2Q

Quarterly Report 2010

OPERA software

Opera Quarterly Report 2Q10

Revenue was MNOK 168.9 in 2Q10, down from MNOK 172.4 in 2Q09, a decrease of 2% (on a constant currency basis, revenue increased 4% in 2Q10 versus 2Q09). EBIT was MNOK 28.8 in 2Q10 compared to MNOK 29.4 in 2Q09.

Operational Highlights

- *Operators*

  Operator and co-branded users reached 4.5 million by the end of 2Q 10, an increase of 79% versus the end of 1Q10 and a more than 360% versus the end of 2Q09

  5 new operator agreements announced in 2Q10

  Major roll outs of Opera Mini 5 from key customers like Vodafone, MTS and Telkomsel

- *Mobile OEMs*

  Opera announced agreement with Mediatek

- *Device OEMs*

  Opera announced agreements with Realtek and Acer

- *Desktop*

  Desktop users reached 49 million by the end of 2Q10, a decrease of 7% versus 1Q10 and up 19% versus 2Q09

- *Opera Branded Opera Mini*

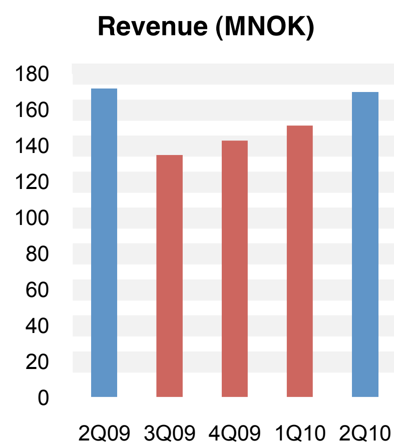
  Opera branded Opera Mini users reached 59 million by the end of 2Q10, up 125% versus 2Q09

  Opera Mini debuted on the iPhone and comprised 1.7 million monthly users in June

- *Other Developments*

  Opera acquired Web-based e-mail provider FastMail.fm.

Financials



Revenues

Revenue in 2Q10 was MNOK 168.9, down 2% from 2Q09, when revenue was MNOK 172.4. Currency changes impacted revenues negatively by 6% in 2Q10 versus 2Q09. On a constant currency basis, 2Q10 revenues increased 4% compared to 2Q09.

Operating costs

Total operating costs for 2Q10 were MNOK 140.2 compared to MNOK 143.1 in 2Q09, a decrease of 2%.

Payroll and related expenses

Total payroll and related expenses, excluding stock option costs, were MNOK 95.2 in 2Q10 compared to MNOK 99.7 in 2Q09, a decrease of 4%. Lower cost compared to 2Q09 comes primarily from lower headcount.

Stock option costs

Total stock option costs for 2Q10 were MNOK 3.9 compared to MNOK 3.8 in 2Q09, an increase of 1%.

Depreciation and amortization

Depreciation and amortization expenses in 2Q10 were MNOK 5.6 compared to MNOK 3.2 in 2Q09, an increase of 74%. Depreciation and amortization costs increased primarily due to higher investments in Opera Mini server infrastructure and the acquisition of Admarvel, which occurred in early 1Q10.

Other operating expenses

Other operating expenses in 2Q10 were MNOK 35.5 compared to MNOK 36.3 in 2Q09, a decrease of 2%. Other operating expenses decreased mainly due to lower headcount associated expenses, such as travel and equipment for employees. This was partly offset by higher Opera Mini server hosting costs.

EBIT

EBIT was MNOK 28.8 in 2Q10 compared to MNOK 29.4 in 2Q09. EBIT, excluding stock option costs was MNOK 32.6 in 2Q10 versus MNOK 33.2 in 2Q09. EBITDA was MNOK 34.3 in 2Q10 compared with MNOK 32.6 in 2Q09. EBITDA, excluding stock options costs, was MNOK 38.2 compared with MNOK 36.4 in 2Q09.

Interest income and FX gains/(losses)

Net interest income was MNOK 1.8 in 2Q10 versus MNOK 2.4 in 2Q09. Opera had a foreign exchange gain of MNOK

6.7 in 2Q10 compared to a loss of MNOK 1.5 in 2Q09.

Profit for the period

Profit for the period was MNOK 19.2 in 2Q10 compared to MNOK 22.2 in 2Q09. EPS and fully diluted EPS were 0.16 and 0.16, respectively, in 2Q10, compared to 0.19 and 0.18, respectively, in 2Q09.

Liquidity and capital resources

The Company's net cash flow from operating activities was MNOK 62.3 in 2Q10 compared to MNOK -29.2 in 2Q09. 2Q10 cash flow from operating activities was impacted positively by strong profitability and good cash collections. Operating cash flow was impacted negatively from changes in other liabilities, such as the payout of accrued vacation money to our Norwegian employees. Capital expenditures in the quarter were MNOK 7.4 versus MNOK 5.8 in 2Q09. Cost related to acquisitions (i.e., the acquisition of Fastmail announced in May 2010) was MNOK 12.8 in the quarter compared to MNOK 11.3 in 2Q09.

Cash

Cash and cash equivalents at the end of 2Q10 were MNOK 528.2, compared to MNOK 586.7 in 2Q09.

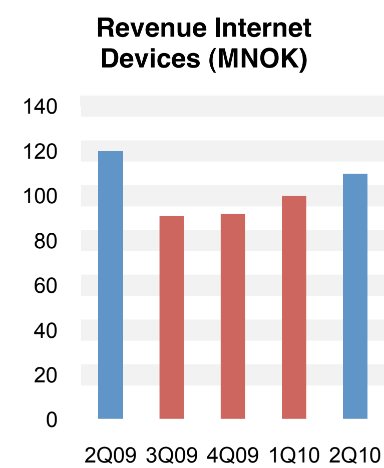
Organization

At the end of 2Q10, the Company had 707 full-time employees and equivalents compared to 727 at the end of 2Q09. Headcount is lower by 20 people versus. 2Q09 and flat compared to 1Q10. In addition, 50 employees that were terminated as part of the restructuring announced in 1Q10 were still employed by Opera at the end of 2Q10. 2Q10 payroll costs associated with these employees were accrued for as part of the restructuring provision taken in 1Q10 and are excluded from 2Q10 payroll expenses.

Revenue overview

Opera's corporate mission is to provide the best Internet experience on any device. The Company continues to deliver on its mission in 2010. By the end of 2Q10, Opera had more than 120 million monthly active users of its products worldwide, with Opera powering the Internet on mobile phones, gaming consoles, Internet-connected TVs, set-top boxes, netbooks, desktop computers and laptops. Of the more than 120 million active users, approximately 49 million were desktop users, 4.5 million were related to Opera Mini agreements with operators and 58 million were 100% Opera branded Mini users.

