the Opera´s Mobile Publisher and Advertiser business (i.e., non Opera owned and operated properties) primarily from Opera's AdMarvel, Mobile Theory, 4th Screen Advertising, Hunt, Apprupt, AdColony and other Opera Mediaworks 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, as well as to make decisions about how resources are to be allocated based on this information.

Members of the Executive Team are specified in note 3 of the FY 2013 Annual Report.

Based on the above, Opera has determined that it has one segment. Please see note 1 in the FY 2013 Annual Report for a definition of products and services for each reportable segment.

(Numbers in $ million)

REVENUE BY REGION	**3Q 2014** (Unaudited)	**3Q 2013** (Unaudited)	**YTD 2014** (Unaudited)	**YTD 2013** (Unaudited)
EMEA	**54.5**	24.9	**123.7**	72.2
Americas	**71.8**	42.7	**172.5**	115.0
Asia Pacific	**12.4**	7.9	**30.3**	23.4
Total	**138.8**	75.5	**326.4**	210.6

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 3Q 2014, there were no customers that accounted for more than 10% of total Group revenues, and revenue attributed to customers domiciled in USA amounted to $67.4 million (YTD: 166.1).

Revenues attributed to Norway for 3Q 2014 were $0.5 million (YTD: 0.5), and revenue attributed to all foreign countries in total were $138.1 million (YTD: 325.7).

(Numbers in $ million)

NON-CURRENT ASSETS	**9/30/2014** (Unaudited)	**9/30/2013** (Unaudited)
Non-current assets located in Norway	**34.7**	24.8
Non-current assets located in foreign countries	**449.5**	193.0
Total	**484.2**	217.7

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 United States account for $406.8 million of the total non-current assets. The vast majority of the value is related to the acquisitions described in more details in note 9.

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

(Numbers in $ million)

COST OF GOODS SOLD	3Q 2014 (Unaudited)	3Q 2013 (Unaudited)	YTD 2014 (Unaudited)	YTD 2013 (Unaudited)
Publisher cost	**43.9**	14.9	**83.4**	37.5
License cost	**(0.0)**	0.0	**(0.0)**	0.0
Total	**43.9**	14.9	**83.4**	37.5

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 $ million)

REVENUE TYPE	3Q 2014 (Unaudited)	3Q 2013 (Unaudited)	YTD 2014 (Unaudited)	YTD 2013 (Unaudited)
Licenses/royalties	**25.7**	22.7	**82.7**	63.9
Development fees	**3.4**	1.8	**7.8**	5.9
Maintenance, support, and hosting	**1.6**	2.0	**5.7**	5.8
Search	**11.3**	13.0	**35.6**	40.6
Advertising	**96.4**	35.5	**193.3**	93.0
Application and content	**0.3**	0.1	**1.2**	0.4
Subscription	**0.0**	0.3	**0.2**	1.0
Other revenue	**0.0**	0.0	**0.0**	0.0
Total	**138.8**	75.5	**326.4**	210.6

Please see note 1 in the FY 2013 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 held on June 3, 2014, 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 265,172. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 20, and the maximum amount is NOK 200.
d) The authorization comprises the right to establish pledge over the Company's own shares.
e) This authorization is valid from the date it is registered with the Norwegian Register of Business Enterprises until and including June 30, 2015.
f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.

During 3Q 2014, Opera purchased 2,200,000 (YTD: 2,200,000) own shares for $23.2 million, and sold 0 (YTD: 0) own shares for $0.0 million (YTD: 0.0). As of September 30, 2014, Opera owned 2,200,000 own shares of which 568,023 shares, representing $7.9 million, was paid in 4Q 2014.

Board authorization to increase the share capital by issuance of new shares
The Annual General Meeting held on June 3, 2014, passed the following resolution:

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 265,172, by one or several share issues of up to a total of 13,258,600 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 and including June 30, 2015.
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 4, 2014, to June 30, 2015, 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 265,172, by one or several share issues of up to a total of 13,258,600 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 and including June 30, 2015.
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 4, 2014, to June 30, 2015, pursuant to board authorizations, has issued new shares in the Company representing more than 10% of the Company's share capital.

During 3Q 2014, Opera issued 615,525 (YTD: 913,381) ordinary shares related to the incentive program, 0 (YTD: 0) of ordinary shares related to business combinations, and 10,000,000 (YTD: 10,000,000) of ordinary shares related to a equity increase.

Note 7 - Shareholder Information (continued)

Dividends for 2013 of NOK 0.24 per share

The Annual General Meeting held on June 3, 2014, passed the following resolution:
NOK 0.24 per share is paid as dividend for 2013, constituting an aggregate dividend payment of NOK 31.7 million. The dividend will be paid to those who are shareholders at end of trading on June 3, 2014, and the shares will be trading exclusive of dividend rights as of June 4, 2014.

Other items passed at the AGM

For further details about the meeting held on June 3, 2014, please see the protocol from the Annual General Meeting published on the Oslo Stock Exchange website (www.oslobors.no).

Option programs

For information about the employee option program, please see note 3 in the FY 2013 Annual Report.

