

Capital Markets Day 2010





Opera Software: Progress in 2010

Opera's vision is to provide the best Internet experience on any device.



Opera's road to growth in 2010

Progress report

- Operators
- OEMs
- Consumers



What operators are thinking right now: Mobile Internet has become a strategic topic across all their devices.



1995

Voice

2000

SMS

2002

MMS

2005

Data

2007-2010

Web services

Reality check: Large OEMs target the entire value chain...

Applications



Products



OS



Apple



Google



Nokia



Microsoft

... leaving operators to deliver the pipe only

Operators want to turn any device into a service delivery platform

Application offering



Premium services



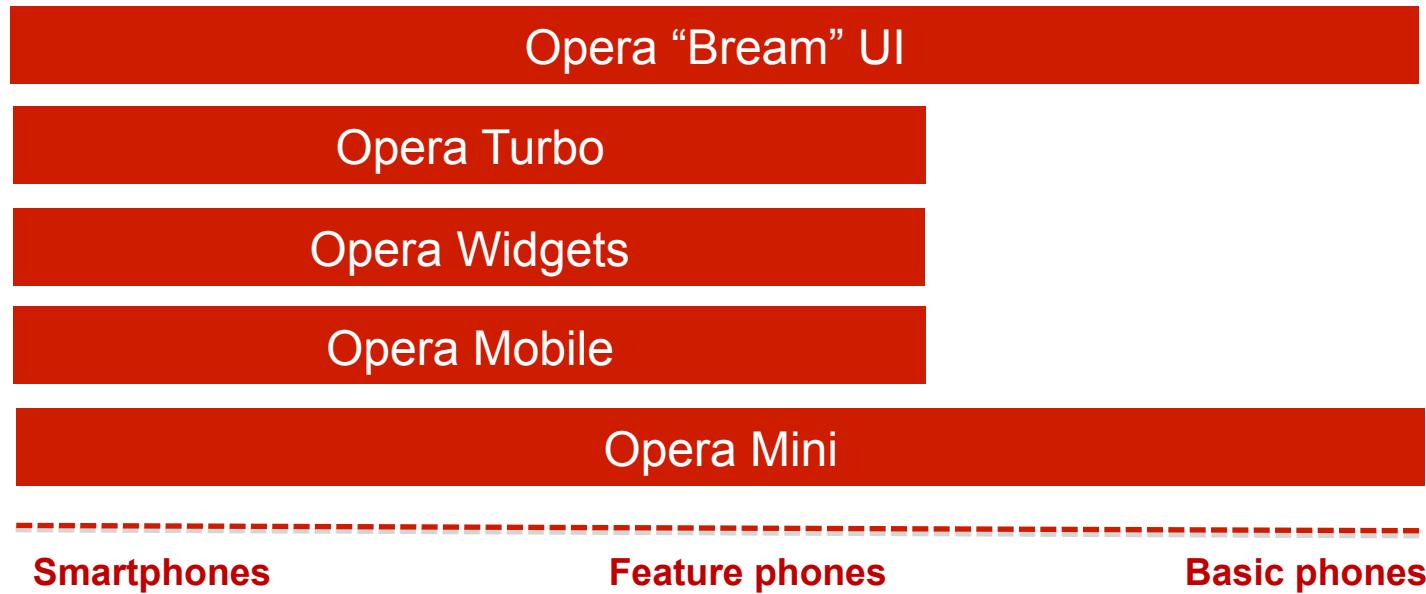
Internet browsing & discovery



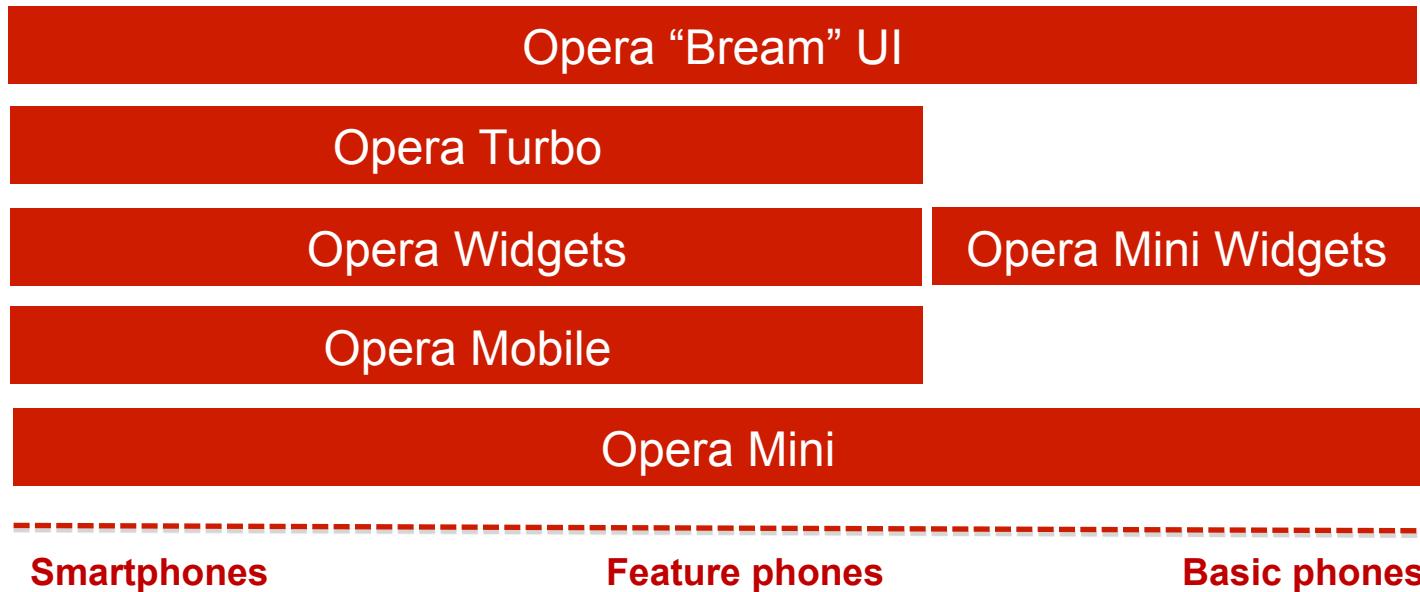
Instant experience



Opera's unique ability to cover the entire mobile value chain

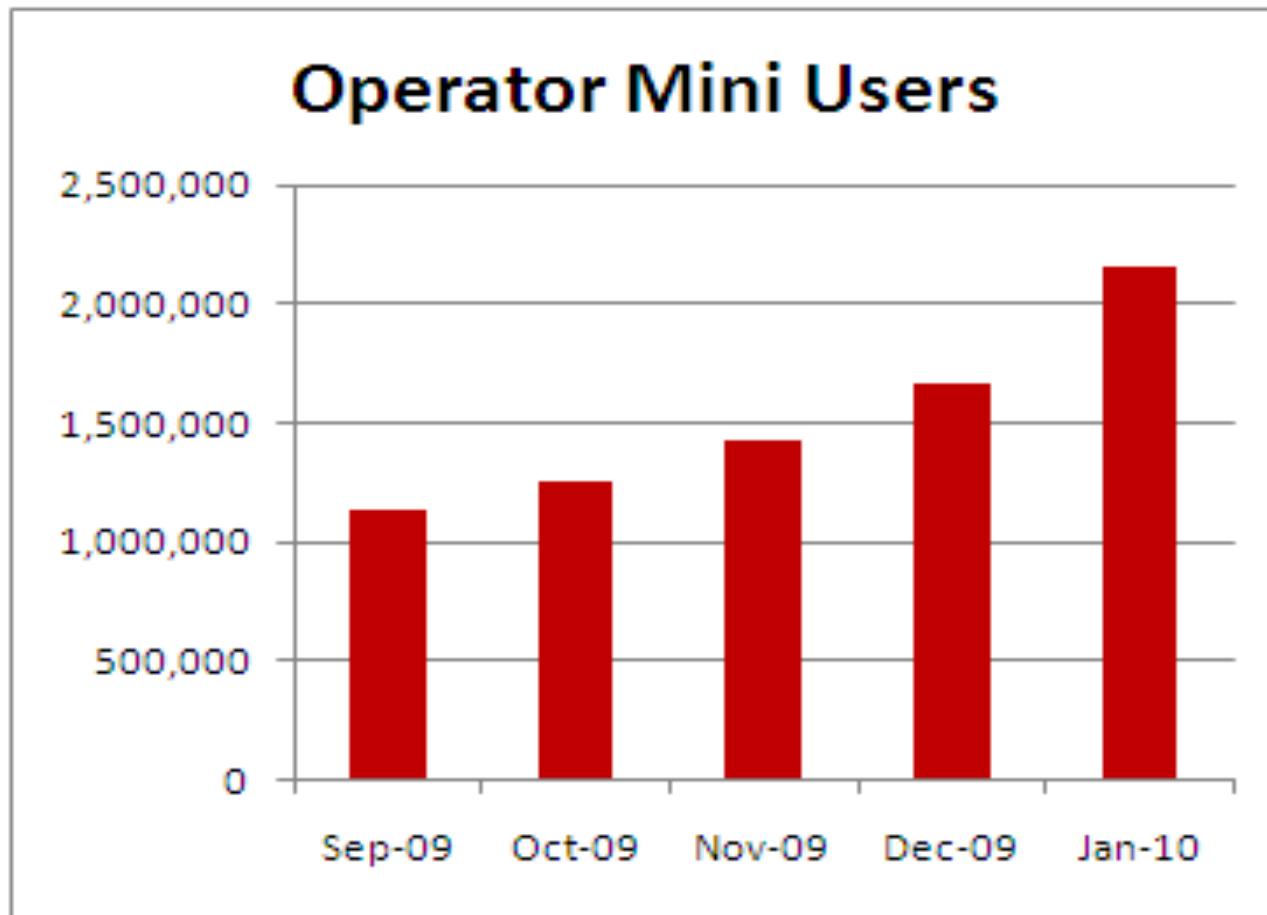


News today: Now Opera Mini supports applications



Status report: Traction with global operators

Opera users from operators



Commercial progress: Vodafone

- 16 devices
- Wide range of Android phones coming up shortly – Opera powering VF app-store client
- Commercial launch in four markets: Romania, South Africa, Egypt and Turkey
- Upcoming commercial launches: Spain, Netherlands, Germany, Portugal, Hungary, Czech Republic, Ireland, Tanzania
- Opera Mini 5 drives launch expectations
- Opera Turbo device planned



vodafone

Commercial progress: AT&T

- High growth: Very strong user growth since launch
- Opera browser technology powers the att.net portal
- Eight devices launched
- More to come (20+)



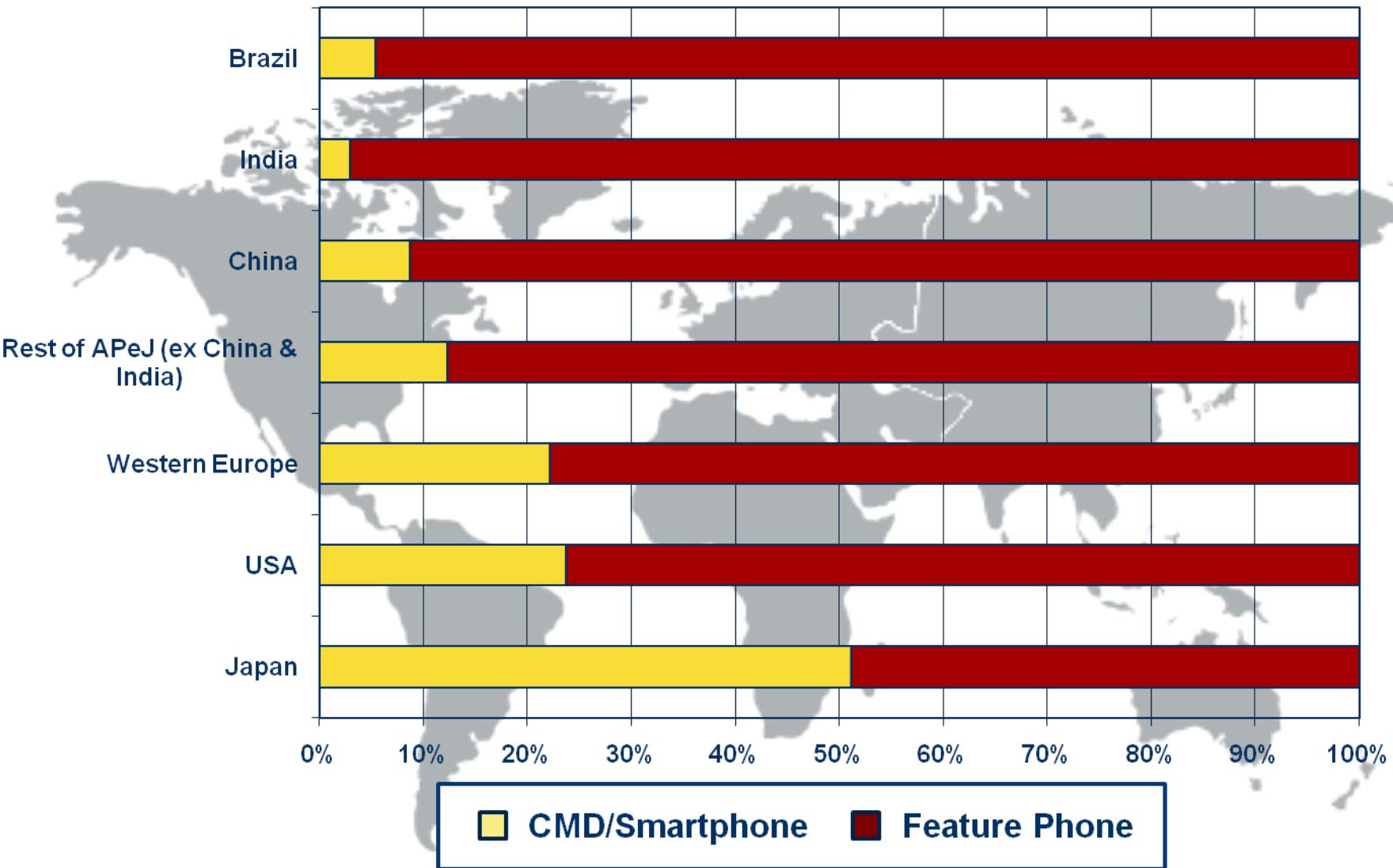
at&t

Commercial progress: South Korea Telecom

- Opera Mini shipped on Samsung Omnia
- Very strong unique user growth so far
- High conversion rate
- More phones underway



Drivers: Feature phones



Claim: No room for Opera when smartphones have 70% of the market

Opera's response:

- Handset manufacturers and operators continue to differentiate their platforms with the Opera browser.
- Opera's unique server (proxy) technology is a differentiator.
 - Opera Turbo, Opera Mini - smartphone running a full browser without a proxy is not necessarily the best answer for all users.
 - Network capacity is strained already. so better use of spectrum will be essential.
 - Burns much less battery
- Opera powering operators' application-store offerings.



