



Opera Software: Second quarter 2010

Agenda

1. Highlights

Lars Boilesen, CEO

2. Financial review

Erik Harrell, CFO/COO

3. Operations review

Lars Boilesen, CEO

4. Q&A

2Q10 Financial highlights

	Financial metric	2Q10 Status report (MNO ^K)	2Q09 (MNO ^K)
Revenue	Total revenue	168.9	172.4
Profitability	EBITDA*	38.2	36.4
	EBIT	28.8	29.4
Cash generation	Operating Cash Flow	62.3	-29.2
	Free Cash Flow**	54.9	-34.9

- Revenue in line with expectations; cost lower than expected
- Operator revenue increasing as portion of revenue; NRE revenue declining
- Good user growth from operators

*Non-IFRS EBITDA excludes stock option costs

** Operating Cash Flow less capital expenditures

Highlights (1Q10 – 3Q10TD)

Operators

- Volume growth with tier-one operators such as AT&T, Vodafone, MTS, Telkomsel: Total of 5.2 million Opera Mini users in July
- Key wins: Telenor & Verizon
- Strong deal flow and ramp up, Nextel, Telkomsel, MTS, Megafon, TIM, Smart, Tigo, Tele2 – all recently or about to launch Opera products



Mobile/Devices

- Continued strong growth in Asia: Key wins with Acer, ZTE, Sharp, Realtek, Yulong, Huawei Mobile, Toshiba
- Strong pipeline for new form factor devices, like tablets, e-readers
- Increasing shipments of Opera on TVs

End users

- 120+ million people use Opera every month (Opera Mini, Opera Desktop, Opera Mobile and other devices)
- New versions launched (Opera 10.60 and Opera Mini 5.1), driving further user and revenue growth