Note 8 - Financial Information

Currency risk

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 USD and other currencies. In 3Q 2014, approximately 81% (YTD: 77%) of revenues were in USD, 13% (YTD: 13%) in EUR, 2% (YTD:4%) in GBP, 1% (YTD: 3%) in CNY, and 3% (YTD: 3%) in other currencies; for expenses, approximately 71% (YTD: 64%) were in USD, 11% (YTD: 14%) in NOK, 4% (YTD: 4%) in GBP, 3% (YTD: 4%) in SEK, 3% (YTD: 4%) in PLN, 1% (YTD: 1%) in CNY, and 7% (YTD: 8%) in other currencies.

Foreign currency movements impacted Opera's 3Q 2014 income statement as follows:
Revenue would have been approximately $139.6 million (higher by approximately 1%) using the 3Q 2013 constant currency FX rates and revenue would have been approximately $139.4 million (higher by approximately 1%) using the 2Q 2014 constant currency FX rates. Costs would have been approximately $121.3 million (higher by approximately 2%) using the 3Q 2013 constant currency FX rates and cost would have been approximately $121.3 million (higher by approximately 2%) using the 2Q 2014 constant currency FX rates. The majority of the Company's purchases are made in the following denominations: NOK, USD, SEK, PLN, GBP, JPY, CNY, KRW, TWD, AUD, UAH, ISK, SGD, BRL, UYU, MXN, ARS, EUR and INR. Exchange rate fluctuations in these currencies do impact Opera's income statement.

For 3Q 2014, Opera had a net foreign exchange loss of $6.8 million. $1.8 million was realized foreign exchange gain and $8.6 million was unrealized foreign exchange loss. The unrealized foreign exchange loss is estimated as the difference between the exchange rate at the closing date and date of the transaction.

Foreign exchange contracts

Opera had not entered into any foreign exchange contracts as of September 30, 2014.

Note 8 - Financial Information (continued)

Fair values of financial assets and financial liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities (level 3 in the fair value hierarchy). It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Numbers in $ million)	Carrying amount 9/30/2014			
	Designated at fair value	Loans and receivables	Other Financial liabilities	Total
Financial assets not measured at fair value				
Other investments and deposits		3.2		**3.2**
Accounts receivable		108.1		**108.1**
Unbilled revenue		37.1		**37.1**
Cash and cash equivalents		145.3		**145.3**
Total financial assets not measured at fair value	**0.0**	**293.7**	**0.0**	**293.7**
Financial liabilities measured at fair value				
Provisions	206.7			**206.7**
Total financial liabilities measured at fair value	**206.7**	**0.0**	**0.0**	**206.7**
Financial liabilities not measured at fair value				
Finance lease liabilities			3.0	**3.0**
Secured bank loans			60.0	**60.0**
Accounts payable			56.8	**56.8**
Other short-term liabilities			52.2	**52.2**
Total financial liabilities not measured at fair value	**0.0**	**0.0**	**172.0**	**172.0**

For more information please see note 10.

(Numbers in $ million)	Carrying amount 9/30/2013			
	Designated at fair value	Loans and receivables	Other Financial liabilities	Total
Financial assets not measured at fair value				
Other investments and deposits		5.9		**5.9**
Accounts receivable		50.6		**50.6**
Unbilled revenue		29.6		**29.6**
Cash and cash equivalents		70.1		**70.1**
Total financial assets not measured at fair value	**0.0**	**156.2**	**0.0**	**156.2**
Financial liabilities measured at fair value				
Provisions	92.6			**92.6**
Total financial liabilities measured at fair value	**92.6**	**0.0**	**0.0**	**92.6**
Financial liabilities not measured at fair value				
Finance lease liabilities			0.0	**0.0**
Secured bank loans			60.0	**60.0**
Accounts payable			17.9	**17.9**
Other short-term liabilities			24.9	**24.9**
Total financial liabilities not measured at fair value	**0.0**	**0.0**	**102.9**	**102.9**

Note 9 - Business Combinations

Acquisition of AdColony

On June 24, 2014, Opera announced that it had reached a definitive agreement to acquire 100% of the stock and voting interests in Jirbo Acquisition Company, Inc. (DBA: AdColony). The acquisition closed on July 24, 2014. The transaction is an acquisition by Opera Software ASA of all outstanding stock in AdColony. The transaction was structured as a reverse triangular merger resulting in AdColony, as the surviving corporation, becoming a wholly-owned subsidiary of Opera Software ASA.

AdColony is a mobile video advertising company, whose proprietary Instant-Play™ technology serves razor sharp, full-screen video ads instantly in HD across its extensive network of iOS and Android apps, eliminating the biggest pain points in mobile video advertising: long load times and grainy, choppy video. As a leading mobile video advertising and monetization platform, AdColony works with both Fortune 500 brands and the world's top grossing publishers. The company's reach, targeting and optimization tools and services provide advertisers with a superior way to engage mobile audiences at scale. AdColony's app developer tools and services provide publishing partners with ways to maximize monetization while gaining insight needed to continuously optimize content and advertising offerings. AdColony has offices in Los Angeles, San Francisco, Seattle, Chicago, Detroit, New York and London. To learn more about AdColony, visit www.AdColony.com.