Opera's big opportunity: 50-million mobile users

How to deliver revenue on 50-million mobile users

Short term: Operators

- Revenue share on traffic and content
- Migration of users to paying operators
- License per active user

Long term: Direct revenues

- Develop direct-billing integration technology
- Revenue types: Advertising, content, partnership deals



The flexible operator business model

Examples from Russia



Megafon

- Opera Mini data plans
- Revenue share on traffic/data generated by Opera Mini users

MTS

- Revenue from content and traffic
- Bespoke, integrated billing system allows for easy revenue generation

Tele 2

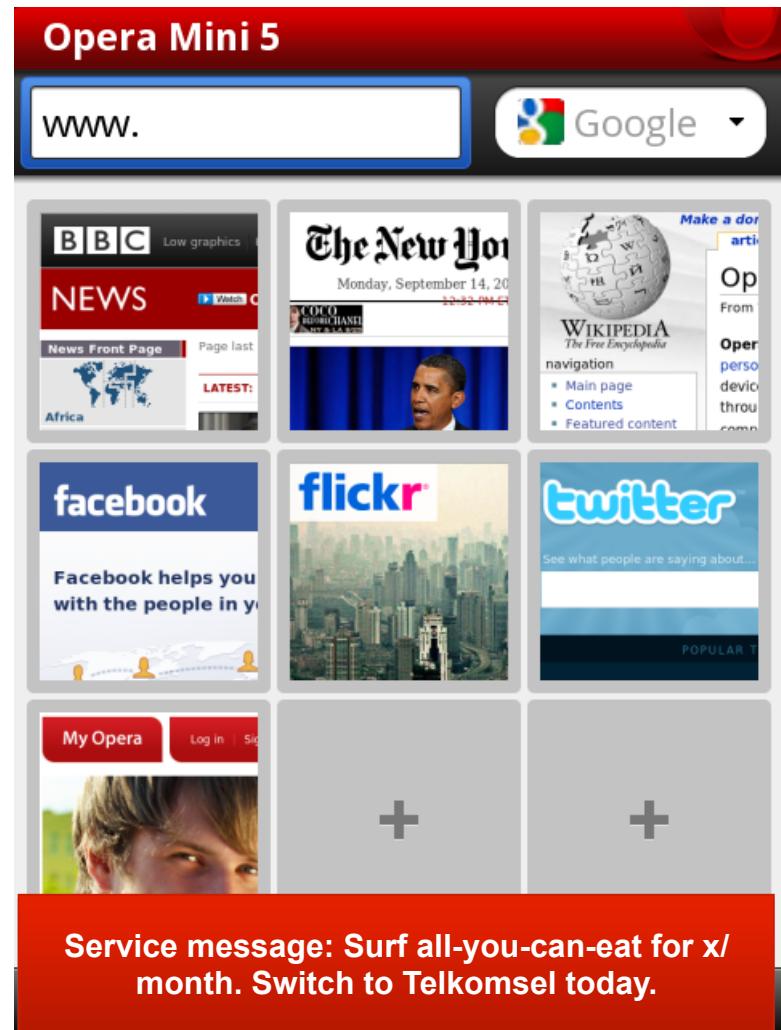
- New customer announced today
- Only Beeline remains in the Russian market

The flexible operator business model

Example from Indonesia

- **Existing customer, Telkomsel:** Indonesia's number-one operator: 50% market share
- Billing integration, and home page content
- Opera Mini data plan

- **And now...** Encouraging the remaining five million users on other operator networks in Indonesia to switch to Telkomsel...



The flexible operator business model

Examples from South America and Philippines

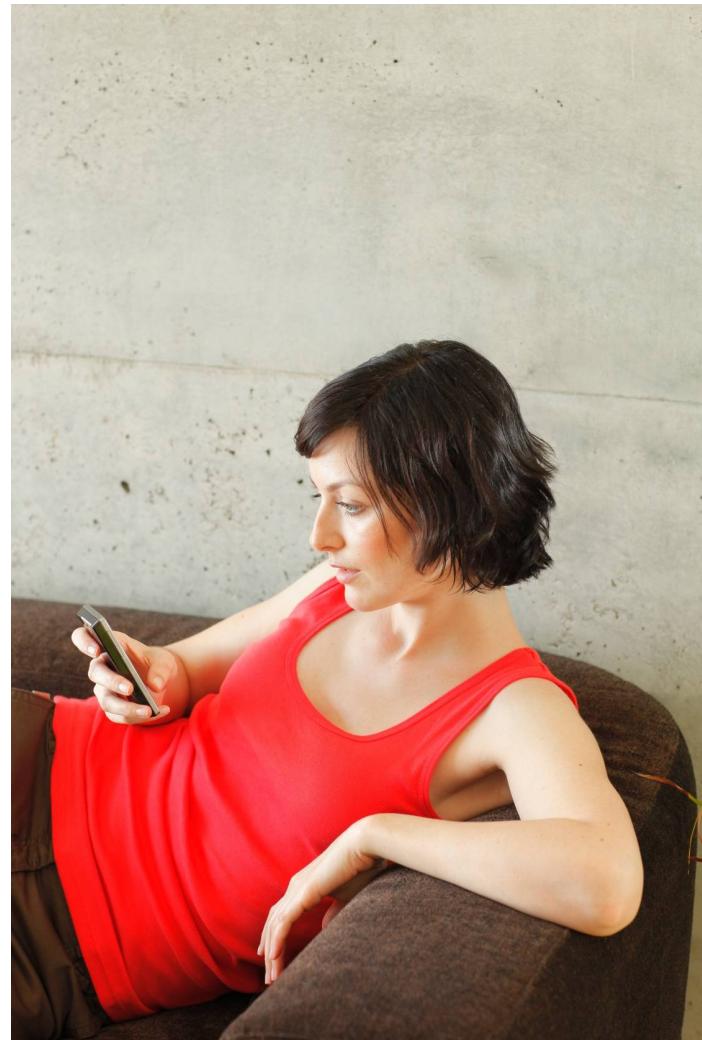
- TIGO (part of Millicom): Multi-country deals in Guatemala and Honduras
- Localized for each country and downloaded over-the-air (OTA)

- Customized SMART versions of Opera Mini 4 and Opera Mini 5
- SMART: More than 40 million subscribers



The OEM opportunity

- **Focus in 2010:** Continue to win new OEMs that are focused on delivering operator-friendly solutions – self-branded or operator-branded
- Significant opportunity within providing the native browser experience for 3G handsets
- Example: Opera recently signed with Huawei.



The revolution will be televised

- Connected TVs growing fast:
 - 2009: 14.7 million
 - 2013: 87.6 million
- Existing customers: Sagem, Philips, Toshiba, Sony and others
- Market opportunity: All major TV brands are integrating browsers in their products this year.
- Opera competes with the traditional browser vendors ,such as Access, Ant, Obigo

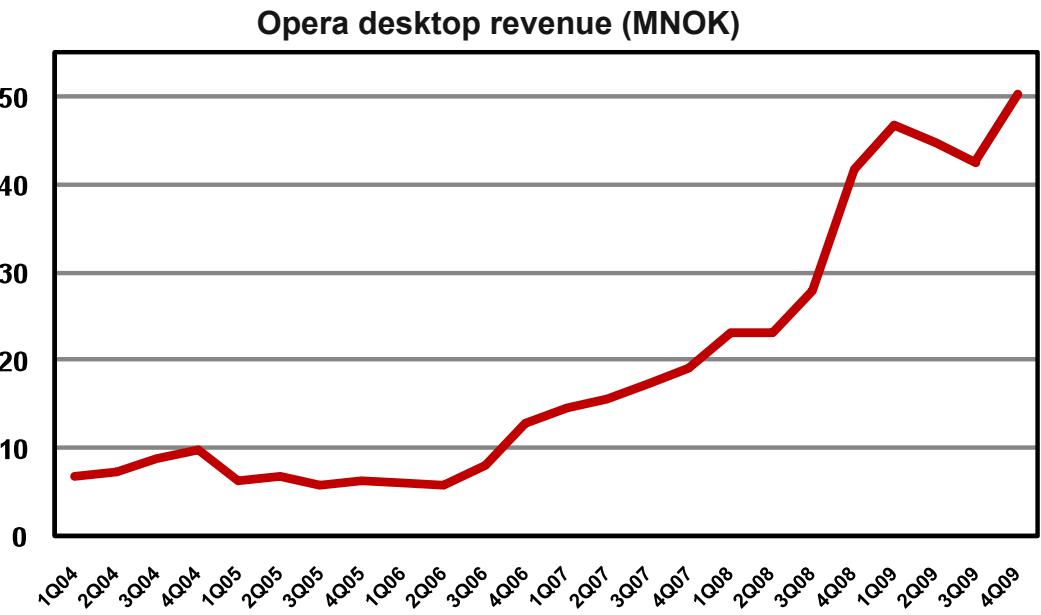


HTML 5: The future TV-viewing platform

- Open application platform, based on HTML5
- Supported by tier-1 TV operators
- Supported by other market players, such as Opera, Google, etc.
- Development platform, developer tools expected to be launched in 2010
- Advantage over proprietary platforms , such as Flash (Adobe), Silverlight (Microsoft), Apple

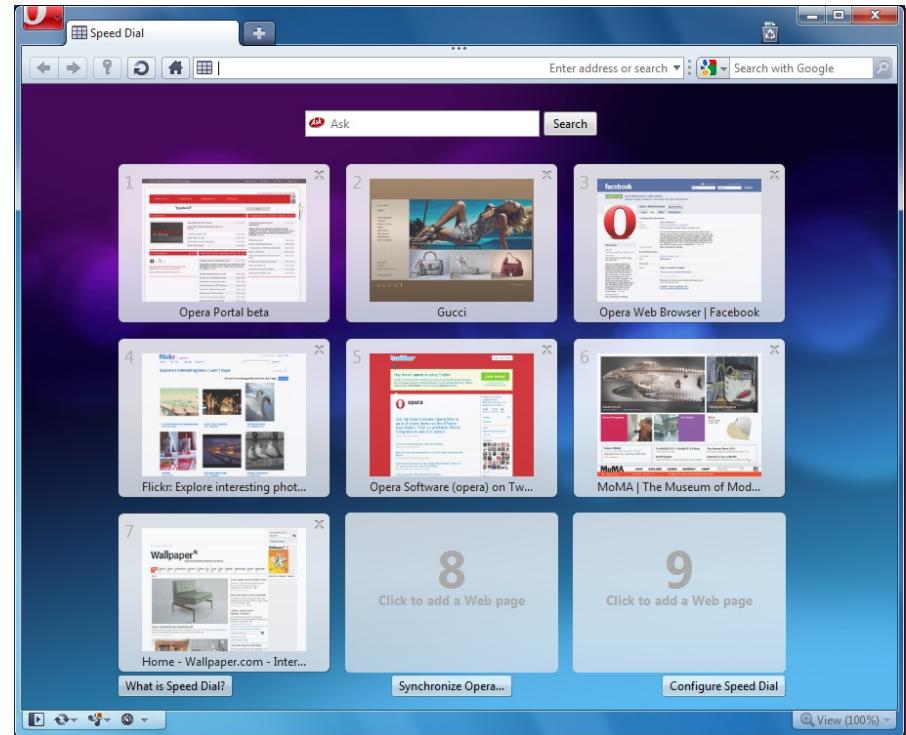
Commercial progress: Opera desktop

- User growth 37% compared to 4Q08 and 11% vs 3Q09
- Revenue growth resumed



Opera 10.50: A new frontier in Web browsing

- Launch of Opera 10.50, officially the fastest browser on Earth
- European Choice Screen opportunity: 200 million people exposed to alternative browsers