Internet Devices



Description

Internet Devices includes revenue from both mobile phones and other Internet-connected devices, such as game consoles, IP TV set-top boxes, and portable media players. Internet Device revenue also includes Opera Mini revenue from mobile operators such as T-Mobile International and Megafon, as well as revenue generated from the 100% Opera-branded Opera Mini product.

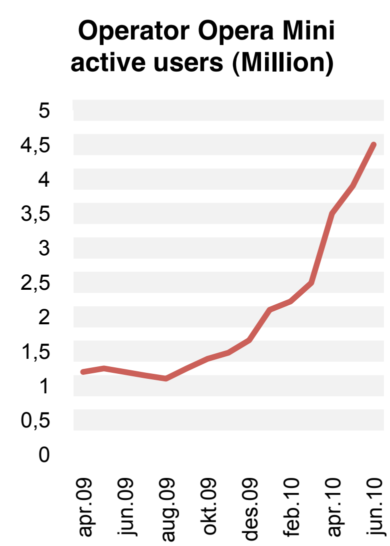
Update

Revenue from Internet Devices fell to MNOK 109.9 in 2Q10 compared to MNOK 127.7 in 2Q09, a decrease of 14%. Higher revenue from mobile operators in 2Q10 compared to 2Q09 was more than offset by lower revenue from Mobile and Device OEMs.

Revenue from mobile operators was up in 2Q10 versus 2Q09, emanating from customer agreements signed in 2009, such as Motricity for AT&T (USA) and SK Telecom (South Korea), as well as customer agreements signed in 2010, such as Verizon Wireless (USA) and Telkomsel (Indonesia). Operators were the largest source of revenue within Internet Devices, followed by Device OEMs and Mobile OEMs.

Revenue from Mobile OEMs declined in 2Q10 compared to 2Q09, due to both lower mobile shipments and development revenue. Device OEM revenue was down compared to a very strong 2Q09 due to lower license revenue.

Operators



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

Opera is a trusted partner to operators globally. The company currently offers three main operator-branded hosted solutions to operators: Opera Mini, Opera Turbo and Opera Widgets. Opera Mini is a hosted solution for mass-market phones, offering server-side content compression and fast Internet download speeds. A similar cloud-based content compression technology is now also offered for Opera Mobile and Opera Desktop, which are packaged for distribution to Operators and OEMs as Opera Turbo. Opera Mini, as well as both Opera Mobile and Opera Desktop with Turbo mode, offer up to 90% content compression, all increasing an operator's implied throughput capacity of its mobile network.

Opera's revenue sources from these hosted solutions include license fees, active-user fees, NRE/development fees, hosting services, and maintenance and support.

In total, Opera has agreements with 16 operators worldwide (including agreements with 11 of the world's top 30 operators, comprising more than 1 billion subscribers) for both the operator branded version of Opera Mini and the joint operator-Opera co-branded version of Opera Mini, including: T-Mobile International (in 10 of 11 European subsidiaries), Vodafone, SK Telecom, Swisscom, O2 (Germany), TATA Teleservices (India), Verizon Wireless (US), Motricity for AT&T (US), Megafon, Tigo (Guatemala, Honduras and Columbia), TIM Brazil, MTS Russia, Tele2, Nextel (Argentina, Brazil and Mexico) and Smart Telecom.

Opera is seeing heightened interest among operators in the emerging markets in particular for the operator-Opera co-branded Opera Mini solution, for which the browser home page promotes content services from both Opera (such as search and the Opera mobile download portal) and the operator (such as games and music). For such agreements, Opera and the operator work together and undertake joint marketing initiatives to convert existing Opera-branded Opera Mini users to the co-branded solution. Opera sees this as a compelling way to increase ARPU on its more than 60 million Opera-branded Opera Mini users, while operators see such agreements as a way to promote data packages to their users to increase data ARPU and drive more revenue from their portals.

In addition to a very high focus among operators to drive greater adoption of the mobile web, many of the Tier 1 operators in the developed markets have also placed high priority on launching application stores. Opera has compelling solutions, both independently and in concert with partners such as Ericsson, to help operators set up application stores. Unlike application stores that work only on individual platforms, Opera Widgets uses the Web as the application environment. This enables operators to offer a branded application store across its entire handset portfolio, allowing operators to focus on delivering value-added content and services to their entire subscriber base.

Opera currently has agreements with 4 operators for Opera Widgets, including Vodafone, T-Mobile International, and a leading global telecom operator via its partnership with Ericsson.

The customized versions of the Opera Mini 4 and Opera Mini 5 browsers for Vodafone have proved successful. Vodafone's main objective with the browsers is to deliver a leading-edge content platform that allows users to experience the mobile internet and consume relevant content. The content platform for Opera Mini 5 includes Vodafone 360 service, such as Shop, MyWeb, People, Mail, local jobs and visual apps. This follows the launch by Vodafone of an enhanced version of Opera Mini 5 earlier this year, which gives a superior Internet experience on low- to mid-tier handsets. The browser has been both pre-installed on mobile handsets and made available for download to more than 250 handsets in Vodafone's customer base. India, South Africa, Turkey, Tanzania, Egypt were the first markets deploying the solution in Q2. To date, sixteen markets have launched the customized Opera Mini 4 and Opera Mini 5 browsers, with additional markets expected to launch in the coming quarters.

In 2Q10, Opera and Telkomsel launched a version of a joint Telkomsel-Opera branded version of Opera Mini 5, optimized for Telkomsel subscribers. Telkomsel has also offered its customers a new Opera Mini data plan to make mobile browsing more cost efficient. Telkomsel has more than 82 million subscribers in total.

Opera also announced in 2Q10 that NII Holdings, Inc. (NASDAQ:NIHD), a leading provider of mobile communication services operating under the Nextel brand in Latin America, will make Opera Mini 5 its next-generation browser. Opera Mini 5 will be pre-installed on Nextel devices for Argentina, Brazil and Mexico, starting with the Android-powered, touch-screen Motorola i1.

Mobile OEMs

Global mobile Original Equipment Manufacturers (OEMs) are currently responding aggressively to operator demands for compelling devices throughout its product portfolio to drive data services adoption. As a result, more than ever before, mobile OEMs are highly focused on providing operators and their subscribers with compelling browsing solutions on their devices – i.e., full HTML browsers that enable browsing of the full Web and access to rich Web applications.