The mobile advertising market, including Opera's existing customers, have shown a strong appetite for high quality mobile video advertising solutions - on both the supply and demand sides of the advertising economy. Integrating AdColony's technology into Opera's end-to-end mobile advertising platform will extend Opera's leadership position in rich media advertising, establishing it as the go-to platform for mobile video advertising. AdColony's demonstrated expertise in leveraging mobile video advertising for performance advertisers is expected to further strengthen Opera's value proposition for user acquisition/app install offerings, in a market that is characterized by explosive growth. AdColony also brings a formidable portfolio of mobile publishers to Opera, including many of the top grossing mobile applications on Apple's App Store and Google Play – who in turn can benefit from the broader capabilities of Opera Mediaworks. Finally, leveraging Opera's global footprint and accessible inventory, the AdColony technology can be applied to a much broader global audience, at a much faster rate than what would have been possible in a stand-alone scenario.

For advertisers, the addition of AdColony will make Opera Mediaworks the most comprehensive suite of brand and performance-based mobile ad solutions, delivering creative, targeting, analytics, measurement, programmatic buying, and video and rich-media offerings.

For publishers, the combination will offer the world's largest mobile-focused ad server along with a larger scope of managed, self-service and programmatic tools creating powerful ways to effectively monetize inventory.

Transaction and Financial Highlights

Opera paid $75.0 million in cash for AdColony at closing, plus $18.4 for the net cash on AdColony's balance sheet.

In addition, the deal may include additional variable cash and/or stock consideration of up to $275 million (including the potential release of the already paid $25.0 million in escrow to the escrow agent) tied to ambitious 2014, 2015 and 2016 AdColony mobile video advertising revenue and Adjusted EBITDA* targets. The first $30.0 million of the potential 2014 variable earn-out consideration will be paid in stock (converted to a number of shares based on a pre-determined Opera share price of USD 12.323), equivalent to up to 2.43 million shares. Beyond this, the payment mix of cash versus stock for earn-out payments is largely at Opera's discretion, and payments in stock will be converted based on Opera's share price at the time of payment.

Note 9 - Business Combinations (continued)

The highlights of the variable acquisition consideration portion of the transaction for the 2014, 2015, and 2016 financial targets are as follows:

(Numbers in $ million)

Performance components	Total Maximum Variable Consideration	Expected additional payments
Escrow	Up to $10 million released based on 2014 Revenue and Adjusted EBITDA* targets Up to $15 million released based on 2015 Revenue and Adjusted EBITDA* targets	25.0
2014 Revenue and Adjusted EBITDA*	Up to $22.5 million based on revenue targets Up to $52.5 million based on Adjusted EBITDA* targets	76.7
2015 Revenue and Adjusted EBITDA*	Up to $30 million based on revenue targets Up to $105 million based on Adjusted EBITDA* targets	75.0
2016 Revenue and Adjusted EBITDA*	Up to $7.5 million based on revenue targets Up to $32.5 million based on Adjusted EBITDA* targets	20.6
Total variable components	**275**	**197.4**

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

Should AdColony deliver even stronger incremental financial performance compared to what is incorporated into Opera's updated 2014 financial guidance and 2015 financial aspirations and Opera is required to pay higher earn-out payments, the multiples and attractiveness of the deal will improve even further.

ABG Sundal Collier Norge ASA provided the Opera Board of Directors with a fairness opinion on the purchase price for AdColony.

Opera was advised by Weil, Gotshal & Manges LLP as U.S. counsel and Arntzen de Besche Advokatfirma AS as Norwegian counsel.

In 3Q 2014, the Group incurred acquisition-related costs of $0.1 million(YTD: 1.4) 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 $ million)

Identifiable assets acquired and liabilities assumed	
Other intangible assets	0.0
Property, plant, and equipment	0.8
Deferred tax assets	18.4
Other investments and deposits	0.1
Accounts receivable*	12.8
Unbilled revenue	11.6
Other receivables	6.0
Cash and cash equivalents	21.1
Accounts payable	-23.0
Taxes payable	0.0
Social security, VAT, and other taxation payable	-0.2
Deferred revenue	0.0
Other short-term liabilities	-5.9
Total net identifiable assets	**41.7**
Cash consideration	-93.4
Contingent consideration	-171.8
Excess value	**-223.4**
Related customer relationships	42.0
Customer contracts	5.0
Proprietary technology	16.0
Trademarks	4.0
Deferred tax on excess values	-26.8
Goodwill**	183.2

** $0.1 million as provision for bad debt*

*** Not deductable for tax purposes*

The assets and liabilities that were recognized by AdColony, Inc. 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, customer contracts, proprietary technology, trademarks, 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 AdColony can be attributed to the synergies that exist between the two companies, as well as the qualified AdColony workforce.

Opera calculated the fair value on the acquisition date and booked a contingent consideration of $171.8 million in the financial statements. The contingent consideration is revalued each quarter, and more information can be found in note 10.