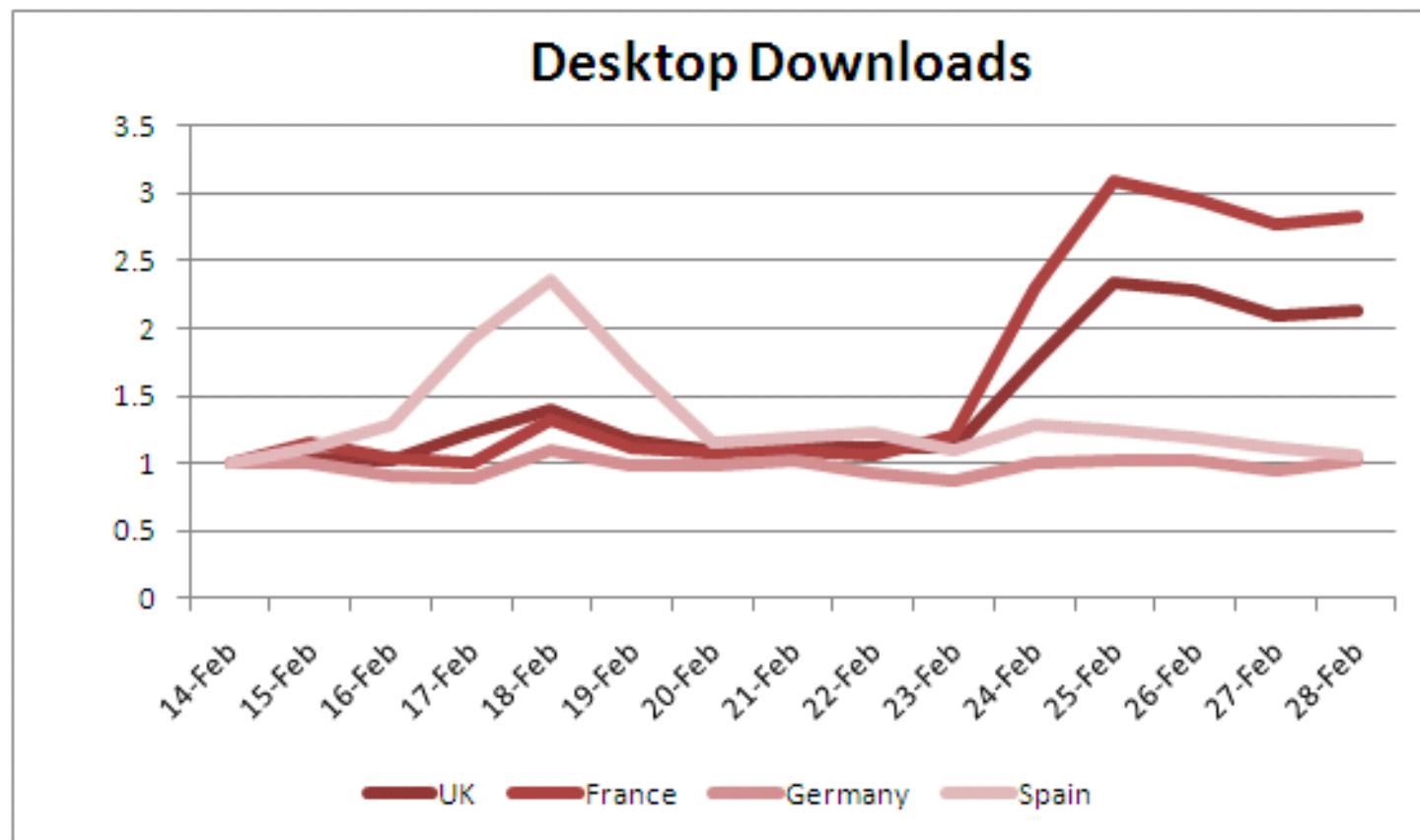


Bringing choice to Europe



- New Windows 7 browser ballot screen coming shortly
- Opportunity to attract millions of new users

Early results after the ballot screen soft launch



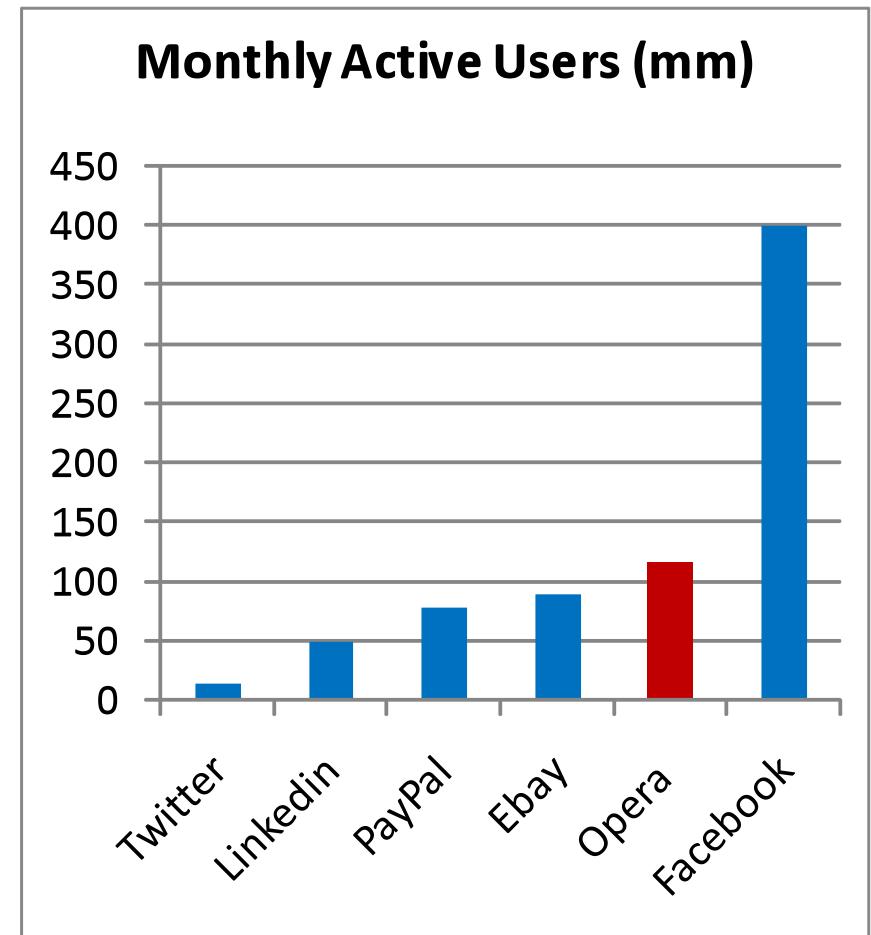
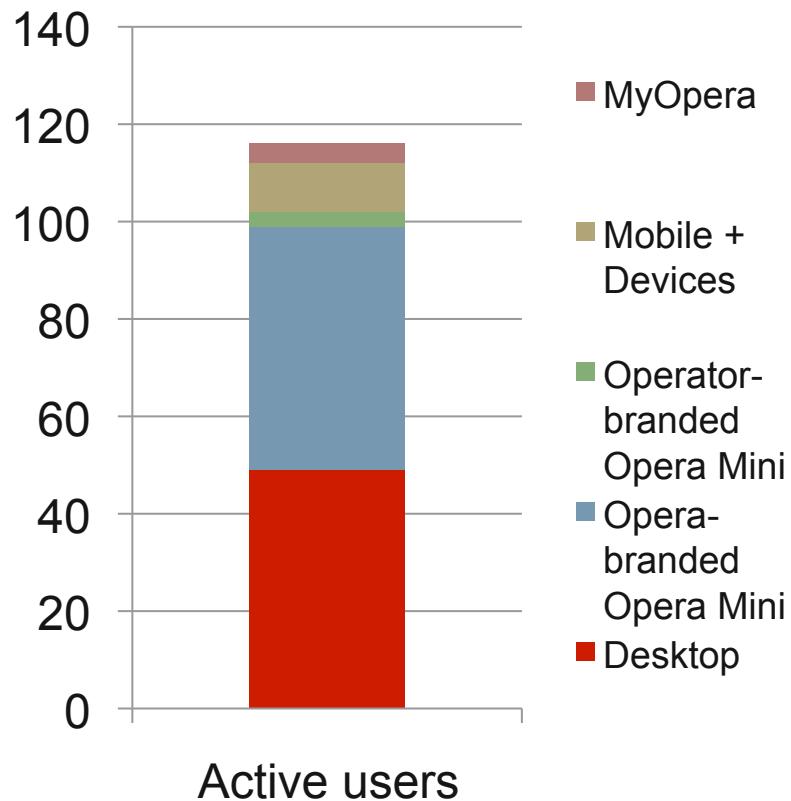
The perfect storm

How Opera is distributed everywhere

Channel	Opera distribution
Tier-1 operators – Turn any device into a service platform	V
OEM/ODMs – in Far East	V
Tier-1 OEMs – Emerging markets	V
Opera.com – The downloading party is nonstop	V

Opera has a tremendous platform to drive sequential revenue growth going forward

Opera has one of the largest user bases in the world



The perfect storm

The value of widespread Opera distribution

Opera marketplace

Opera becomes an attractive developer platform.

Wide set of developer tools

Billing integration across product categories

Advertising, within internally and externally owned properties

AdMarvel integration

Partnership deals, content and distribution partners



Thanks
for
listening!