Opera currently offers Opera Mobile to mobile OEMs, with widgets and Turbo capabilities as optional pre-installations. Opera Mobile offers mobile OEMs, and ultimately operator subscribers, a desktop-capable browser on a mobile device, enabling the use of rich Web applications.

Opera also offers Opera Mini to mobile OEMs and finds increasing interest among Mobile OEMs to distribute Opera Mini. Opera Mini enables operator customers the ability to offer a high-quality and consistent Web experience across a range of handsets, while using Opera Mini's compression technology to solve bandwidth and network bottleneck issues.

Opera currently has license agreements with a wide range of mobile OEMs, including, HTC, HP, Motorola, Samsung, Sharp and MTK.

Device OEMs

As device manufacturers seek to accelerate time to market with compelling devices, as well as enhancing their relationships with and providing compelling applications and services to their end customers, they are increasingly developing Internet-connected devices. With the Opera Devices SDK, device manufacturers are able to use their own (and third-party) developers to create user interfaces and menu systems using Web technology, such as HTML and CSS, quickly and easily. Moreover, Opera's SDK enables device manufacturers to offer not only Web-browsing capabilities and full access to the Internet to their operator and consumer end customers, but also customized Web applications or widgets which are accessible from the home screen of the device.

Opera currently has license agreements with a wide range of consumer electronic device OEMs, including ARCHOS, Nintendo, Philips, Sony, Loewe and Thales.

In 2Q10 Opera announced that it will deliver the Web to Realtek's digital media processors. Realtek Semiconductor Corp., a world-leading provider of network and multimedia ICs, will deploy the Opera Devices SDK on its latest "Full-HD Digital Media Processor". By selecting the Opera Devices SDK, Realtek now possesses the necessary Web tools to implement a full Web browser, create user interfaces and design unique Web applications for consumer electronics devices.

Opera also announced in 2Q10 that Acer, the world's second largest PC manufacturer, had selected the Opera Devices SDK to bring full Web browsing to its new LumiRead. With its intuitive user interface design and easy access to the wealth of e-book resources on the Internet, the Acer LumiRead uses Opera to deliver Web content directly to its 6-inch, E Ink screen.

The Acer LumiRead comes with a full web browser powered by the Opera Devices SDK 10.30 for Linux. Opera and Acer have worked together to make browsing online content on the e-reader device an enjoyable experience.

Opera is currently seeing particularly high interest for Opera's products from the connected TV market. Opera for connected TVs is designed to serve as a one-stop shop for delivering superior content optimized for the television screen.

Mobile Consumers

Historically, Internet access has been relegated primarily to desktop computers instead of mobile devices due to several factors, namely, the lack of full HTML browsers on mass-market mobile phones, the dearth of compelling content from WAP, and slow download speeds.

Yet, while approximately 25% of the world's population has access to a desktop computer, approximately 67% of the world population, or about 4.6 billion people, have a mobile phone.

In 2006, Opera launched its Opera Mini browser globally, with the mission of putting the full Internet in every pocket. Opera Mini works on the majority of mobile phones in the market, delivers the full Internet (WAP browsers only bring a small subsection of Internet content), and, through its client-server and compression technology, renders the full Internet up to nine times faster than a normal browser.

In June 2010, 59.4 million unique active users worldwide browsed the Web using the Opera branded and co-branded version of Opera Mini, viewing 27.3 billion Web pages. As of June 30, 2010, since launch, more than 361 billion Web pages have been viewed on Opera Mini.

In 2Q10, Opera announced that Opera Mini was approved for the iPhone and iPod touch on the Apple App Store. The iPhone version of Opera Mini became an instant hit and had over 1.7 million users in June 2010; it also became the third-most-popular device for Opera Mini users worldwide.

For Opera, this is yet another milestone in our mission to make Opera Mini available on every phone and on the most popular platforms. Users of the iPhone Opera Mini browser application experience significant increases in speed, particularly on slower networks, such as the 2G Edge. Surfing the Web with the Opera Mini App on iPhone and iPod touch also helps users save money because of Opera Mini's data compression capabilities. Opera generates revenue for the Opera-branded version of Opera Mini mainly through content partnerships, including search. Opera has Google as the default search partner for Opera Mini and Opera Mobile worldwide. In addition, Opera has content partnerships with companies such as Jamba and Livescore to drive additional revenue and ARPU. Opera has also started to generate revenue from mobile advertising, via both its content partnerships and Opera's own properties, such as the Mobile Apps downloads portal

While content partnerships and advertising are not expected to be a meaningful contributor of revenue to Opera in the short to medium, Opera does believe that its increasing Opera Mini user base, particularly when geographically concentrated, will facilitate more and more direct agreements with operators for a co-branded operator solution, for which ARPU is significantly higher.

While Opera.com continues to be the primary channel for distributing the Opera branded version of Opera Mini, Opera has also focused increasingly on distribution via direct agreements with mobile OEMs and other third parties. Opera has such distribution deals with MTK, Nokia, Sony Ericsson and Lemon Mobile

Desktop

Description

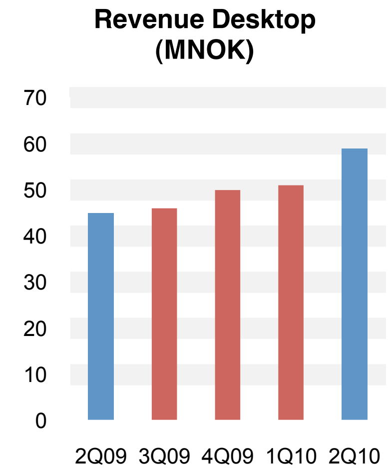
Since the first public release in 1995, Opera has continuously delivered browser innovation for desktop PCs. Opera's desktop browser provides its users with a safe, efficient and enjoyable browsing experience.

Today, the desktop browser is more strategically important than ever, as the world moves rapidly towards the clear dominance of Web applications over device-centric computing. This trend is no more pronounced than with social networking, where Facebook, for example, has more than 500 million active users alone.

With the advent of HTML5, the fundamental fabric of the web is changing. Many new things will be possible, such as playing video without the need for third-party applications or plug-ins and using geolocation to provide locally-targeted information. In addition, HTML 5 will make web applications available at all times and more powerful, and such applications will increasingly function more like native applications. Opera's recent release of Opera 10.60 is an important step towards making this new world a reality.

Opera's monetization strategy for its desktop browser revolves predominantly around search. Google is Opera's global search partner and provides the vast majority of desktop monetization. This global partnership is supplemented by local search partnerships in certain markets, such as Russia, Japan, and China, where Opera works with Yandex, Yahoo! Japan and Baidu, respectively.