Note 9 - Business Combinations (continued)

The value of the related customer relationships is depreciated over a 6-year period, the customer contracts are depreciated over a 2-year period, the proprietary technology is depreciated over a 3-year period, and trademarks over a 5-year period.

The fair value of the net identifiable assets has 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.

Financing

On June 24, 2014 Opera signed an agreement with DNB Bank ASA to increase the size of its secured revolving credit facility originally entered into on February 15, 2013 from $100 million to $200 million. Due to the successful completion of the share offering (see below) on June 27, 2014, the facility was automatically reduced to $150 million upon the registration of the capital increase with the Norwegian Register of Business Enterprises in early July. The amended facility, now in the amount of up to $150 million, will primarily be secured through a share pledge in Opera Software International AS and floating charges over accounts receivable in Opera Software ASA and certain of its U.K. and U.S. subsidiaries. The new facility has a term of 3 years and bears an interest rate of LIBOR + 1.75% p.a. (plus a utilization fee varying with the amount drawn).On the undrawn portion of the facility, a commitment fee of 0.61% p.a. will be paid. Opera Software intends to use the financing for general corporate purposes and potential acquisitions.
Please see note 12 for more information.

On June 27, 2014, Opera Software ASA announced the successful completion of the offering of 10 million shares, equal to 7.5% of the existing share capital of the Company (the "Offering"). The Offering was comprised of a private placement to institutional investors in Norway and internationally. The over-subscribed Offering was completed at an offer price of NOK 80 per share, which was determined through an accelerated book-building process. Gross proceeds from the Offering amount to NOK 800 million. The net proceeds will be used to increase the Company's capital base for current and future strategic acquisition activities and obligations. In particular, the proceeds of the placement will provide the Company with additional funding flexibility to meet its earn-out obligations in connection with the recent AdColony acquisition. NOK 27.5 million in transaction costs has been booked against the gross proceeds.

Note 9 - Business Combinations (continued)

Individually immaterial business combinations

From time to time, the Group acquires 100% of the shares/membership interest of one or several companies that individually are not seen as material transactions. These business combinations are material collectively, and the 2014 business combination numbers shown below are therefore disclosed in aggregate.

The aforementioned 2014 acquisitions have the following aggregated future obligations: Up to $15.0 million in potential cash earnout consideration (to be paid to the Sellers in 2015 and 2016 based on aggressive revenue and EBIT targets), plus additional potential limited consideration based on EBIT exceeding the aggressive targets in 2015 and 2016.

The acquisitions enables Opera to: (i) meet the growing demand for mobile ad inventory and impressions in important global mobile markets, such as Latin America and German speaking European countries; (ii) better monetize Opera’s existing inventory in such regions, including that of Opera's own mobile browser users; and (iii) strengthen our publisher base targeted to non-English speaking consumers in the US and elsewhere

In 3Q 2014, the Group incurred acquisition-related costs of $0.0 million (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 $ million)

Identifiable assets acquired and liabilities assumed	
Other intangible assets	0.0
Other investments and deposits	0.0
Property, plant, and equipment	0.1
Deferred tax assets	0.8
Accounts receivable*	2.3
Unbilled revenue	0.6
Other receivables	0.3
Cash and cash equivalents	0.8
Accounts payable	-5.7
Taxes payable	-0.2
Social security, VAT, and other taxation payable	-0.1
Other short-term liabilities	-1.7
Total net identifiable assets	**-2.7**
Cash consideration	-7.8
Escrow	-0.9
Contingent consideration	-7.2
Excess value	**-18.6**
Related customer relationships	3.2
Deferred tax on excess values	-0.4
Goodwill	15.8

** $0.0 million in provision for bad debt.*

The assets and liabilities that were recognized immediately before the business combinations equaled the carrying amount recognized by the Group on the acquisition dates. 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 prices have been deemed to be related to these intangible assets.

Note 9 - Business Combinations (continued)

Opera calculated the fair value on the acquisition dates and booked a contingent consideration of $7.2 million 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 6 to 7-year period.

The fair value of the net identifiable assets has not been calculated by an external company. Opera has treated the contingent consideration as consideration for the purchase of the business with exception of the non-compete payment which has been treated as remuneration. The evaluation is based on the indicators outlined in IFRS 3.

(Numbers in $ million)

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
Goodwill at acquisition cost for Skyfire Labs, Inc.	65.8
Sale of FastMail	-1.0
Goodwill at acquisition cost for immaterial transactions	14.4
FX adjustment to the goodwill acquisition cost	-0.1
Net book value as of 12/31/13	149.5
Goodwill at acquisition cost for immaterial transactions	15.8
Goodwill at acquisition cost for AdColony	183.2
FX adjustment to the goodwill acquisition cost	-0.5
Net book value as of 9/30/14	**348.0**

The Group has performed a complete impairment test as of December 31, 2013 according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill.

Note 10 - Contingent Liabilities and Provisions

Valuation techniques and significant unobservable inputs

Please see note 11 in the FY 2013 Annual Report for information regarding the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balances for Level 3 fair values.