Opera Software Capital Markets Day

Operational/Financial Review

A note from our lawyers

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Agenda

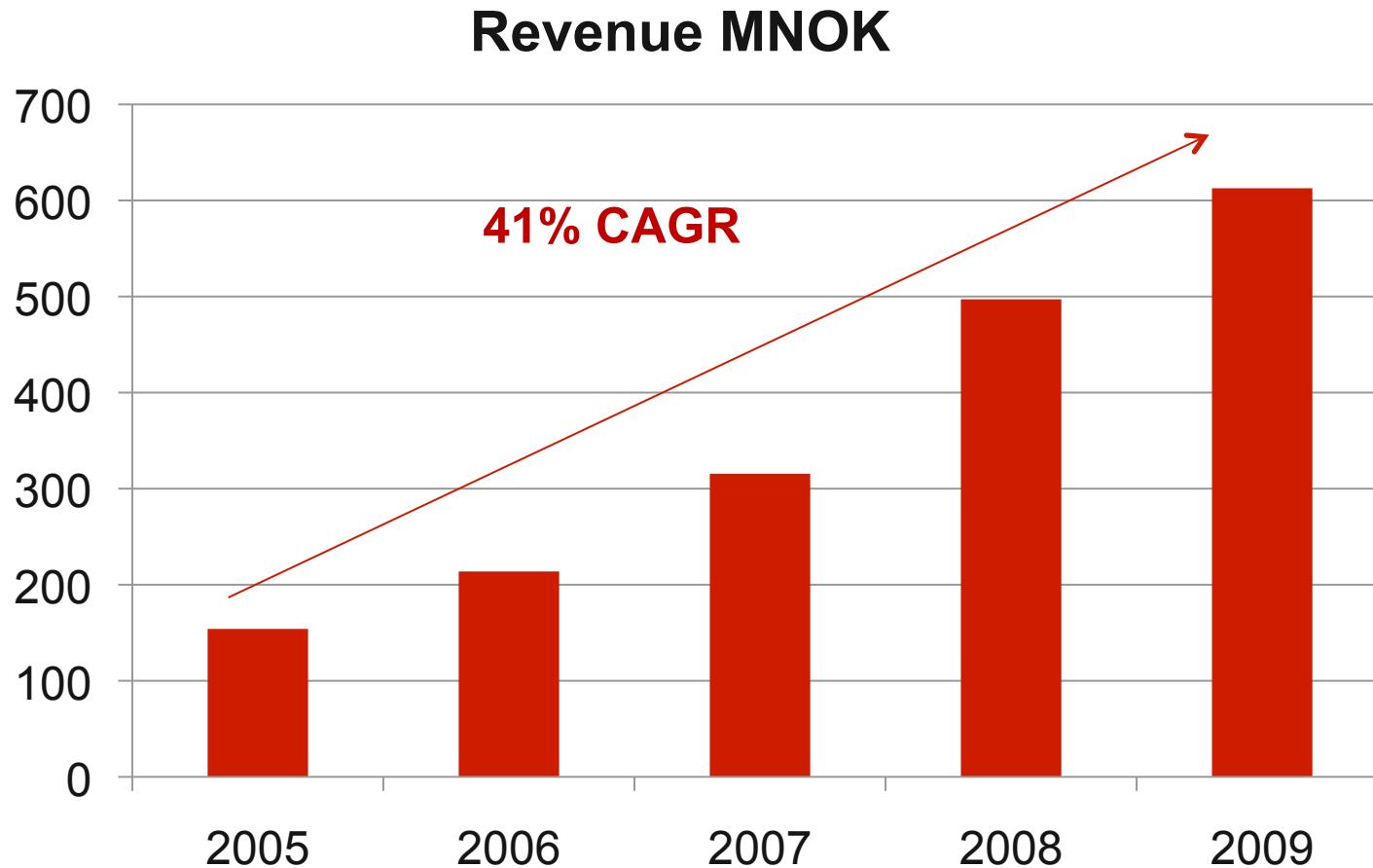
1. Operational/Financial Highlights

2. Operational/Financial Framework

3. Outlook

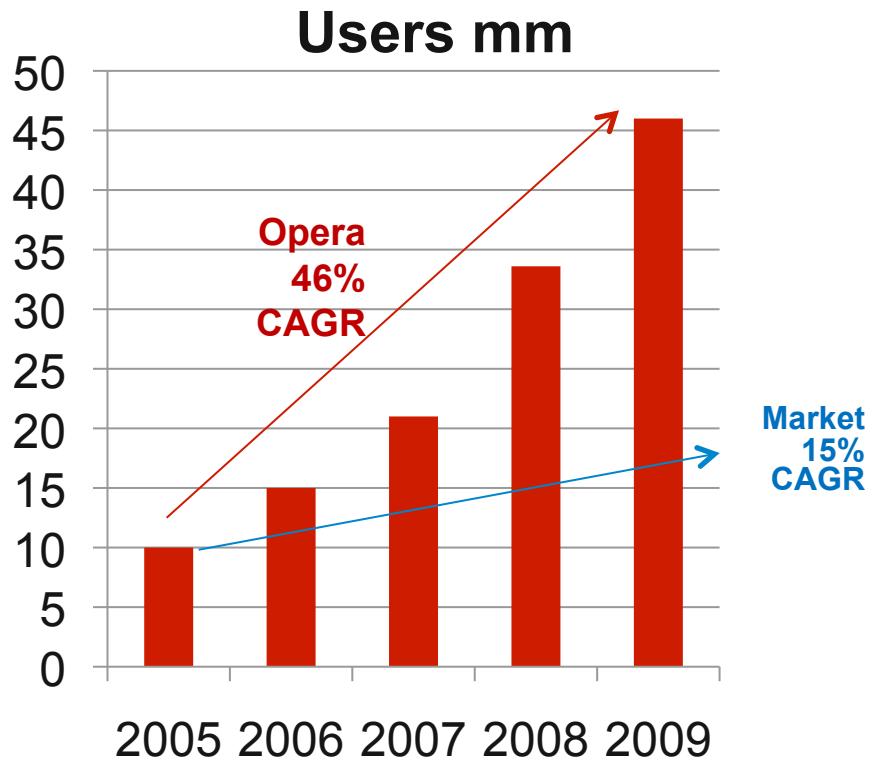
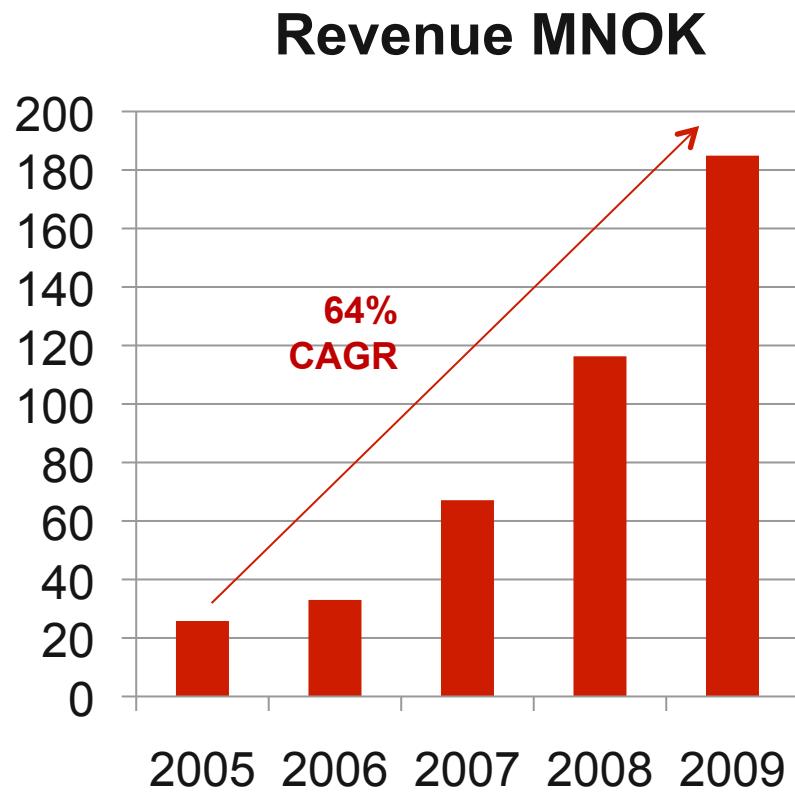
Opera has made substantial progress since 2005

Revenues



Opera has made substantial progress since 2005

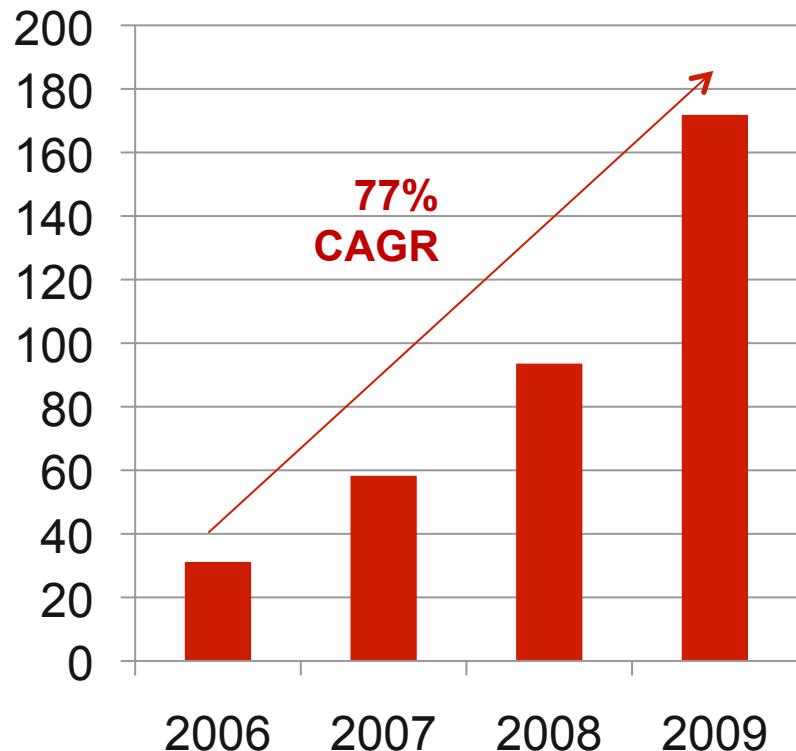
Desktop



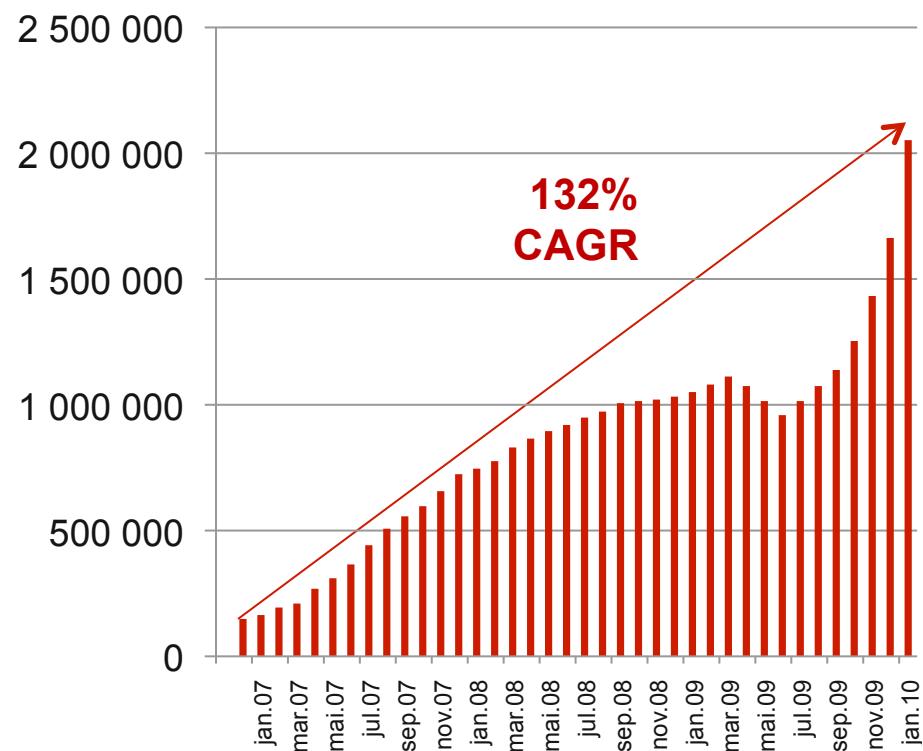
Opera has made substantial progress since 2005

Operators

Revenue MNOK

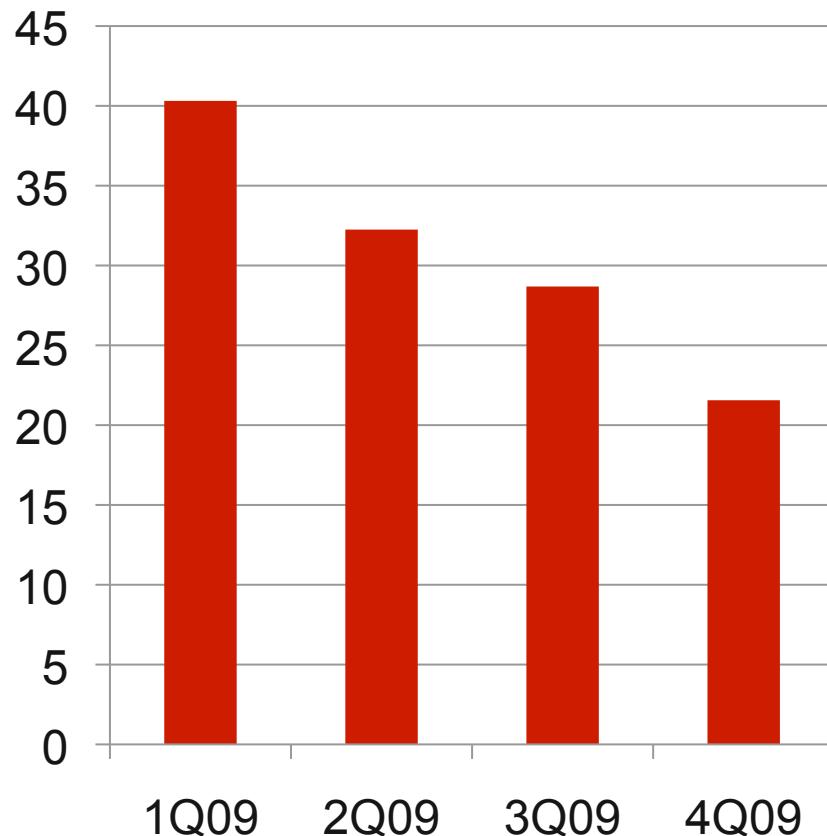


Monthly Subscribers

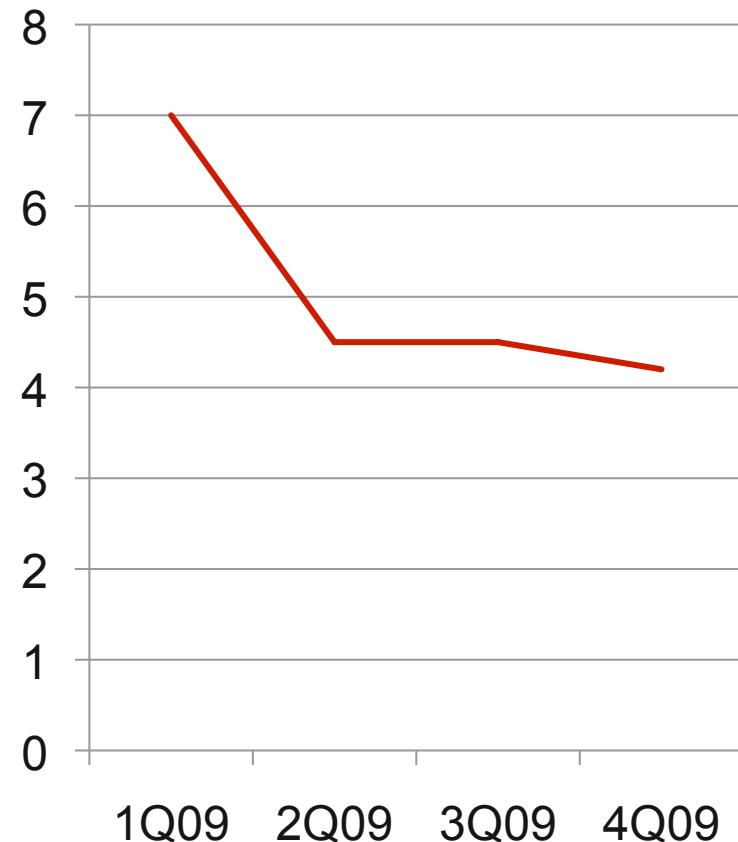


Opera's Mobile OEM business declined significantly in 2009, as Operator and Desktop revenue grew rapidly