Financial review

A note from our lawyers

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2Q10 Financial highlights

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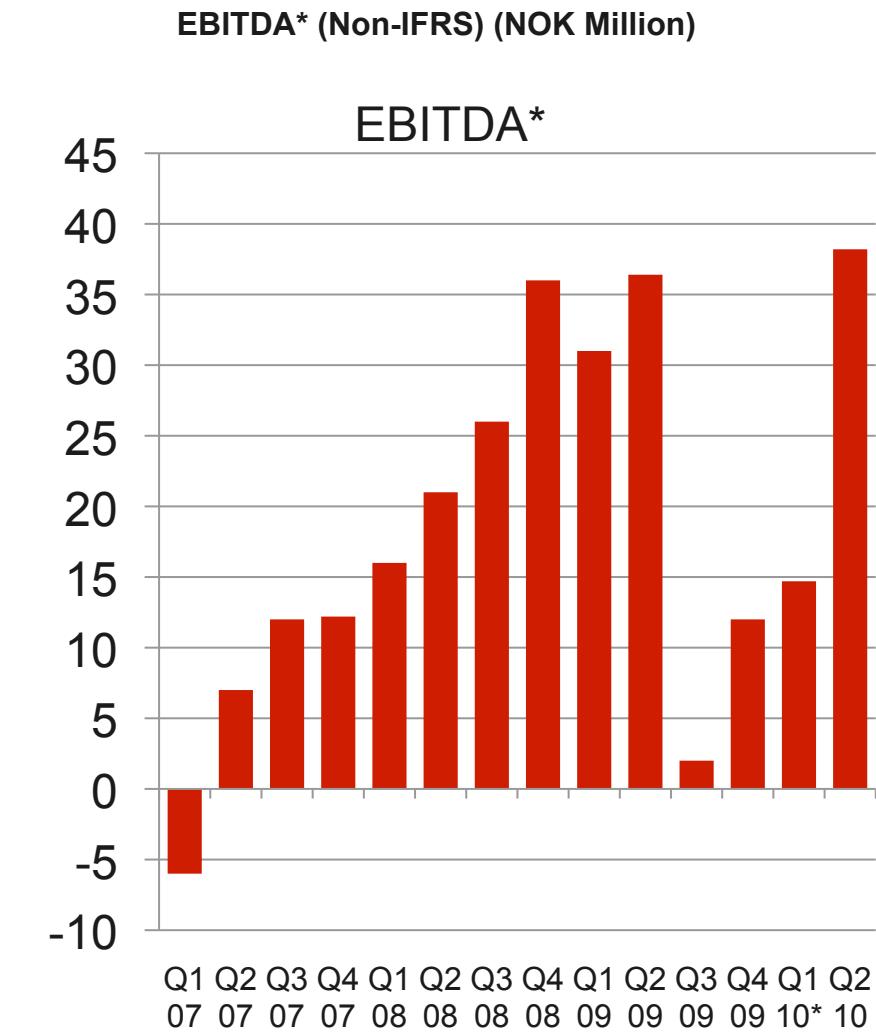
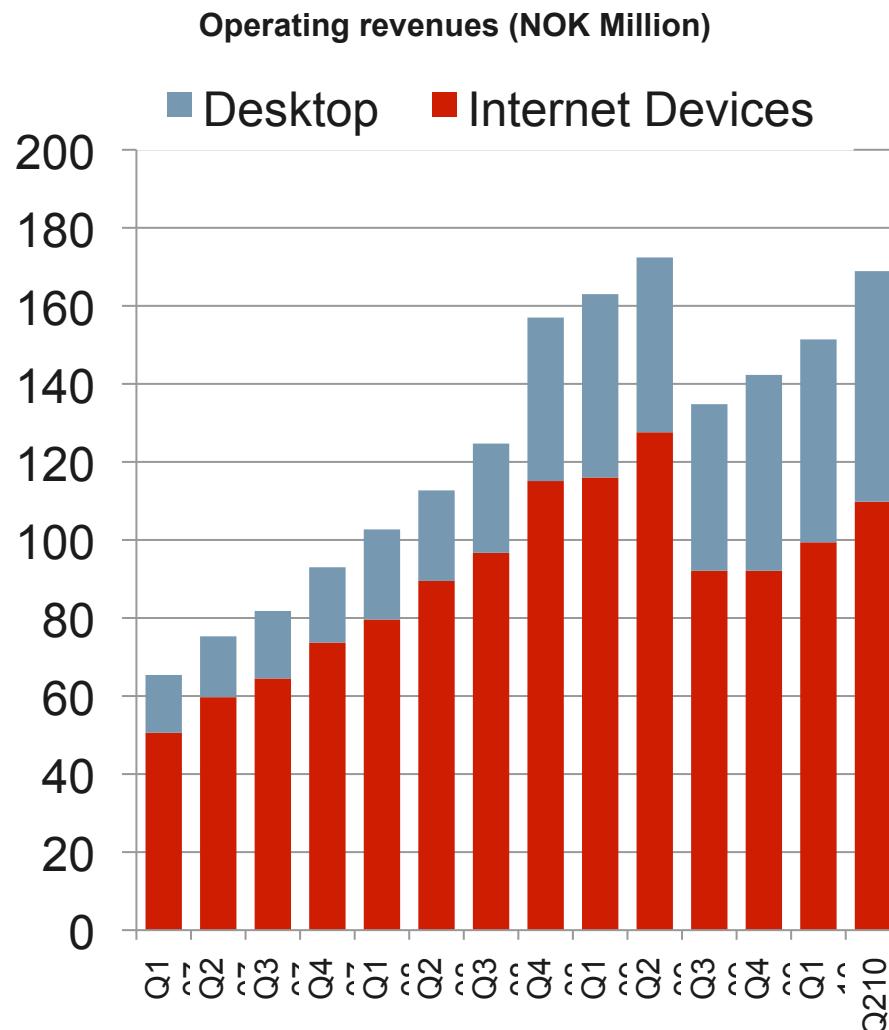
** Operating Cash Flow less capital expenditures

2Q10 Financial review

MNOK	2Q2010	2Q2009	Q on Q		1H 2010*	1H 2009	1H vs 1H
Desktop +	59.1	44.8	32%		111.1	91.8	21%
Internet Devices +	109.9	127.7	-14%		209.2	243.6	-14%
Total revenue =	168.9	172.4	-2%		320.3	335.4	-4%
Payroll and related expenses -	95.2	99.7	-4%		195.5	200.9	-3%
Stock option costs -	3.9	3.9	1%		8.3	7.5	10%
Depreciation and amortization -	5.6	3.2	74%		10.5	6.0	76%
Other operating expenses -	35.5	36.3	-2%		71.9	66.8	8%
Total expenses =	140.2	143.1	-2%		286.2	281.2	2%
EBIT	28.8	29.4			34.2	54.3	
Net Income	19.2	22.2			24.5	38.9	
EPS (NOK)	0.16	0.19			0.20	0.33	