Contingent consideration	
Balance as of 1/1/2013	28.8
Assumed in a business combination	54.7
Paid	-14.6
Finance cost	-5.5
Conversion discrepancy	-3.7
OCI	0.0
Balance as of 12/31/2013	**59.7**
Assumed in a business combination	5.6
Paid	-37.5
Finance cost	7.6
Conversion discrepancy	0.4
OCI	0.0
Balance as of 3/31/2014	**35.8**
Assumed in a business combination	1.6
Paid	-12.0
Finance cost	2.0
Conversion discrepancy	-0.1
OCI	0.0
Balance as of 6/30/2014	**27.3**
Assumed in a business combination	171.8
Paid	0.0
Finance cost	14.8
Conversion discrepancy	-7.2
Salary cost	0.0
OCI	0.0
Balance as of 9/30/2014	**206.7**

Note 10 - Contingent Liabilities and Provisions (continued)

AdColony — Earnout agreement and senior management incentive plan

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

Opera has estimated the total earnout value before discounting to be $197.4 million, at the acquisition date. Opera used a WACC of 11.5% and foreign exchange rate of 6.1897, when calculating and booking the earnout in Opera Software ASA. Based on these assumptions and the earnout valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of $171.8 million in the financial statements. The FY 2014, 2015, and FY 2016 earnout targets are both based on revenue and Adjusted EBIT targets. The maximum possible payment for both FY 2014, 2015 and FY 2016 is $275 million. At the acquisition date, Opera calculated the earnout value before discounting to be $86.7 million in FY 2014, $90.0 million in FY 2015, and $20.6 million in FY 2016.

The contingent consideration is revalued each quarter, and $94.1 million has been booked as a non-current provision and $82.7 million as a current provision as of September 30, 2014. For 3Q 2014, Opera booked $4.8 million (YTD 4.8) as an interest expense, $6.8 million (YTD 6.8) as an FX expense and $0.0 million (YTD 0.0) as change in likelihood. The weighted probability rates are estimated to change +/-10%. Please also see note 9 for more details.

(Numbers in $ million)

Sensitivity analysis	Increase	Decrease
Annual revenue growth rate (10% movement)	**39.5**	**60.8**
EBIT margin (5% movement)	**8.5**	**11.4**

Note 10 - Contingent Liabilities and Provisions (continued)

Skyfire Labs — Earnout agreement and senior management incentive plan

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

Opera has estimated the total earnout value before discounting to be $57.2 million, at the acquisition date. Opera used a WACC of 25% and foreign exchange rate of 5.7214, 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 $40.5 million in the financial statements. The FY 2013, 2014 and FY 2015 earnout targets are both based on revenue and EBIT targets. The maximum possible payment for both FY 2013, 2014 and FY 2015 is $94.7 million. At the acquisition date, Opera calculated the earnout value before discounting to be $26.7 million in FY 2013, $30.5 million in FY 2014, and $0.0 million in FY 2015.

The contingent consideration is revalued each quarter, and $0.0 million has been booked as a non-current provision and $0.5 million as a current provision as of September 30, 2014. For 3Q 2014, Opera booked $0.0 million (YTD 0.2) as an interest expense, $0.0 million (YTD -0.1) as an FX expense and $0.0 million (YTD 0.0) as change in likelihood. The weighted probability rates are estimated to change +/-10%. Please also see note 9 for more details.

In 3Q 2013, Opera paid portions of the 2013 earnout payment of $11.7 million. The payment had no impact on cash flow in 3Q 2013 since the amount was paid to the escrow agent in 1Q 2013.

In 1Q 2014, the escrow agent repaid $5.0 million of the indemnity escrow fund to Opera as Skyfire Labs did not meet the performance targets related to the escrow.

In 3Q 2014, the escrow agent repaid $9.0 million of the indemnity escrow fund to Opera as Skyfire Labs did not meet the performance targets related to the escrow.

Further, it has been agreed that up to the first $10.0 million of any 2015 total earnout payments that become payable pursuant to the merger agreement, are to be part of an incentive payment to certain senior management employees. The valuation of the contingent consideration is based on the same principles as described above. The contingent consideration is revalued each quarter, and $3.3 million has been booked as a non-current provision as of September 30, 2014. For 3Q 2014, Opera booked $0.2 million (YTD: 0.6) as an interest expense and $0.0 million (YTD 0.0) as change in likelihood. The weighted probability rates are estimated to change +/-10%.

(Numbers in $ million)

Sensitivity analysis	Increase	Decrease
Annual revenue growth rate (10% movement)	**2.6**	**4.8**
EBIT margin (5% movement)	**0.6**	**4.8**

Note 10 - Contingent Liabilities and Provisions (continued)

Individually immaterial business combinations — Earnout agreements

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

Opera has estimated the total earnout values before discounting to be $32.6 million, at the acquisition date. Opera used a WACC between 11.5% and 25%, 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 $21.4 million in the financial statements. At the acquisition date, Opera calculated the earnout value before discounting to be $8.7 million in FY 2013, $9.6 million in FY 2014, $12.4 million in FY 2015, and $1.9 million in FY 2016.