Mobile OEM revenue MNOK

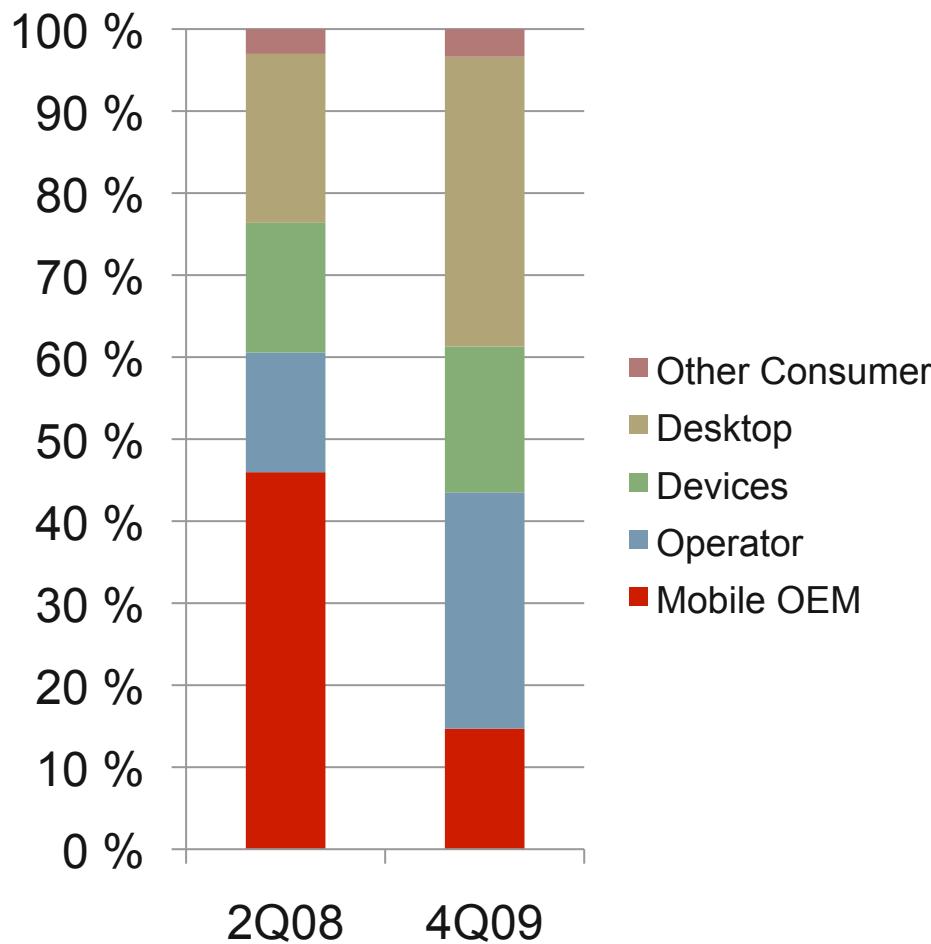


Opera Mobile shipments (mm)

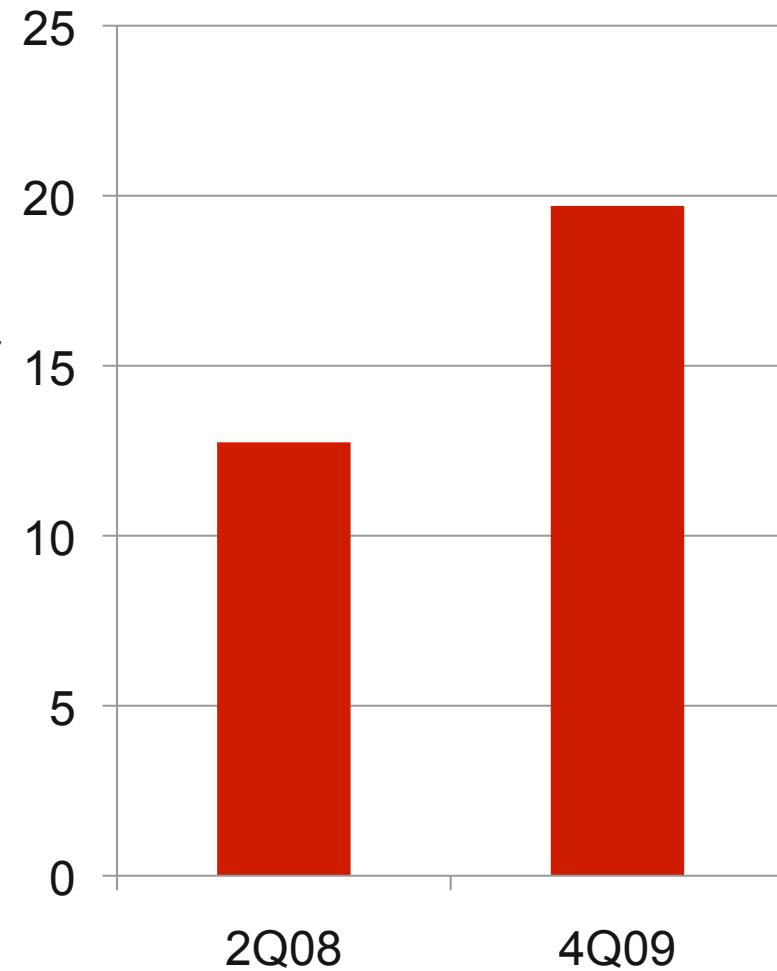


Operator and Desktop revenue is now a much higher % of total Opera revenue than 18 months ago

Breakdown of Revenue 4Q09 vs 2Q08

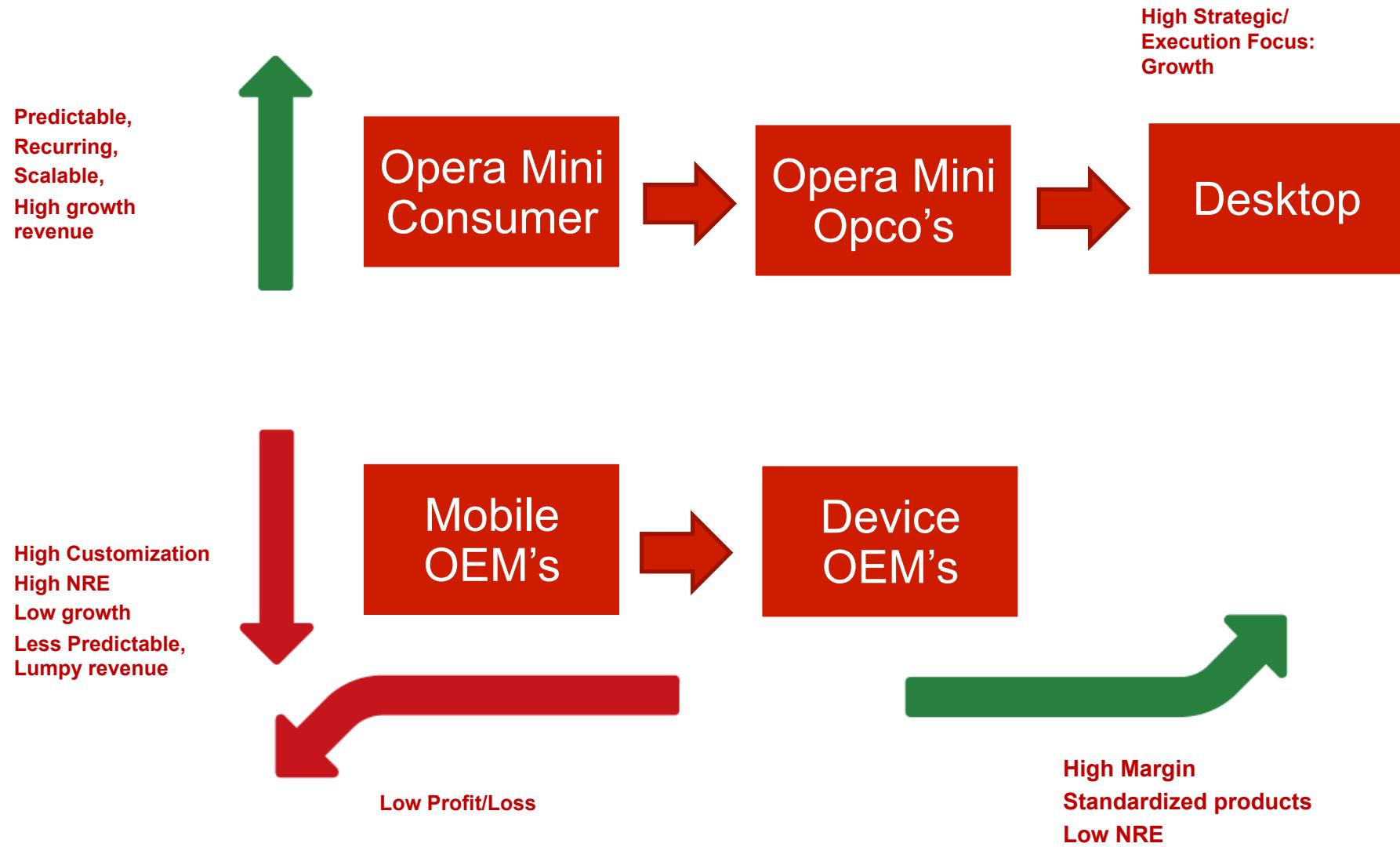


MNOK Opera Mini Revenue Total



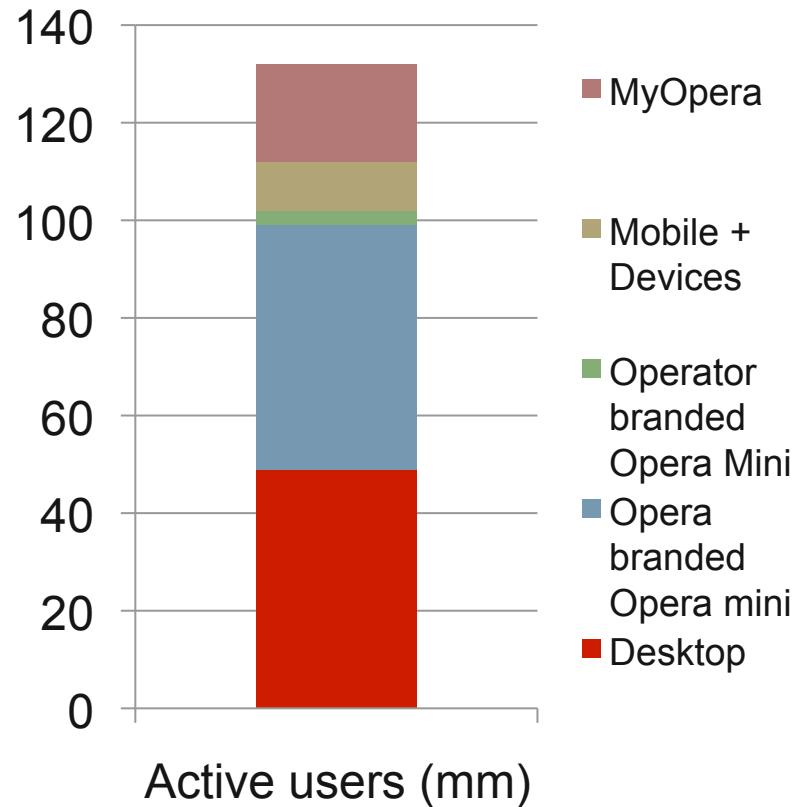
Opera's execution focus in the future is clear

Snapshot today and future plan

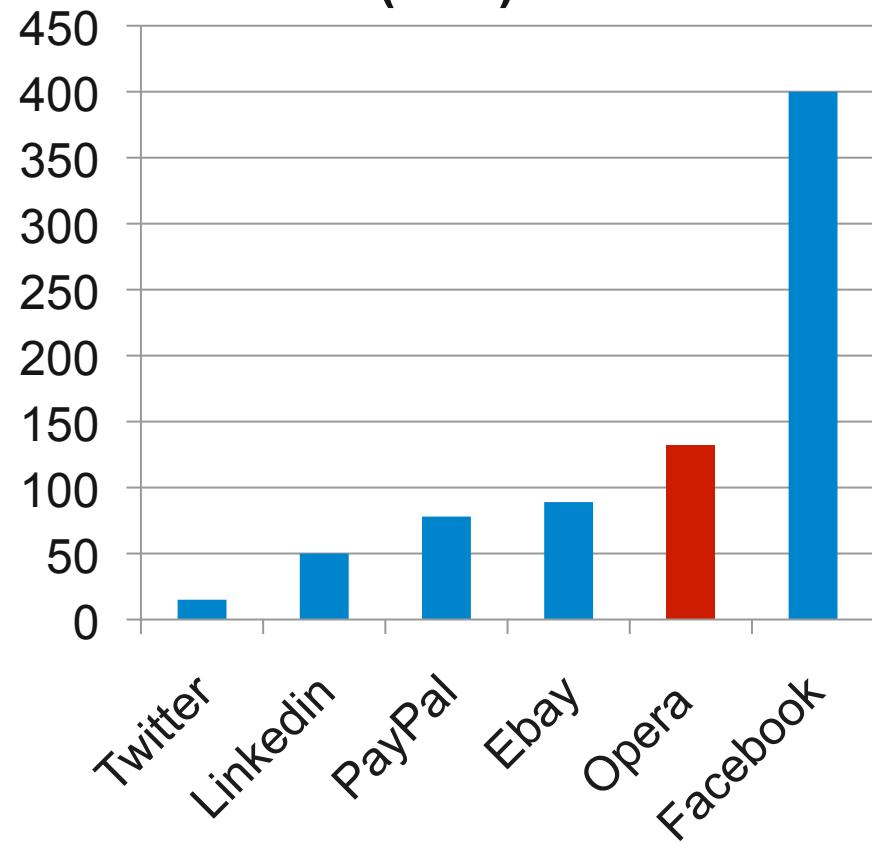


Opera has a tremendous platform to drive sequential revenue growth going forward

Opera has one of the largest user bases in the world



Monthly Active Users (mm)



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Value Creation

Business Priorities

- Growth
- Margin Expansion
- Disciplined Resource Allocation
- Capital Efficiency