Historically, the vast majority of desktop user growth has occurred in the emerging markets. Opera expects this trend to continue, as Opera's key value proposition in the emerging markets emanates to a large extent from the fact that it is considered the fastest browser, valued highly in many emerging markets where overall broadband penetration is low and Internet dial-up is the norm. While the emerging markets offer higher user growth rates than developed markets, Opera remains very focused on building its market position in higher search ARPU developed markets such as the USA, Germany and Japan.



Update

Revenue from Desktop rose 32% in 2Q10 to MNOK 59.1, compared to MNOK 44.8 in 2Q09, with users up approximately 19% versus 2Q09. Monthly users in June 2010 were up 7% compared to monthly users in December 2009.

Other Developments

With more than 1 billion email accounts in the world, messaging remains a critical component in our suite of Web services. In 2Q10, Opera acquired Web-based e-mail provider FastMail.fm, which is headquartered in Australia. The acquisition enables Opera to deliver cross-platform messaging to a wide range of devices, including computers, mobile phones, TVs and gaming consoles.

Outlook

Opera remains positive about the Company's growth prospects. Within Internet Devices, the success that key Opera customers, such as Motricity (AT&T) and KDDI, have experienced with their mobile Web initiatives powered by Opera, combined with recent events in the industry, have heightened interest among operators in particular for Opera's solutions. Opera also sees accelerating interest among consumer electronic device manufacturers for Opera's solutions, particularly in the connected TV segment, as Web browsers become a more common component of a broad array of device types.

Opera believes it is well positioned to take advantage of these "megatrends" within the mobile operator, mobile phone and consumer electronics industries. Opera also expects to see increased revenue streams for the Opera-branded and co-branded version of Opera Mini, as usage expands and as revenue and business models evolve further in the mobile Internet space.

The Company also sees positive growth prospects from its Desktop product, particularly as a result of user growth in the emerging markets.

Opera's key operational priorities in 2010 include continuing to (i) grow revenues and users for its Opera branded consumer products (Desktop, Opera-branded Opera Mini), (ii) sign up new leading mobile operators and grow active users of Opera products and services with existing mobile operator customers, (iii) increase Opera's position with top mobile phone OEMs globally, (iv) build on the momentum Opera has with major consumer electronic OEMs, particularly in the connected TV space, and (v) capitalize on its unique cross-platform position and offer content-related services to its users, leveraging the fact that its browsers run on a wide and disparate array of devices.

Oslo, August 24, 2010

The Board of Directors

Opera Software ASA

William J. Raduchel	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 Financial Position

(Numbers in KNOK)

	6/30/2010 (Unaudited)	12/31/2009 (Audited)
Assets		
Non-current assets		
Intangible assets		
Goodwill	**115,474**	16,416
Other intangible assets	**23,647**	1,716
Total intangible assets	**139,121**	18,132
Property, plant and equipment		
Property, plant and equipment	**49,771**	42,848
Total property, plant and equipment	**49,771**	42,848
Financial assets and deferred tax assets		
Deferred tax assets	**37,423**	37,833
Other investments and deposits	**17,008**	15,811
Total financial assets and deferred tax assets	**54,431**	53,644
Total non-current assets	**243,323**	114,624
Current assets		
Trade and other receivables		
Accounts receivables	**93,150**	65,650
Unbilled revenue	**56,625**	58,816
Other receivables	**14,754**	36,144
Total trade and other receivables	**164,530**	160,609
Cash and cash equivalents	**528,227**	546,482
Total current assets	**692,757**	707,091
Total assets	**936,080**	821,715

Consolidated Statement of Financial Position

(Numbers in KNOK)

	6/30/2010 (Unaudited)	12/31/2009 (Audited)
Shareholders' equity and liabilities		
Equity		
Paid in capital		
Share capital	**2,379**	2,371
Share premium reserve	**456,965**	457,109
Other reserves	**51,434**	43,768
Total paid in capital	**510,777**	503,248
Retained earnings		
Other equity	**106,053**	99,679
Total retained earnings	**106,053**	99,679
Total equity	**616,830**	602,928
Liabilities		
Non-current liabilities		
Provisions	**32,626**	0
Total non-current liabilities	**32,626**	0
Current liabilities		
Accounts payable	**26,594**	9,357
Taxes payable	**538**	5,130
Social security, VAT and other taxation payable	**25,985**	21,399
Deferred revenue	**131,582**	123,808
Other short-term liabilities	**66,348**	50,569
Provisions	**35,576**	8,525
Total current liabilities	**286,623**	218,787
Total liabilities	**319,249**	218,787
Total equity and liabilities	**936,080**	821,715

Consolidated Statement of Comprehensive Income

(Numbers in KNOK, except per share amounts)

	2Q 2010 (Unaudited)	2Q 2009 (Unaudited)	% Change	1H 2010 (Unaudited)	1H 2009 (Unaudited)	% Change	FY 2009 (Audited)
Desktop	**59,073**	44,769	32%	**111,107**	91,767	21%	184,912
Internet Devices	**109,854**	127,680	-14%	**209,233**	243,640	-14%	427,826
Total operating income	**168,928**	172,448	-2%	**320,340**	335,408	-4%	612,738
Payroll and related expenses, excluding stock option costs	**95,243**	99,682	-4%	**195,481**	200,890	-3%	389,625
Stock option costs	**3,873**	3,832	1%	**8,270**	7,496	10%	14,074
Depreciation and amortization	**5,583**	3,207	74%	**10,484**	5,953	76%	13,272
Other operating expenses	**35,478**	36,345	-2%	**71,915**	66,816	8%	141,453
Results from operating activities excl. one-time costs	**28,750**	29,383		**34,190**	54,253		54,314
One-time costs	**0**	0		**29,094**	0		0
Results from operating activities ("EBIT")	**28,750**	29,383		**5,096**	54,253		54,314
Other interest income/expense, net	**1,825**	2,423		**4,027**	5,815		10,039
Interest expense related to contingent consideration	**(3,968)**	0		**(3,968)**	0		0
FX gains/losses related to contingent consideration, net	**(6,699)**	0		**(6,699)**	0		0
Other FX gains/losses, net (negative amount = losses)	**6,712**	(1,512)		**6,433**	(6,040)		(19,862)
Profit before income tax	**26,620**	30,294		**4,888**	54,028		44,491
Provision for taxes*	**(7,454)**	(8,072)		**(1,369)**	(15,132)		(13,631)
Profit for the period	**19,166**	22,222		**3,520**	38,896		30,860
Foreign currency translation differences for foreign operations	**846**	324		**1,501**	(1,385)		(2,404)
Total comprehensive income for the period	**20,012**	22,546		**5,020**	37,511		28,456
Earnings per share**	**0.161**	0.187		**0.030**	0.330		0.260
Earnings per share, fully diluted**	**0.159**	0.182		**0.029**	0.324		0.255
Shares used in earnings per share calculation	**118,937,839**	118,906,778		**118,687,953**	117,846,285		118,657,031
Shares used in earnings per share calculation, fully diluted	**120,885,167**	121,800,055		**120,373,728**	120,164,441		121,210,653
Number of employees	**756**	727		**756**	727		757
Number of employees after restructuring	**707**			**707**			

*The quarterly and half year provision for taxes is based on an estimated tax rate for the Group, FY 2009 is actual.
**Earnings per share is calculated based on the profit for the period.