The contingent consideration is revalued each quarter, and $12.5 million has been booked as a non-current provision and $13.6 million as a current provision as of September 30, 2014. For 3Q 2014, Opera booked $2.3 million (YTD: 5.0) as an interest expense, $0.5 million (YTD: 0.5) as an FX income and $0.2 million (YTD: 5.3) as change in likelihood. The weighted probability rates are estimated to change +/-10%. Please also see note 9 for more details.

In 1Q 2014, Opera paid the 2013 earnout of $1.4 million.

(Numbers in $ million)

Sensitivity analysis	Increase	Decrease
Annual revenue growth rate (10% movement)	0.0	0.0
EBIT margin (5% movement)	0.4	2.2

Mobile Theory — Earnout agreement

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

In 1Q 2014, Opera booked $1.5 million (YTD 1.5) as an interest expense, $-0.7 million (YTD -0.7) as an FX expense, $-0.1 million (YTD -0.1) as change in likelihood, and paid the 2013 earnout payment of $31.3 million. $7.0 million of the 2013 earnout payment had no cash effect in 1Q 2014. This final payment settles the earnout liabilities with the prior shareholders.

4th Screen Advertising — Earnout agreement

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

In 1Q 2014, Opera booked $0.2 million (YTD 0.2) as an interest expense, $-0.1 million (YTD -0.1) as an FX expense, $0.3 million (YTD 0.3) as change in likelihood, and paid the 2013 earnout payment of $4.8 million and an escrow release payment of $1.0 million. The escrow release payment had no cash effect in 1Q 2014. These final payments settle the earnout liabilities with the prior shareholders.

Note 11 - Investment in Associated Companies

In 1Q 2011, Opera and China's Telling Telecom announced that they planned to establish 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 a leading mobile phone distributor in China.

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, providing users with a simple, fast, and smooth mobile internet experience and to helping people enjoy a comfortable mobile internet life. For more information, please visit www.oupeng.com.

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 $ million)

Information regarding nHorizon Innovation	3Q 2014 (Unaudited)	YTD 2014 (Unaudited)
Revenue	**2.3**	**8.6**
EBIT	**-7.6**	**-20.8**
Net profit	**-8.0**	**-21.9**
Assets		**2.5**
Short term liabilities		**1.9**
Equity		**0.6**

(Numbers in $ million)

Investment in associate company

The investments in nHorizon Innovation are accounted for using the equity method. In 3Q 2014, Opera invested $11.0 million in nHorizon Innovation together with a loan grant of $1.8 million (YTD: 6.0). In addition, nHorizon Innovation repaid a loan of $8.0 million. The total investment as of September 30, 2014 is $23.8 million. In addition, Opera has loaned $2.7 million to nHorizon Innovation and is guaranteed a minimum amount of revenue from the company corresponding to Opera's initial capital contribution over the three-year period starting from the date the company was established.

As of September 30, 2014, Opera owned 29.09% of nHorizon Innovation, and Opera has booked the following fair value on the accounting line Other investments and deposits:

Investment (Booked value January 1, 2014)	0.0
Investment during the fiscal year	11.0
FX adjustment	-1.0
Share of the profit/loss	-7.8
Elimination	-1.3
Balance as of 9/30/2014	**0.9**

Note 12 - Finance lease liabilities

The Group leases server equipment for hosting purpose under several finance leases. Some leases provide the option to buy the equipment at the end of the leasing period. However, the Group has as of today no intention to exercise that option.

Minimum lease payments made under finance leases are apportioned between finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance lease liabilities are payable as follows:

(Numbers in $ million)

FINANCE LEASE LIABILITES	Future minimum lease payments 9/30/2014 (Unaudited)	Future minimum lease payments 9/30/2013 (Unaudited)	Interest 9/30/2014 (Unaudited)	Interest 9/30/2013 (Unaudited)	Present value of minimum lease payments 9/30/2014 (Unaudited)	Present value of minimum lease payments 9/30/2013 (Unaudited)
Less that one year	**1.4**	0.0	**0.0**	0.0	**1.4**	0.0
Between one and five years	**1.7**	0.0	**0.0**	0.0	**1.7**	0.0
More that five years	**0.0**	0.0	**0.0**	0.0	**0.0**	0.0
Total	**3.1**	0.0	**0.1**	0.0	**3.0**	0.0

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that Group will obtain ownership by the end of the lease term.