Innovation
Monetization
Execution

Operational Framework

Leverage Key Strengths

Product & Technology

Large & Fast Growing Userbase

People

Rich Data

Continue to Focus On

Product Innovation

Monetization of Userbase

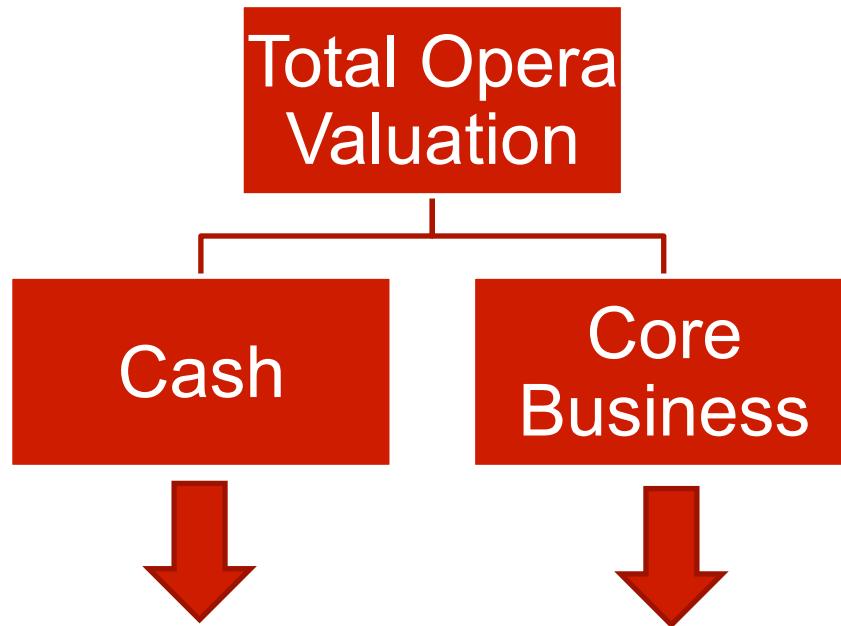
Address Now

Execution
Growth
Profitability

Complexity

Focus, Prioritization & Accountability

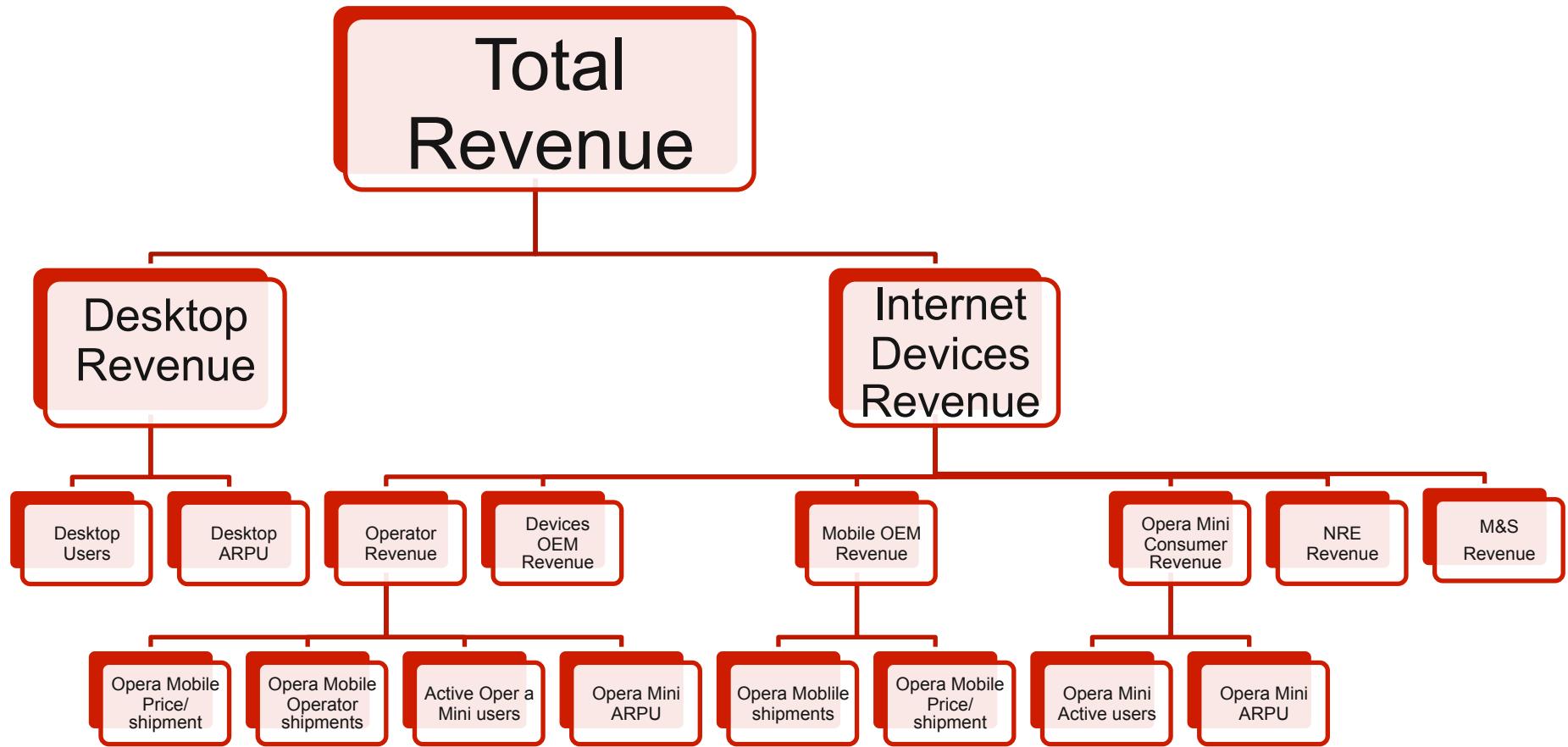
Financial Framework



Maximize Free Cash Flow	Build Execution Machine
Offset Equity Dilution	Simplify
Select Acquisitions	Focus on ROI
Dividends/Share Buybacks	Expand Margins

Revenue Framework

Opera Revenue Buildup



Revenue Framework

Revenue Element	Key Drivers	Latest Statistics
Desktop	<ul style="list-style-type: none"> ● Monthly unique users ● ARPU ● Total Revenues 	<p>48 million monthly (January 2009) Annualized 4Q09 ARPU = @USD .75 MNOK 50.4 (4Q09)</p>
Operators (Operator branded and Co-branded with Opera)	<ul style="list-style-type: none"> ● Monthly unique Mini users ● Monthly unique Widget/Turbo users ● Monthly Mini ARPU ● Opera Mobile shipments ● Price/shipment ● Total Revenues 	<p>2.1 million monthly (January) NA Based on volumes and commitments @2 million (4Q09) Based on volumes and commitments @30% of total revenues (4Q09)</p>
Mobile OEMs	<ul style="list-style-type: none"> ● Opera Mobile Shipments ● Price/shipment 	<p>@2 million (4Q09) Based on volumes and commitments</p>
Devices	<ul style="list-style-type: none"> ● Device Shipments/Downloads ● Average price/shipment 	<p>@18% of revenues (4Q09) 75%+ license revenue (4Q09)</p>
Opera Mini (100% Opera Branded)	<ul style="list-style-type: none"> ● Monthly unique users ● ARPU 	<p>50 million monthly (January 2010) About 10% of Desktop 4Q09 ARPU</p>
Other	<ul style="list-style-type: none"> ● Development revenues ● M&S revenues 	<p>@MNOK 28 million (4Q09) @MNOK 14 million (4Q09)</p>

Information Framework

Comparison of information provided in 2009 versus 2010 -

	FY2009	FY2010 -
Desktop Revenue	✓	✓
Desktop Users	✓	✓
Operator Revenue		✓
Operator Active Users		✓
Consumer Active Users	✓	✓
Device OEM Revenue		✓
Mobile OEM Revenue		✓
Mobile Shipments	✓	✓
NRE Revenue		✓
M&S Revenue		✓
Total Opera Mini Revenue		✓
Hosting Costs		✓

Agenda

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Key Financial Metrics: FY2010 -

Revenues

- Total Revenues
- Revenue growth (Sequential, YoY)

Profitability

- EBITDA (ex stock options)
- EBIT

Cash Generation

- Cash flow from operating activities
- Free cash flow

Key User Metrics FY2010 -

January 2010

Operator Mini
Users

- 2.1* Million

Opera
Branded Mini
Users

- 50 Million

Desktop
Users

- 48 Million

Revenue Growth Priorities

Revenue Opportunity

#1

Grow Active Users with
Operators

Mobile Internet Users
Operator Data Revenue
Opera Market Share

#2

Grow Desktop Users

Desktop Internet Users
Growth in Online Ads
Opera Market Share

#3

Grow Opera Mini User
Base and ARPU

Mobile Internet Users
Mobile Ads, Search, Apps,
Commerce
Opera Market Share

#4

Drive volumes from Tier
1 Connected TV Vendors

Global shipments of
connected TVs
Opera Market Share

AT&T (Motricity)

Example of Operator Branded version of Opera Mini

Sesame
Disney·PIXAR WALL·E JUNE 27

POPULAR LOCAL WEB

660 Third Street San Francisco, CA Edit

SEARCH LOCALLY ▶

Maps & Traffic Best Gas Prices

LOCAL INFORMATION ▶

64° Fair HI: 68° | LO: 55°

CLE at SF Game Tonight at 7:10 pm

Muni Fare Increase Ahead

Top 50 SF Restaurants Movie Times

Options 11:59 Back

Sesame Disney·PIXAR WALL·E JUNE 27

LOCAL WEB POPULAR

www. Search the internet

My Shortcuts

Bookmarks Social Networking

Track a Team Check Email

Add More Manage Shortcuts

Daily Horoscope Track a Stock

My Account

Options 11:59 Back

Sesame Disney·PIXAR WALL·E JUNE 27

WEB POPULAR LOCAL

ELECTION RESULTS

EMAIL & COMMUNITY ▶

ENTERTAINMENT ▶

Shania Twain Divorced

SPORTS ▶

Top MVP's of All Time

March Madness

NEWS & FINANCE ▶

Poll: Dems want Obama-Clinton ticket

MUSIC ▶

SHOPPING ▶

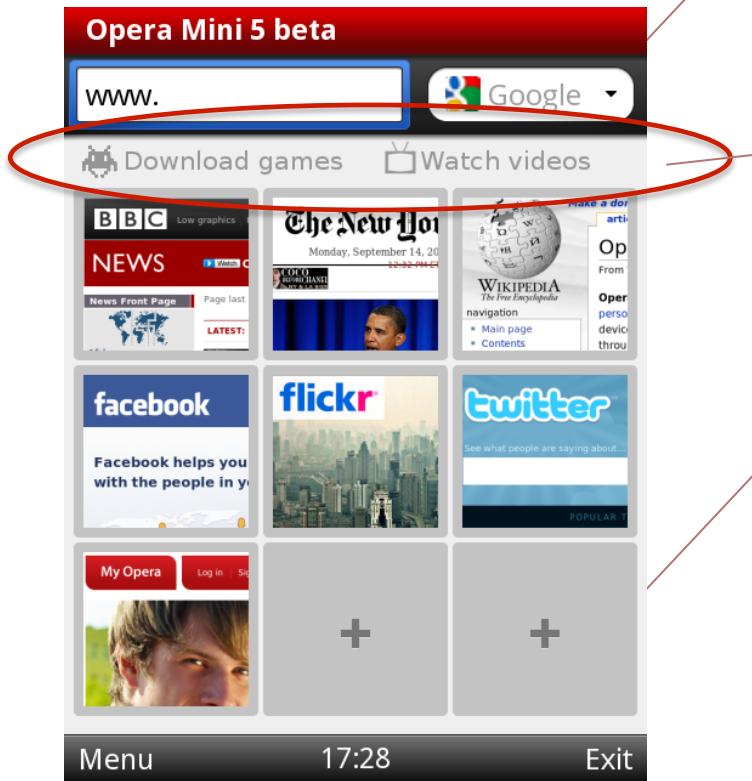
TRAVEL ▶

LATINO ▶

Options 11:59 Back

Opera Consumer

Example of 100% Opera Branded



SEARCH

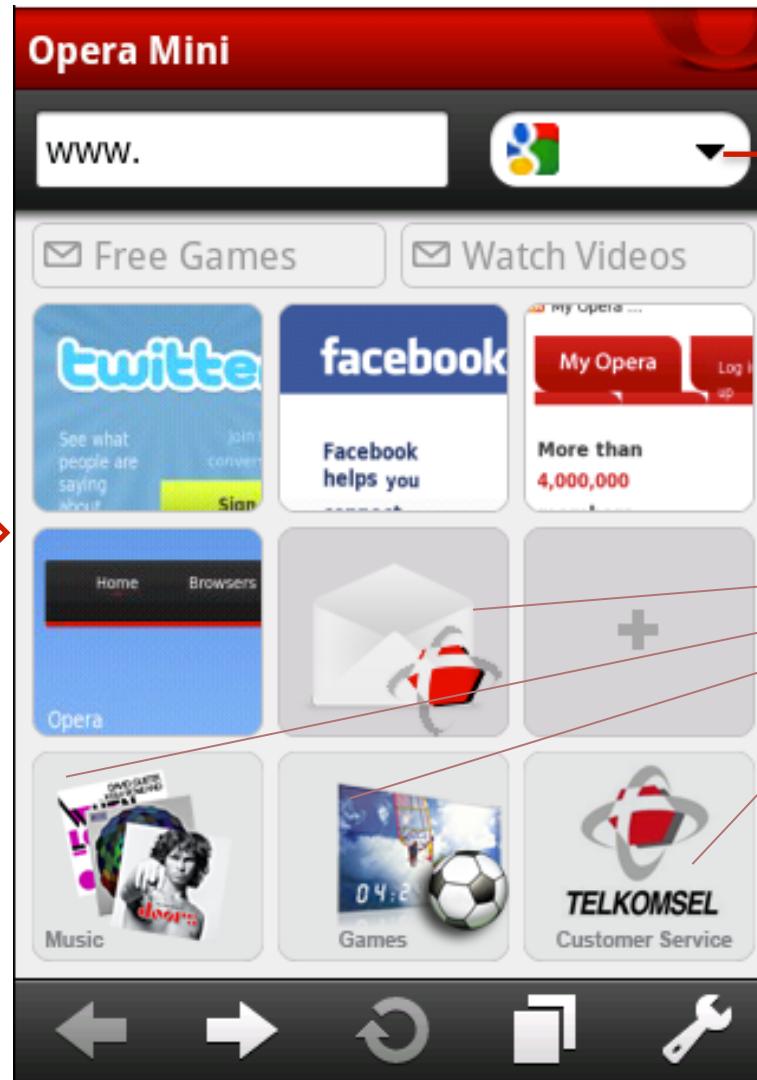
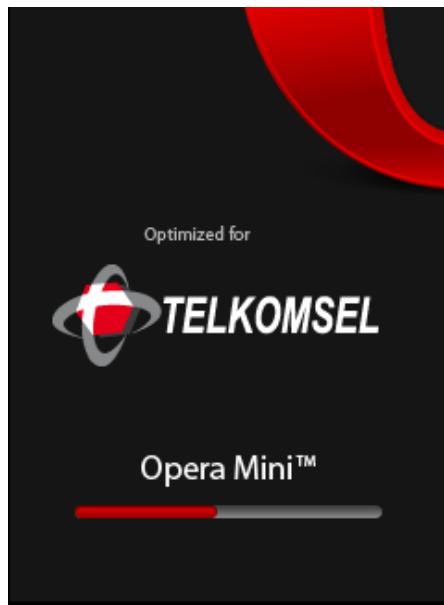
CROSS SELLING
(DESKTOP),
ADVERTISING,
ECOMMERCE