Consolidated Statement of Changes in Equity

(Numbers in KNOK)

	Face-value	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 3/31/2010	**0.02**	**118,734**	**2,391**	**456,964**	**47,475**	**-17**	**-575**	**84,344**	**590,583**
Comprehensive income for the period									
Profit for the period								19,166	19,166
Other comprehensive income									
Foreign currency translation differences							846		846
Total comprehensive income for the period			**0**	**0**	**0**	**0**	**846**	**19,166**	**20,012**
Contributions by and distributions to owners									
Dividend to equity holders									0
Own shares acquired									0
Own shares sold	0.02	202				4		2,579	2,583
Tax deduction loss own shares									0
Issue expenses									0
Tax deduction on equity bookings									0
Share-based payment transactions					3,652				3,652
Total contributions by and distributions to owners	**0.02**	**202**	**0**	**0**	**3,652**	**4**	**0**	**2,579**	**6,235**
Other equity changes									
Other changes									0
Total other equity changes			**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance as of 6/30/2010	**0.02**	**118,935**	**2,391**	**456,964**	**51,127**	**-13**	**271**	**106,089**	**616,830**

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 KNOK)

	Face-value	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 3/31/2009	**0.02**	**118,546**	**2,391**	**457,105**	**33,934**	**-21**	**-535**	**136,803**	**629,677**
Comprehensive income for the period									
Profit for the period								22,222	22,222
Other comprehensive income									
Foreign currency translation differences							324		324
Total comprehensive income for the period			**0**	**0**	**0**	**0**	**324**	**22,222**	**22,546**
Contributions by and distributions to owners									
Dividend to equity holders									0
Own shares acquired									0
Own shares sold	0.02	426				9		5,071	5,079
Tax deduction loss own shares									0
Issue expenses									0
Tax deduction on equity bookings									0
Share-based payment transactions					2,864				2,864
Total contributions by and distributions to owners	**0.02**	**426**	**0**	**0**	**2,864**	**9**	**0**	**5,071**	**7,943**
Other equity changes									
Other changes*				0				-2,962	-2,962
Total other equity changes			**0**	**0**	**0**	**0**	**0**	**-2,962**	**-2,962**
Balance as of 6/30/2009	**0.02**	**118,971**	**2,391**	**457,106**	**36,797**	**-12**	**-211**	**161,134**	**657,205**

**Consist of losses on own shares invoiced to branches and correction of tax payable for FY 2008.*

Consolidated Statement of Cash Flows

(Numbers in KNOK)

	2Q 2010 (Unaudited)	2Q 2009 (Unaudited)	1H 2010 (Unaudited)	1H 2009 (Unaudited)
Cash flow from operating activities				
Profit/loss before taxes	**26,620**	30,294	**4,888**	54,028
Taxes paid	**9,838**	(6,706)	**8,192**	(15,739)
Depreciation expenses	**5,583**	3,207	**10,484**	5,953
Profit/loss from sales of property, plant and equipment	**0**	0	**(31)**	0
Impairment of shares	**0**	0	**0**	0
Changes in accounts receivables **	**31,771**	(88,630)	**(21,471)**	(40,352)
Changes in accounts payable	**7,158**	(6,736)	**11,567**	(6,339)
Changes in other liabilities and receivables, net	**(29,845)**	27,849	**19,805**	25,185
Share-based remuneration	**3,652**	2,864	**7,359**	6,421
Interest and FX related to contingent payment *`***	**10,667**	0	**10,667**	0
Conversion discrepancy	**(3,145)**	8,700	**618**	1,343
Net cash flow from operating activities	**62,300**	(29,159)	**52,079**	30,500
Cash flow from investment activities				
Capital expenditures	**(7,355)**	(5,776)	**(14,342)**	(14,102)
Acquisitions ***	**(12,756)**	(11,331)	**(57,649)**	(11,331)
Net cash flow from investment activities	**(20,111)**	(17,106)	**(71,990)**	(25,433)
Cash flow from financing activities				
Proceeds from exercise of stock options	**2,583**	5,079	**8,889**	18,119
Proceeds of share issues, net	**0**	0	**0**	0
Dividends paid	**0**	0	**0**	0
Purchase of own shares	**0**	0	**(7,232)**	0
Net cash flow from financing activities	**2,583**	5,079	**1,657**	18,119
Net change in cash and cash equivalents	**44,772**	(41,186)	**(18,255)**	23,186
Cash and cash equivalents (beginning of period)	**483,455**	627,920	**546,482**	563,548
Cash and cash equivalents **`*******	**528,227**	586,734	**528,227**	586,734

*Interest income and interest expenses are included in 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. Conversion differences and interest related to re-evaluation of the contingent payment are booked on a separate line as net cash flow from operating activities.

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

***On April 30, 2010, Opera entered into an Asset Purchase Agreement with the Fastmail Partnership. Identifiable assets acquired and liabilities assumed are not presented on separate lines in the consolidated statement of cash flows but are presented as acquisitions. For more details about the acquisition, please see note 9.

****Cash and cash equivalents of KNOK 7,217 were restricted assets as of June 30, 2010, and Cash and cash equivalents of KNOK 37,161 were restricted assets as of June 30, 2009.

*****As of June 30, 2010, the conversion discrepancy loss booked on Cash and cash equivalents was KNOK 2,973.

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

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, Zizzer AS, Opera Software Poland Sp. z o.o and Opera Software International AS (which, in turn, includes Opera Software Korea Ltd, Opera Software Technology (Beijing) Co., Ltd, Opera Software Australia PTY LTD, AdMarvel, Inc. and Opera Web Technologies Private Ltd (India), together referred to as the “Group”). As of June 30, 2010, Opera Software International AS had branch offices in Japan, USA, Poland, Czech Republic, China and Taiwan and had full control of the limited company Beijing Yuege Software Technology Service Co., Ltd.