(Numbers in $ million)

LEASE EXPENSES	3Q 2014 (Unaudited)	3Q 2013 (Unaudited)	YTD 2014 (Unaudited)	YTD 2013 (Unaudited)
Depreciation expense	**0.4**	0.0	**0.4**	0.0
Interest expense	**0.0**	0.0	**0.0**	0.0
Total	**0.4**	0.0	**0.4**	0.0

Note 13 - Liquidity Reserve/Credit Facility

(Numbers in $ million)

LIQUIDITY RESERVE	9/30/2014 (Unaudited)	9/30/2013 (Unaudited)
Cash and cash equivalents		
Cash in hand and on deposit	**145.3**	70.1
-of which restricted funds*	**5.6**	5.8
Unrestricted cash	**139.7**	64.3
Unutilized credit facilities	**90.0**	40.0
Short-term overdraft facility	**0.0**	0.0
Liquidity reserve	**90.0**	40.0

*Cash and cash equivalents of $5.2 million were restricted assets as of September 30, 2014. In addition Opera has cash and cash equivalents of $0.4 in Argentina which should be treated as restricted cash due to the political situation in the country. Cash and cash equivalents of $5.8 million were restricted assets as of September 30, 2013.

(Numbers in $ million)

CREDIT FACILITY	9/30/2014 (Unaudited)	9/30/2013 (Unaudited)
Credit Facility		
Short-term cash credit	**150.0**	100.0
-of which utilized	**60.0**	60.0
Short-term overdraft facility	**0.0**	0.0
-of which utilized	**0.0**	0.0

Opera Software has, in June 2014, signed a new $150 million secured revolving credit facility with DNB Bank ASA. The facility will primarily be secured through a share pledge in Opera Software International AS, as well as floating charges over accounts receivable in Opera Software ASA and certain of its U.K. and U.S. subsidiaries. The facility has a term of 3 years and bears an interest rate of LIBOR + 1.75% p.a. (plus a utilization fee varying with the amount drawn). On the undrawn portion of the facility, a commitment fee of 0.61% p.a. will be paid. Opera Software intends to use the financing for general corporate purposes and potential acquisitions. Please see note 9 for more information.

Note 14 - Unusual Transactions

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

Note 15 - Costs for restructuring the business

During 2Q 2014, 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.

During 1Q 2014, 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.

(Numbers in $ million)

RESTRUCTURING COSTS	3Q 2014 (Unaudited)	3Q 2013 (Unaudited)	YTD 2014 (Unaudited)	YTD 2013 (Unaudited)
Salary restructuring cost	**0.0**	0.0	**0.2**	0.0
Option restructuring cost	**0.0**	0.0	**0.0**	0.0
Office restructuring cost	**0.0**	0.0	**0.1**	0.0
Impairment cost	**0.0**	0.0	**0.0**	0.0
Legal fees related to business combinations	**0.0**	0.0	**2.7**	1.5
Other restructuring cost	**0.0**	0.0	**0.2**	0.0
Total	**0.0**	0.0	**3.2**	1.5

As of September 30, 2014, $0.3 million was not paid and booked as other short-term liabilities in the statement of financial position. The comparative number as of September 30, 2013 was $0.6 million.

Note 16 - 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 conditions 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 on page 66, 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.

Note 17 - 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).

Historical Summary - Last 6 Quarters

(Numbers in $ million, except per share amounts)

	3Q 2014 (Unaudited)	2Q 2014 (Unaudited)	1Q 2014 (Unaudited)	4Q 2013 (Unaudited)	3Q 2013 (Unaudited)	2Q 2013 (Unaudited)
Revenue	**138.8**	100.6	87.0	89.6	75.5	73.1
Revenue (% sequential growth)	**38%**	16%	-3%	19%	3%	18%
EBIT*	**19.5**	18.0	14.9	16.8	15.6	15.2
EBIT, excluding stock option costs*	**23.9**	20.2	16.0	17.7	16.6	16.2
EBITDA*	**29.4**	24.9	21.6	23.1	21.4	20.7
EBITDA, excluding stock option costs*	**33.9**	27.0	22.7	24.0	22.5	21.7
EPS	**(0.082)**	0.071	0.019	0.373	0.011	0.051
EPS, fully diluted	**(0.080)**	0.069	0.018	0.363	0.010	0.049

* excluding costs for restructuring the business

Supplemental information

(Numbers in $ million)

Revenue Customer Type YTD numbers	YTD 2014 (Unaudited)	YTD 2013 (Unaudited)
Mobile Operators	**53.3**	45.6
Mobile Consumers	**35.8**	26.9
Mobile Publishers and Advertisers	**169.6**	76.0
Desktop Consumers	**49.8**	45.5
Device OEMs	**17.2**	15.0
Other	**0.6**	1.6
Total	**326.4**	210.6

(Numbers in $ million)

Revenue Customer Type QTR numbers	3Q 2014 (Unaudited)	2Q 2014 (Unaudited)	1Q 2014 (Unaudited)	4Q 2013 (Unaudited)	3Q 2013 (Unaudited)
Mobile Operators	**17.0**	17.7	18.6	16.5	17.1
Mobile Consumers	**12.8**	9.3	13.7	11.0	7.6
Mobile Publishers and Advertisers	**86.9**	51.1	31.7	43.1	29.6
Desktop Consumers	**13.9**	17.4	18.5	15.4	13.8
Device OEMs	**8.0**	4.9	4.3	3.3	6.8
Other	**0.2**	0.2	0.2	0.1	0.5
Total	**138.8**	100.6	87.0	89.6	75.5