ADVERTISING

AdMarvel
MAKING MOBILE ADVERTISING WORK

Telkomsel

Example of Opera and Operator Co-Branded



Services Toolbar - 1 or 2 links updatable over the air

Speed Dial - 1-click access to Telkomsel portals and services

AdMarvel
MAKING MOBILE ADVERTISING WORK

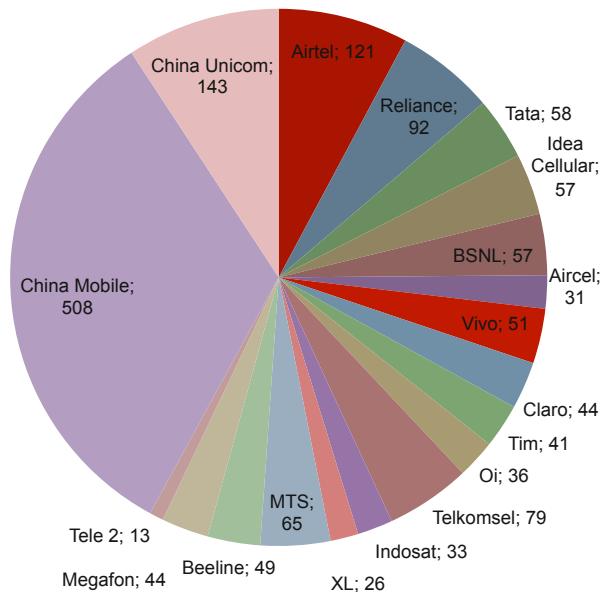
Opera's Revenue Opportunity and Goals

Segment	Marketsize (Users) 2009	Opera Users	Opera Mkt Share	Market Growth 2010-2012	Market 2012	Opera Goal (2010-2012)
Desktop (Total)	1.73 billion	46 mm	2.7%	12%	2.3 billion	Outgrow market
Desktop (Developed markets)	1.12 billion	10 mm	<2%	6%	1.3 billion	Outgrow market
Desktop (Emerging markets)	.61 billion	36 mm	6%	19%	1.0 billion	Outgrow market
Mobile Internet (Total)	200 mm	52 mm	26%	71%	1.0 billion	Outgrow market
Mobile Internet (Opera Branded)		50 mm	25%	71%	1.0 billion	Outgrow market
Mobile internet (Operator + Co-branded)		2.1 mm	1%	71%	1.0 billion	Significantly grow as a % of Total Opera Mobile Internet users
Connected TV's	15 mm shipments	NA	NA	85%	50 mm shipments	#1 Market Share

Sources: Internet World stats, Morgan Stanley, eTForecasts, Gartner, GS Statscounter for 2009 and projected data.

Opera's Revenue Opportunity: Major Mobile Operators

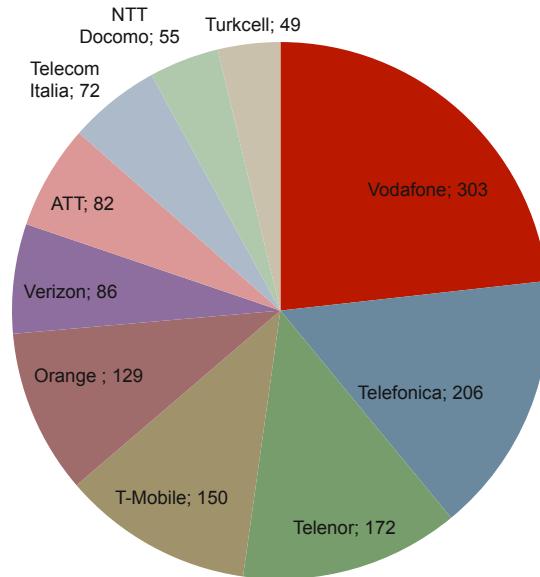
Mobile subscribers Emerging markets HQ



1.6B subscribers

Opera working with
6 of 20 opclos today

Mobile subscribers Developed markets HQ

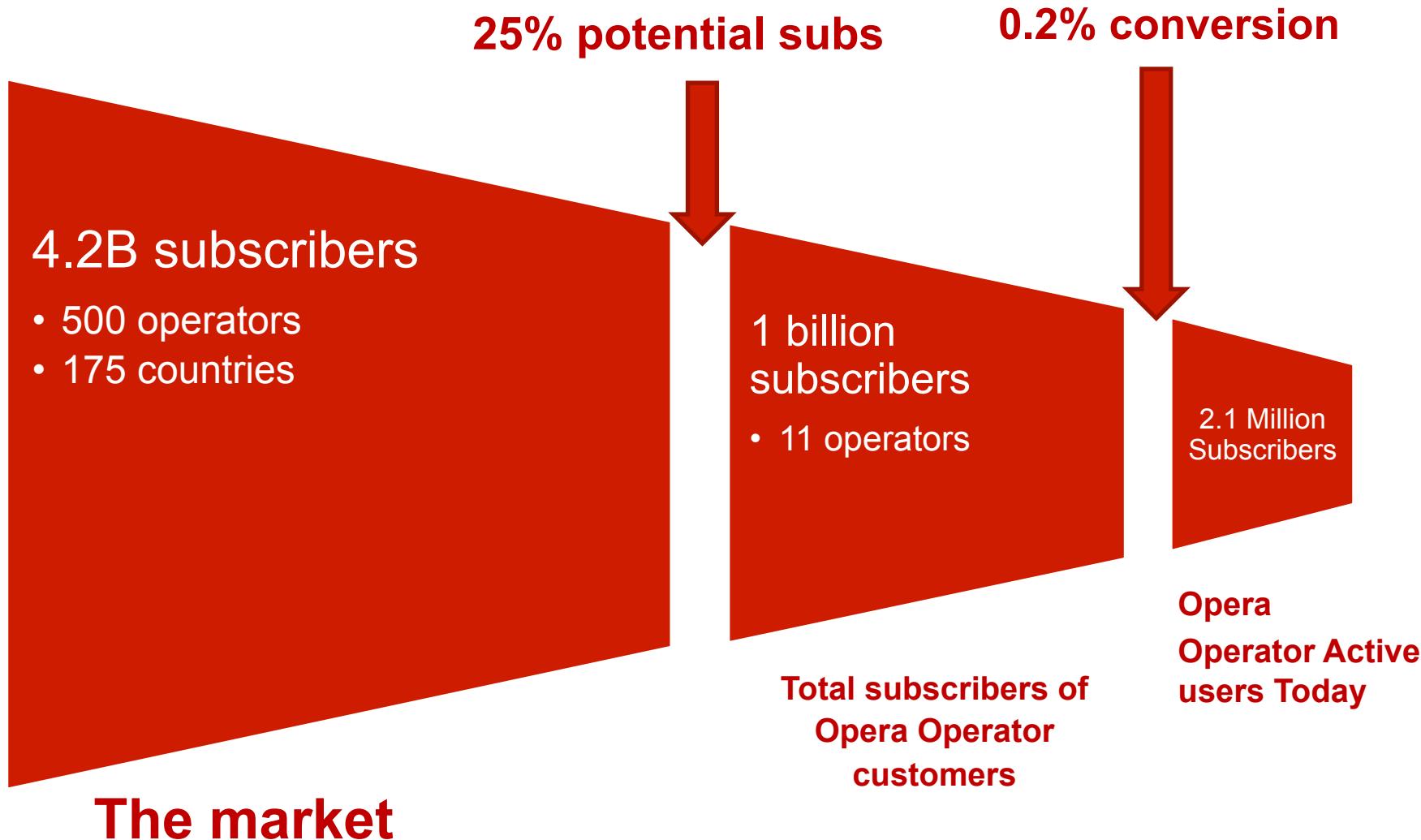


1.3B subscribers

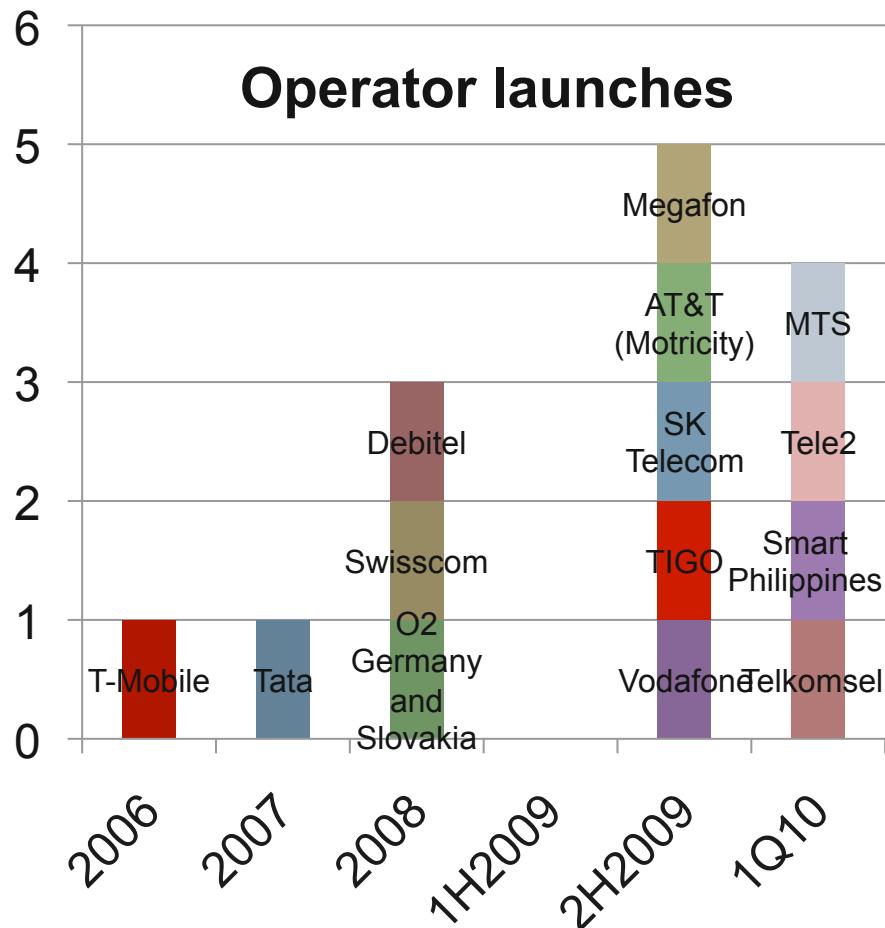
Opera working with
5 of 10 opclos today

Top 30 Operators have nearly 75% of Global Mobile subscribers
Opera already has agreements with 11 out of top 30 operators globally