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, 2009.

Note 3 - Financial Statements - Accounting Policies

The Group has used the same accounting policies and standards as in the consolidated financial statements of December 31, 2009, except as mentioned below. The consolidated financial statements of the Opera Group for 2009 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act.

There were no new standards, interpretations or amendments to published standards that were effective from April 1, 2010 that have significantly affected the consolidated financial statements for the second quarter 2010:

New standards, interpretations or amendments to published standards that were effective from January 1, 2010 that have significantly affected the consolidated financial statements for the first quarter 2010 are:

Revised IAS 27 Consolidated and Separate Financial Statements is effective for fiscal years beginning from July 1, 2009. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit or loss. The group has applied IAS 27 (revised) prospectively to transactions with non-controlling interests from January 1, 2010.

Revised IFRS 3 Business Combinations is effective for fiscal years beginning from July 1, 2009. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs should be expensed. The group has applied IFRS 3 (revised) prospectively to all business combinations from January 1, 2010.

Note 4 - Estimates

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

Note 5 - Basic Earnings per Share

(Numbers in KNOK, except per share amounts)

	2Q 2010 (Unaudited)	2Q 2009 (Unaudited)	1H 2010 (Unaudited)	1H 2009 (Unaudited)
Earnings per share (basic)	**0.161**	0.187	**0.030**	0.330
Earnings per share, fully diluted	**0.159**	0.182	**0.029**	0.324
Shares used in per share calculation (mm)	**118,937,839**	118,906,778	**118,687,953**	117,846,285
Shares used in per share calculation, fully diluted (mm)	**120,885,167**	121,800,055	**120,373,728**	120,164,441

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.

In periods with negative net income, the dilutive instruments will have an anti dilutive effect when calculating diluted earnings per share. For this reason, there is no difference between earnings per share and diluted earnings per share for these periods.

The options have varying exercise prices and would, upon exercise, mean payment to the Company of KNOK 114,361 as of June 30, 2010. 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. The average price in the period is used when calculating the fully diluted number of shares. The average price is calculated to be NOK 23.26 for 2Q 2010 and NOK 21.89 YTD 2010. Opera has included options with a strike price below NOK 22.60 when calculating the fully diluted number of shares outstanding. Total options used in the calculations are 7,207,599 of which 5,890,068 options are unvested and 1,317,531 are vested but not yet exercised.

	2Q 2010	1H 2010
Average number of shares	**118,937,839**	**118,687,953**
The following equity instruments have a diluting effect:		
Options	**7,207,599**	**7,207,599**
Total	**7,207,599**	**7,207,599**
Options	**7,207,599**	**7,207,599**
Number of shares purchased (KNOK 114,361/23.26/21.89)	**4,916,624**	**5,224,334**
Number of shares with diluting effect	**2,290,975**	**1,983,265**
Expected options to be exercised	**1,947,329**	**1,685,775**

Note 6 - Revenue and Segment Information

The Company has one product, the browser. This browser product is, in turn, modified for various devices depending on customer and market requirements. These derivative products all share the same core code base.

Opera's business activities are related to the sale of the browser.

Opera's chief operating decision-makers are members of the Executive Team. The Executive Team meets regularly to review significant revenues and costs for the period, for the Group as a whole, and 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 2009 Annual Report.

Based on the above, Opera has determined that it has only one segment.

The geographic revenue breakdown reflects the location of Opera's customers and partners. Because the products of Opera's customers and partners are distributed on a global basis, the geographic breakdown below does not accurately reflect where Opera's derivative products are actually used.

(Numbers in KNOK)

REVENUE	2Q 2010 (Unaudited)	2Q 2009 (Unaudited)	1H 2010 (Unaudited)	1H 2009 (Unaudited)
Desktop	**59,073**	44,769	**111,107**	91,767
Internet devices	**109,854**	127,680	**209,233**	243,640
Total	**168,928**	172,448	**320,340**	335,408

(Numbers in KNOK)

REVENUE BY REGION	2Q 2010 (Unaudited)	2Q 2009 (Unaudited)	1H 2010 (Unaudited)	1H 2009 (Unaudited)
Europe	**38,160**	35,329	**68,853**	77,570
USA/ Canada	**71,316**	43,305	**134,213**	99,211
Asia	**59,452**	93,814	**117,275**	158,627
Total	**168,928**	172,448	**320,340**	335,408

Internet Devices includes revenue from operators, mobile handset manufacturers (mobile OEMs), consumer electronic OEMs (device OEMs) and content partners for the Opera branded version of Opera Mini.

Desktop revenue includes revenue from content partnerships related mostly to search and eCommerce.

Revenues generated in Norway for 2Q 2010 were KNOK 4.

In 2Q 2010, Opera had sales to one customer that accounted for more than 10% of the total group revenues.

Note 7 - Shareholder Information

Authorization to acquire own shares
The Annual General Meeting, held on June 15, 2010, 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 on 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 KNOK 238. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 0.02, and the maximum amount is NOK 200.

d) The authorization comprises the right to establish collateral using the Company's own shares.

e) This authorization is valid from the date of registration with the Norwegian Register of Business Enterprises until June 30, 2011.

f) The new authorization will replace all previous authorizations once registered in the Norwegian Register of Business Enterprises.

Board authorization to increase the share capital by issuance of new shares

The Annual General Meeting, held on June 15, 2010, passed the following resolutions:

1 Authorization regarding incentive program
a) The Board of Directors is authorized to increase the Company's share capital by up to KNOK 239.149, through one or several share issues of up to a total of 11,957,450 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 of new shares in relation to the Company's incentive schemes existing at any time in the Opera group. The authorization cannot be used in connection with options that may be granted to directors on or after June 15, 2010.

e) The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until June 30, 2011.

f) The new authorization will replace all previous authorizations once registered in the Norwegian Register of Business Enterprises.

g) The authorization cannot be used if the Company has issued new shares in the Company, between the period June 15, 2010 and June 30, 2011, pursuant to the board authorizations, 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 up to KNOK 239.149, through one or several share issues of up to a total of 11,957,450 shares, each with a nominal value of NOK 0,02. The subscription price and other terms will be determined by the Board of Directors.

b) The authorization includes the right to increase the Company's share capital in return for non-cash contributions or the right to assume special obligations on behalf of the Company.

c) The preferential rights pursuant to Section 10-4 of the Public Limited Liability Companies Act may be deviated from by the Board of Directors.

d) The authorization may only be used in connection with acquisitions of businesses or companies, including mergers, within the business areas operated by the Opera group, or which relates thereto.

e) The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until June 30, 2011.