Operators: Opera is a trusted partner for operators globally. The Company currently offers four major cloud based solutions and services to Operators worldwide: (i) Operator/Co-branded versions of Opera Mini, whereby Operators are able to offer their mass market subscribers content compression, fast Internet download speeds, convenient access to operator portal services in order to drive incremental revenue, and lower priced data plans and data packages, capitalizing on the up to 90% data compression that Opera´s cloud services enables; (ii) Skyfire Rocket Optimizer™, which allows mobile operators to leverage cloud computing to optimize and compress video and other multimedia traffic on crowded cell towers, including 3G and 4G LTE networks, enabling operators to both boost the capacity of their networks by up to 60% and offer better network performance and quality to their subscribers; (iii) Skyfire Horizon™, a mobile browser extension and toolbar platform that allows users to personalize their smartphone browser and operators to gain new monetization opportunities, such as advertising; and (iv) Opera WebPass, which allows users to easily buy time-based or content-based mobile data packages through a simple, one-click purchase, similar to how users buy apps today, enabling operators to both offer a broad array of personalized data package alternatives for their subscribers and increase average revenue generated per subscriber.

Mobile Consumers (Opera-owned-and-operated properties): Opera has around 270 million mobile users of consumer products on a monthly basis. 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 owned and operated properties include the Speed Dial page, the Smartpage, the Opera Mobile Store and the Discover page. These Opera owned and operated properties are expected to be monetized primarily via mobile advertising, mobile search and mobile applications.

Supplemental information (continued)

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

Desktop Consumers: 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. Today, the vast majority of Opera´s desktop users are in the Russia/CIS region and in the emerging markets. Opera is particularly focused on growing users in regions where it already has a strong base of users, such as Russia.

Global Device Original Equipment Manufacturers (Device OEMs): 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.

(Numbers in $ million)

Mobile Operators **YTD numbers**	**YTD 2014** (Unaudited)	**YTD 2013** (Unaudited)
NRE and M&S	**3.0**	2.6
Non cloud based license/data revenue	**0.4**	0.3
Cloud based license/data revenue	**49.9**	42.7
Total	**53.3**	45.6

(Numbers in $ million)

Mobile Operators **QTR numbers**	**3Q 2014** (Unaudited)	**2Q 2014** (Unaudited)	**1Q 2014** (Unaudited)	**4Q 2013** (Unaudited)	**3Q 2013** (Unaudited)
NRE and M&S	**0.9**	1.1	1.0	0.8	0.9
Non cloud based license/data revenue	**0.2**	0.1	0.1	0.2	0.1
Cloud based license/data revenue	**16.0**	16.5	17.5	15.5	16.1
Total	**17.0**	17.7	18.6	16.5	17.1

(Numbers in $ million)

Device OEMs **YTD numbers**	**YTD 2014** (Unaudited)	**YTD 2013** (Unaudited)
NRE and M&S	**5.0**	**5.1**
Licenses and active-user fees	**12.2**	**9.9**
Total	**17.2**	**15.0**

(Numbers in $ million)

Device OEMs **QTR numbers**	**3Q 2014** (Unaudited)	**2Q 2014** (Unaudited)	**1Q 2014** (Unaudited)	**4Q 2013** (Unaudited)	**3Q 2013** (Unaudited)
NRE and M&S	**1.6**	1.8	1.6	1.6	1.7
Licenses and active-user fees	**6.4**	3.1	2.7	1.7	5.1
Total	**8.0**	4.9	4.3	3.3	6.8

Supplemental information (continued)

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
January 2013	60.3
February 2013	59.8
March 2013	66.7
April 2013	68.2
May 2013	74.4
June 2013	77.7
July 2013	83.3
August 2013	86.3
September 2013	86.2
October 2013	96.6
November 2013	98.4
December 2013	104.7
January 2014	108.4
February 2014	103.7
March 2014	112.0
April 2014	111.6
May 2014	113.8
June 2014	113.5
July 2014	**127.1**
August 2014	**131.3**
September 2014	**131.2**

**Includes Skyfire Horizon users.*

Supplemental information (continued)

In million subscribers	
Total Opera mobile browser users State of the Mobile Web*	(Unaudited)
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
January 2013	237.3
February 2013	228.5
March 2013	249.0
April 2013	246.6
May 2013	254.8
June 2013	251.4
July 2013	259.6
August 2013	264.5
September 2013	261.6
October 2013	267.5
November 2013	262.5
December 2013	270.1
January 2014	275.1
February 2014	259.5
March 2014	273.9
April 2014	268.2
May 2014	274.8
June 2014	270.8
July 2014	**275.8**
August 2014	**276.3**
September 2014	**270.9**

**Include Opera and operator hosted Mini users as well as Opera Mobile and Skyfire browser users. Please also see: http://www.opera.com/smw/.*

Supplemental information (continued)

In million users					
Monthly Desktop users (last month of quarter)	**3Q 2014** (Unaudited)	**2Q 2014** (Unaudited)	**1Q 2014** (Unaudited)	**4Q 2013** (Unaudited)	**3Q 2013** (Unaudited)
Total	**51**	51	51	51	51