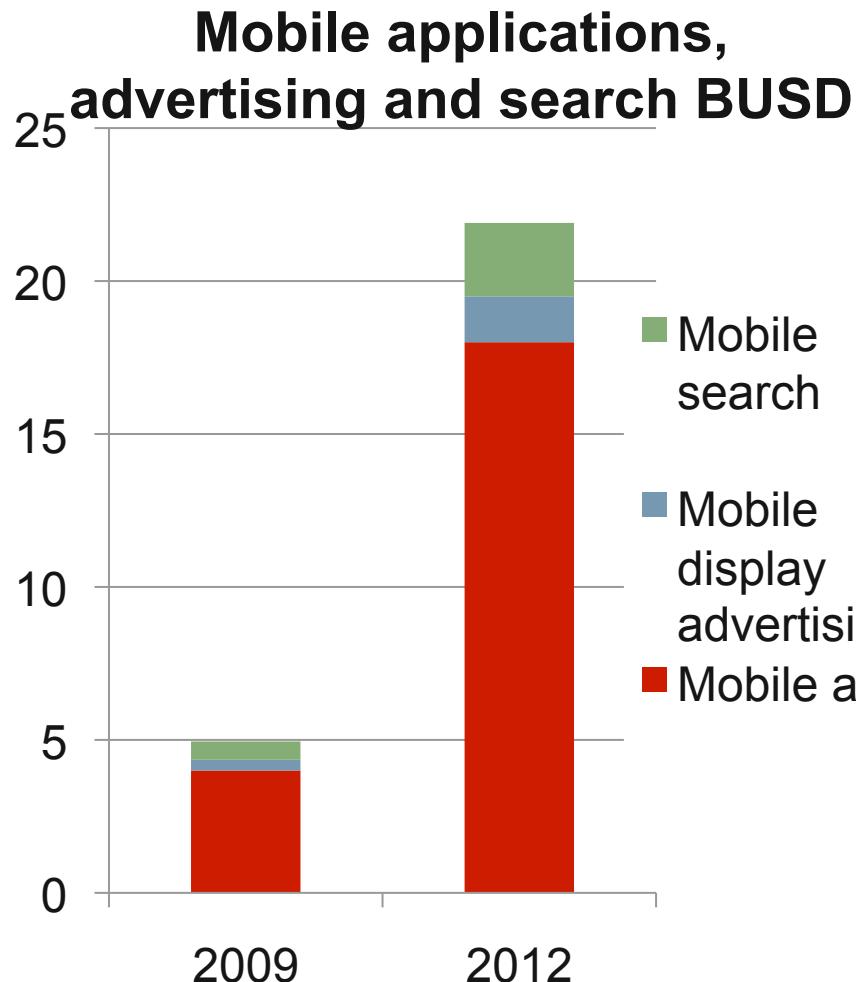
Opera has a big opportunity to increase penetration within the Operator segment



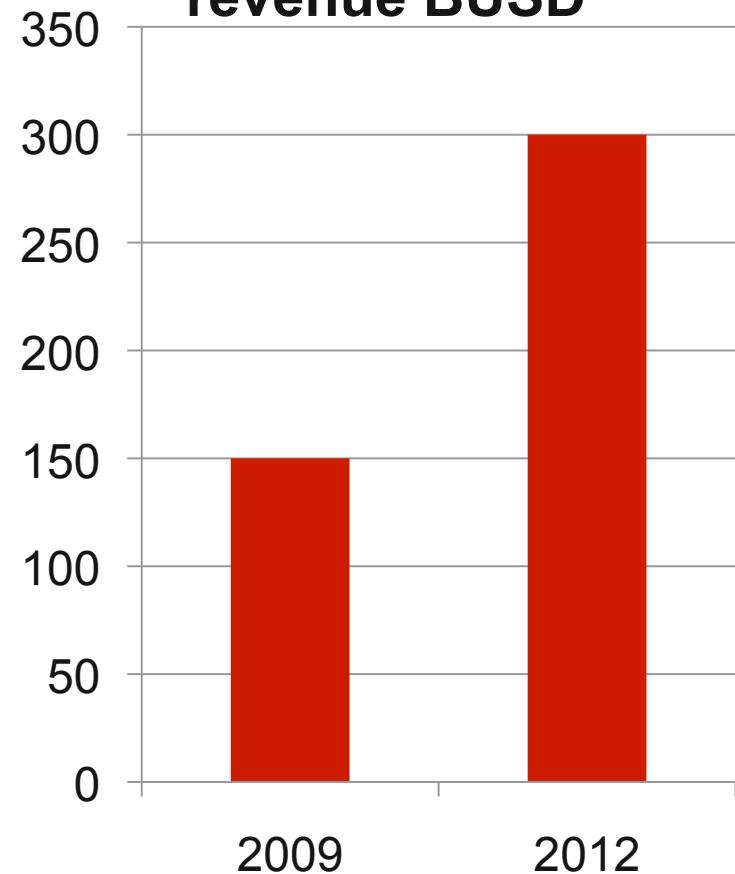
And many of Opera's new mobile operator customers are just launching Opera Mini



Opera's Revenue Opportunity: Opera Branded and Co-Branded Mini

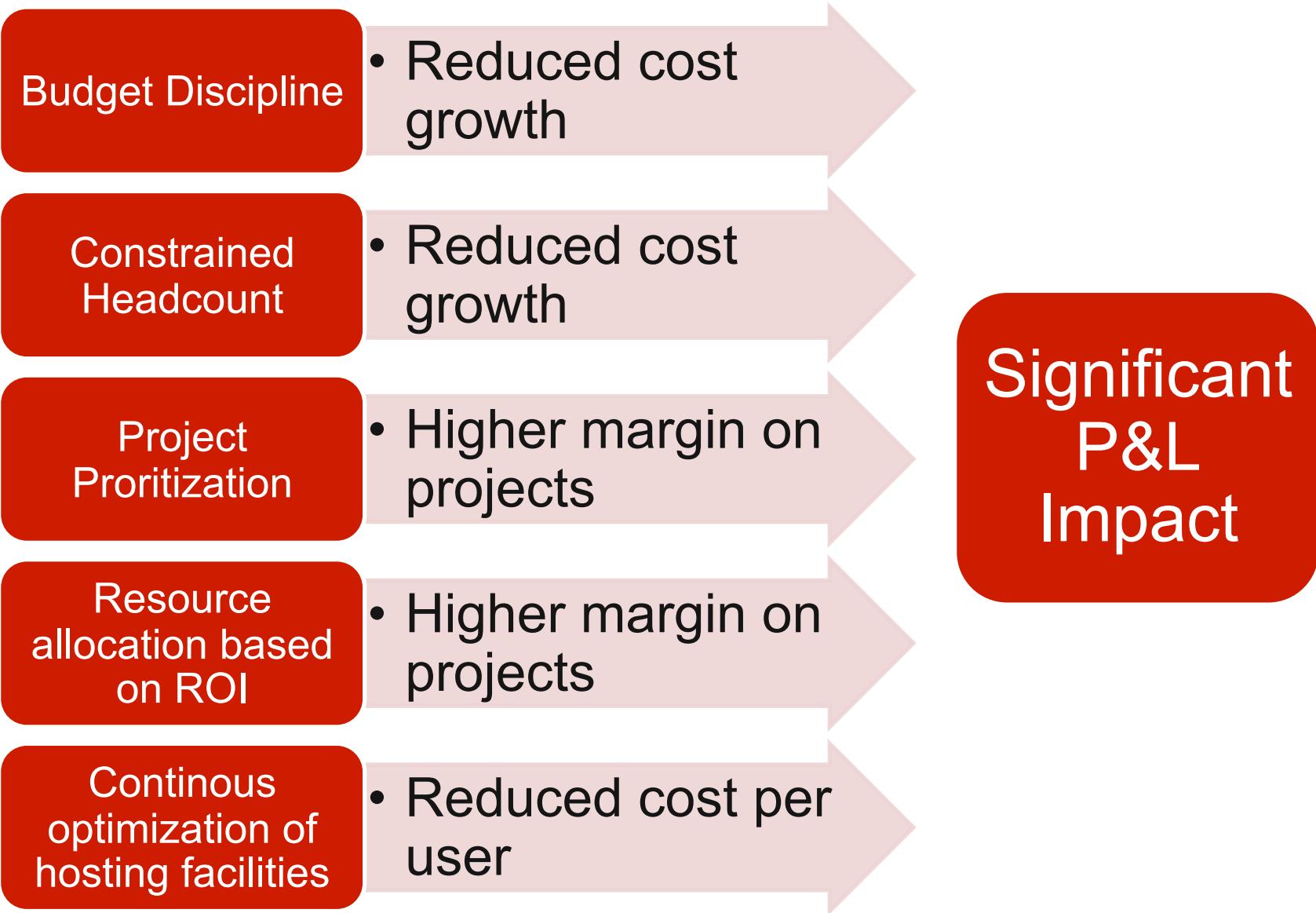


Total Mobile Data revenue BUSD



Sources: Morgan Stanley, Gigaom, Pyramid Research

Opera Strategy: Cost management overview



Key Incremental Cost Drivers

Pre FY2009

OEM Development
and Delivery Projects

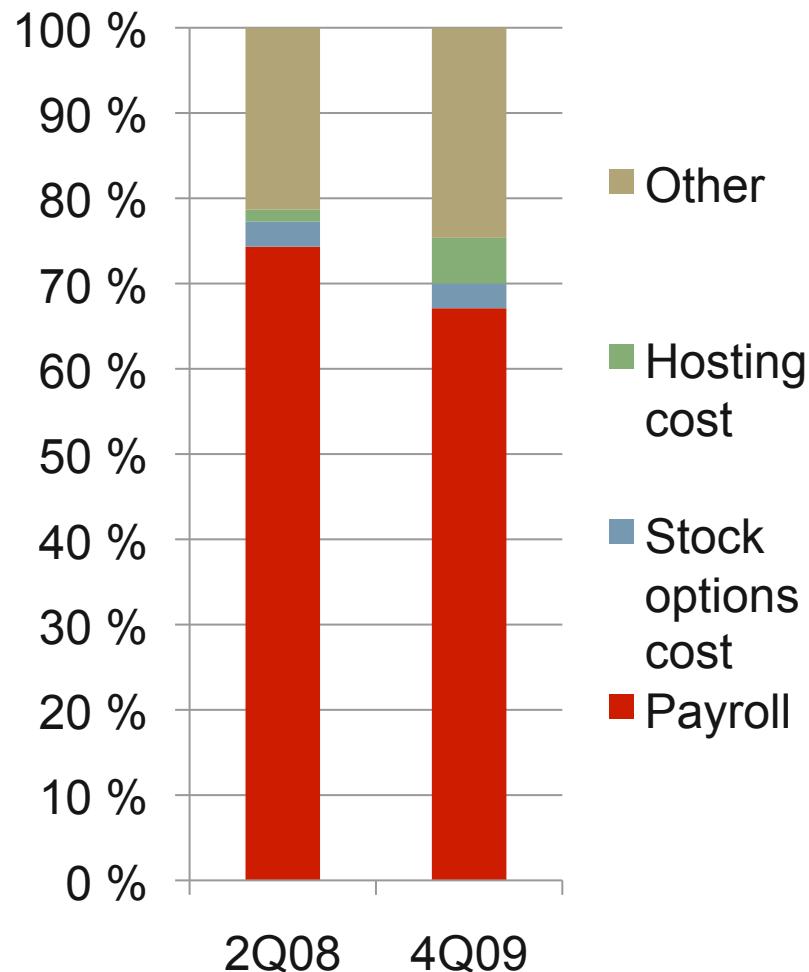
Headcount

FY2010 -

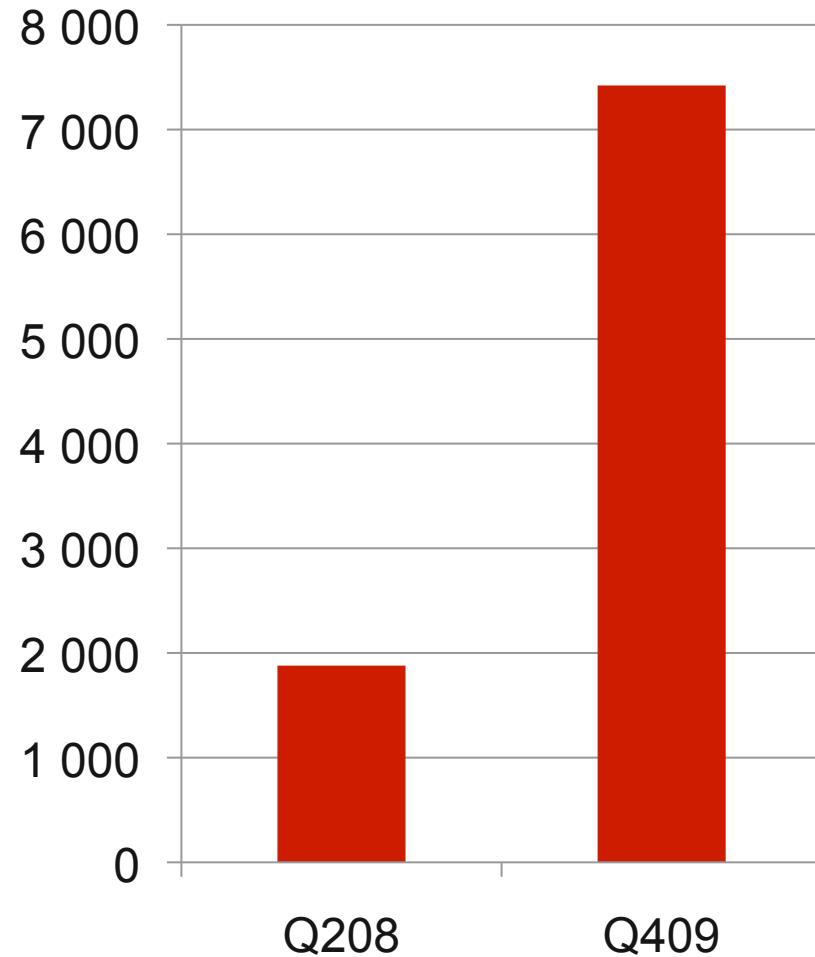
Users of Opera
server products
(Mini, Desktop Turbo)

Hosting costs

Hosting costs to be a bigger cost driver in the future



Hosting cost* KNOK



* Hosting costs include: Bandwidth, electricity, depreciation and co-location costs.

Summary

- **Opera has a large and rapidly growing user base to drive revenue growth going forward**
- **The revenue opportunity for Opera with operators and consumers is significant**
- **Most of Opera's mobile operator customers are just launching Opera's products and uptake so far is very encouraging**
- **Opera is committed to sequential revenue and profit growth going forward and has an execution plan and strategy to achieve that**
- **Opera's long-term profitability goal is an EBITDA (excluding stock option costs) margin of 30%+**