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 has issued new shares in the Company, between the period June 15, 2010 and June 30, 2011, pursuant to the board authorizations, representing more than 10% of the Company's share capital.

Dividends for 2009 of NOK 0.16 per share

The Annual General Meeting, held on June 15, 2010, passed the following resolutions:
a) NOK 0.16 per share is paid as a dividend for 2009, constituting an aggregate dividend payment of KNOK 19,132. The dividend will be paid to those who are shareholders at end of June 15, 2010, and the shares will be trading exclusive dividend rights as from June 16, 2010.

New option program

The Annual General Meeting, held on June 15, 2010 approved a new option program effective from June 16, 2010. The details of the option program can be found in the notice to the AGM posted on the Oslo Stock Exchange website (www.oslobors.no).

Other items passed on the AGM

For further details about the meeting held on June 15, 2010, please see the protocol from the Annual General Meeting published on the Oslo Stock Exchange website (www.oslobors.no).

Own shares

During 1Q 2010 and YTD Opera has purchased 350,500 own shares for KNOK 7,232. During 1Q 2010 Opera sold 509,629 own shares for KNOK 6,306, and during 2Q 2010 Opera sold 201,614 shares for KNOK 2,583.

Note 8 - Financial Information

Opera has chosen to include more information regarding currency risk as of June 30, 2010.

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 EUR. In 2Q 2010, approximately 49% (YTD: 52%) of revenues were in EUR and 50% (YTD: 47%) in USD; for expenses, approximately 54% (YTD: 59%) were in NOK, 11% (YTD: 10%) in SEK, 11% (YTD: 10%) in USD, 8% (YTD: 7%) in PLN, 6% (YTD: 5%) in JPY, 2% (YTD: 2%) in EUR, and 8% (YTD:7%) in other currencies.

Foreign currency movements impacted Opera's 2Q 2010 income statement in the following way: Revenue would have been approximately MNOK 179 (higher by approximately 6%) using the 2Q 2009 constant currency FX rates and revenue would have been approximately MNOK 164 (lower by approximately 3%) using the 1Q 2010 constant currency FX rates. Costs would have been approximately MNOK 139 (lower by approximately 1%) using the 2Q 2009 constant currency FX rates and cost would have been approximately MNOK 137 (lower by approximately 2%) using the 1Q 2010 constant currency FX rates. The majority of the Company's purchases are made in the following denominations: NOK, EUR, SEK, PLN, USD, JPY, CZH, CNY, KRW, TWD, AUD and INR. Exchange rate fluctuations in these currencies do impact Opera's income statement.

For 2Q 2010, Opera had a net foreign exchange gain of KNOK 13. KNOK 3,717 was realized foreign exchange gain and KNOK 3,704 was unrealized foreign exchange loss. The unrealized disagio is estimated as the difference between the exchange rate at the closing date and date of the transaction.

Opera has not entered into any foreign exchange contracts as of June 30, 2010.

Note 9 - Business Combinations

AdMarvel, Inc

On January 19, 2010, Opera Software International AS acquired 100% of the shares and voting interest of the privately held company AdMarvel, Inc. The agreed acquisition price is approximately KUSD 8,250 in cash. The acquisition structure also envisages up to an additional KUSD 15,000 in cash consideration, paid only if certain aggressive financial targets are met in FY 2010 and FY 2011. Opera expects that AdMarvel will help Opera to expand its portfolio of products and services to include highly scalable ad monetization services for Opera branded mobile products, and products and services offered by mobile operators and content partners. AdMarvel, based in San Mateo, California (USA), works with a broad set of constituents in the advertising ecosystem to improve the performance of mobile advertising. The company was founded in 2006 by a team of mobile veterans led by Mahi de Silva and currently employs 15 full-time equivalents. In 2009 the Group incurred acquisition-related costs of KNOK 1,406 related to external legal fees and due diligence costs. In 2010 the Group incurred additional acquisition-related costs of KNOK 1,253 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 KNOK)

Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	28
Accounts receivables*	2,520
Other receivables*	1,759
Cash and cash equivalents	1,954
Accounts payable	-5,314
Other short-term liabilities	-333
Total net identifiable assets	**614**
Cash consideration	-46,846
Contingent consideration	-39,007
Excess value	**-85,240**
Related customer relationships	13,299
Proprietary technology	3,518
Deferred tax on excess values	-6,723
Goodwill	75,146

** No provision for bad debt.*

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

Opera calculated the fair value on the aqusition day and booked a contingent consideration of KNOK 39,007 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 5 year period, and the value of the proprietary technology is depreciated over a 4 year period.

The fair value of the net identifiable assets has been calculated by an external company, and is deemed to be an independent valuation. Opera has treated the whole contingent consideration as consideration for the purchase of the business and no part as remuneration. The evaluation is based on the indicators outlined in IFRS 3.

Note 9 - Business Combinations (continued)

Fastmail

On April 30, 2010, Opera Software Australia PTY LTD entered into an Asset Purchase Agreement with the Fastmail Partnership whereby Opera Software Australia PTY LTD acquired the assets sustaining the operation of the E-mail business developed by the Fastmail Partnership. The agreed acquisition price is approximately KUSD 2,163 in cash. The acquisition structure also envisages up to an additional KUSD 1,892 in cash consideration, conditional upon the retention of key employees transferred and paid only if certain aggressive technology development milestones are met within 2 years and certain targets in terms of numbers of new users are met within 5 years. The FastMail Partnership provides email services to businesses, families, and individuals, by offering email addresses and storage space for incoming emails, as well as enabling its users to send and receive emails by connecting to the Internet with a Web-browser. The company was founded in 1999 and is based in Melbourne, Australia. Opera Software Australia PTY LTD currently employs 3 full-time equivalents. Opera expects that purchase of the Fastmail business will help Opera to expand its current messaging product portfolio and deliver cross-platform messaging to a wide range of devices, including computers, mobile phones, TVs and gaming consoles. In 2009, the Group incurred acquisition-related costs of KNOK 158 related to external legal fees and due diligence costs. In 2010 the Group incurred additional acquisition-related costs of KNOK 1,227 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 KNOK)

Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	275
Deferred tax assets	83
Other receivables*	50
Cash and cash equivalents	15
Deferred revenue	-7,648
Other short-term liabilities	-732
Total net identifiable assets	**-7,956**
Cash consideration	-12,771
Contingent consideration	-7,955
Excess value	**-28,681**
Related customer relationships	1,783
Trademark	594
Proprietary technology	4,748
Deferred tax on excess values	-2,138
Goodwill	23,694

** No provision for bad debt.*

The assets and liabilities that were recognized by the Fastmail Partnership, immediately before the business combinations, equaled the carrying amount recognized by the Group on at the acquisition date. In addition, the Group booked the excess price of the fair value of the total identifiable assets as related customer relationships, trademark, proprietary technology, deferred tax on excess values and goodwill since the excess price has been deemed to be related to these intangible assets. The substantial amount of goodwill in the acquisition of FastMail can be related to synergies and to the assembled workforce.

Opera calculated the fair value on the aqusition day and booked a contingent consideration of KNOK 7,955 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 10 year period, and the value of the proprietary technology is depreciated over a 6 year period.

The fair value of the net identifiable assets has been calculated by an external company, and are deemed to be an independent valuation. Opera has treated the whole contingent consideration as consideration for the purchase of the business and no part as remuneration. The evaluation is based on the indicators outlined in IFRS 3.

Note 9 - Business Combinations (continued)

(Numbers in KNOK)

Information regarding goodwill

Goodwill at acquisition cost for Hern Labs AB	7,857
Accumulated depreciation as of 12/31/04	6,287
Net book value as of 12/31/04	1,570
Reversed depreciation 2004	1,572
Net book value as of 1/1/04 and 12/31/08	3,142
Goodwill at acquisition cost for Opera Software Poland Sp. z o.o	13,274
Net book value as of 12/31/09	16,416
Goodwill at acquisition cost for AdMarvel	75,146
Goodwill at acquisition cost for Fastmail	23,694
FX adjustment goodwill at acquisition cost	218
Net book value as of 6/30/10	115,474

Note 10 - Contingent Liabilities and Provisions

Pension liability

KNOK 10,573 has been booked as a current provision for estimated pension liability in Hern Labs AB. Please see note 11 in the FY 2009 Financial Statements for a description of the pension case.

AdMarvel - Earn out agreement

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

Amounts in KUSD	**Probability**	**Earn out payments**	**Estimated earn out**
Earn out FY 2010, Net revenue and EBIT target	75%	5,000	3,750
Earn out Tier 1, FY 2011, Net revenue and EBIT target	50%	4,000	2,000
Earn out Tier 2, FY 2011, Net revenue and EBIT target	30%	8,000	2,400
Earn out Tier 3, FY 2011, Net revenue and EBIT target	10%	10,000	1,000
Total estimated earn out before discounting			9,150
Total estimated earn out after discounting			6,875

Assumptions	
WACC	20.0%
Taxrate	40.0%
FX-rate	5.674

Above, please find the assumptions and earn out valuation performed at the acquisition date where Opera calculated the fair value and booked a contingent consideration of KNOK 39,007 in the financial statements. The contingent consideration is revalued each quarter, and KNOK 26,561 has been booked as a non-current provision and KNOK 22,132 as current provision to cover the total contingent consideration of KNOK 48,693 as of June 30, 2010, where the same assumptions that were used on the acquisition date have been used. For 2Q 2010 Opera booked KNOK 3,722 as interest expense and KNOK 5,964 as FX expense. Please also see note 9 for more details.

Fastmail - Earn out agreement

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

Amounts in KUSD	**% of earn out**	**Probability**	**Earn out payments**	**Estimated earn out**
Retention of transferred employees	45.4%	100%	859	859
Technology development	27.2%	100%	514	514
Reaching users within 5 years	27.4%	100%	519	519
Total estimated earn out before discounting				1,892
Total estimated earn out after discounting				1,340

Assumptions	
WACC	20.2%
Taxrate	30.0%
FX-rate	5.936

Above, please find the assumptions and earn out valuation performed at the acquisition date where Opera calculated the fair value and booked a contingent consideration of KNOK 9,400 in the financial statements. The contingent consideration is revalued each quarter, and KNOK 6,065 has been booked as a non-current provision and KNOK 2,870 as current provision to cover the total contingent consideration of KNOK 8,935 as of June 30, 2010 where the same assumptions that were used on the acquisition date have been used. For 2Q 2010 Opera booked KNOK 246 as interest expense and KNOK 735 as FX expense. Please also see note 9 for more details.

Note 11 - Unusual Transactions

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

Note 12 - Subsequent Events

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

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

Note 13 - CEO and Co-founder

In January 2010, Opera appointed Mr Lars Boilesen as the new Chief Executive Officer, and Mr Jon von Tetzchner assumed a new role in Opera as co-founder. For information regarding option grants given to Mr. Boilesen and Mr. Tetzchner in connection to this event, please see note 3 in the FY 2009 Annual Report.

Note 14 - One-time Costs

Opera Software ASA has in 1Q 2010, recorded a one-time restructuring charge related primarily to a cost reduction program that will better align costs with revenues, and legal fees related to business combinations:

26,728	Salary restructuring cost
-898	Option restructuring cost
1,600	Office restructuring cost
1,665	Legal fees related to business combinations
29,094	**Total one-time costs**

Historical Summary - Last 6 Quarters

(Numbers in KNOK, except per share amounts)

	2Q 2010 (Unaudited)	1Q 2010 (Unaudited)	4Q 2009 (Unaudited)	3Q 2009 (Unaudited)	2Q 2009 (Unaudited)	1Q 2009 (Unaudited)
Revenue (KNOK)						
Desktop	**59,073**	52,033	50,369	42,775	44,769	46,999
Internet Devices	**109,854**	99,379	92,200	91,986	127,680	115,961
Total revenue	**168,928**	151,413	142,569	134,761	172,448	162,960
Revenue (% Growth)						
Desktop	**14%**	3%	18%	-4%	-5%	12%
Internet Devices	**11%**	8%	0%	-28%	10%	1%
Total revenue	**12%**	6%	6%	-22%	6%	4%
Revenue (% of total revenue)						
Desktop	**35%**	34%	35%	32%	26%	29%
Internet Devices	**65%**	66%	65%	68%	74%	71%
EBIT*	**28,750**	5,440	4,686	(4,625)	29,383	24,870
EBIT, excluding stock option costs*	**32,623**	9,837	8,570	(1,930)	33,214	28,534
EBITDA*	**34,333**	10,341	7,993	(613)	32,590	27,617
EBITDA, excluding stock option costs*	**38,206**	14,738	11,877	2,082	36,421	31,281
EPS	**0.161**	(0.132)	0.033	(0.101)	0.187	0.139
EPS, fully diluted	**0.159**	(0.132)	0.033	(0.101)	0.182	0.137

* excl. one-time costs