* Excludes an extraordinary one-time charge of MNOK 29.1 in 1Q 10

Financial highlights: 1Q07-2Q10



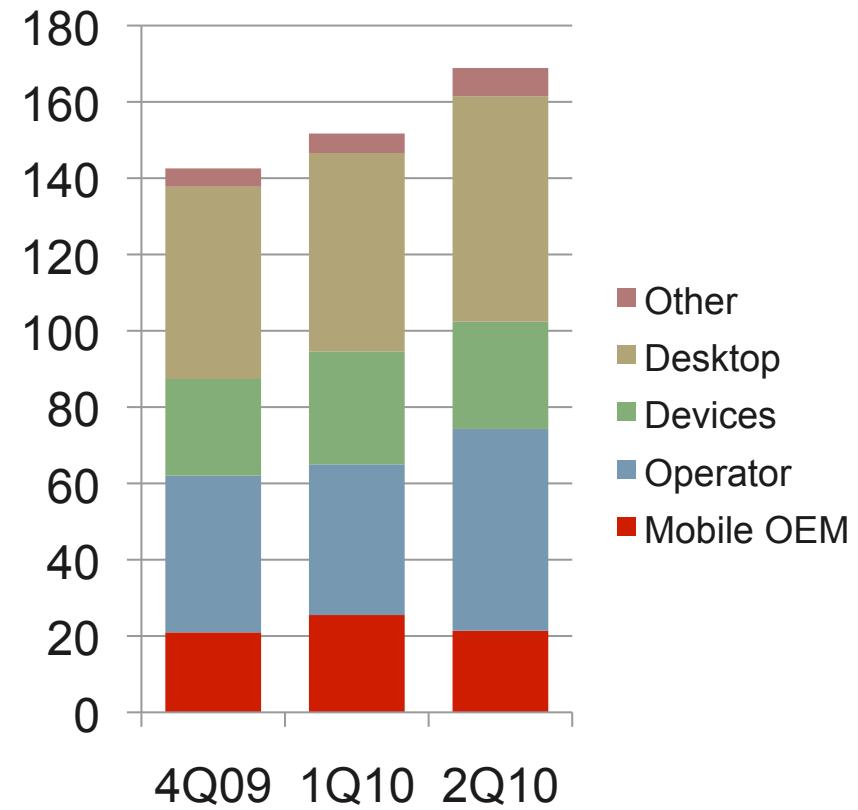
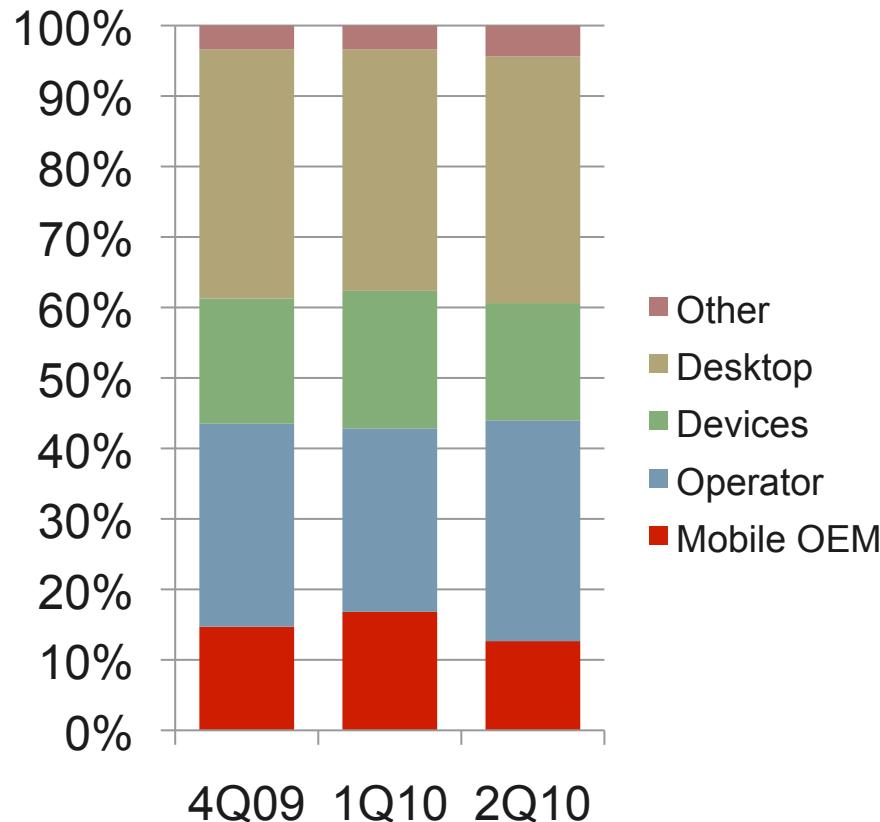
* Non-IFRS EBITDA excludes stock option costs and an extraordinary one-time charge of MNOK 29.1 in 1Q 10

Revenue growth drivers

- Active users with operators
- Desktop users
- Opera Mini user base and ARPU
- Agreements with Connected TV vendors

Revenue: Customer Type (2Q10)

- Operator revenue came generally in line with expectations
- Desktop revenue slightly above expectations
- Device revenue slightly below expectations
- Mobile OEM revenue came generally in line with expectations

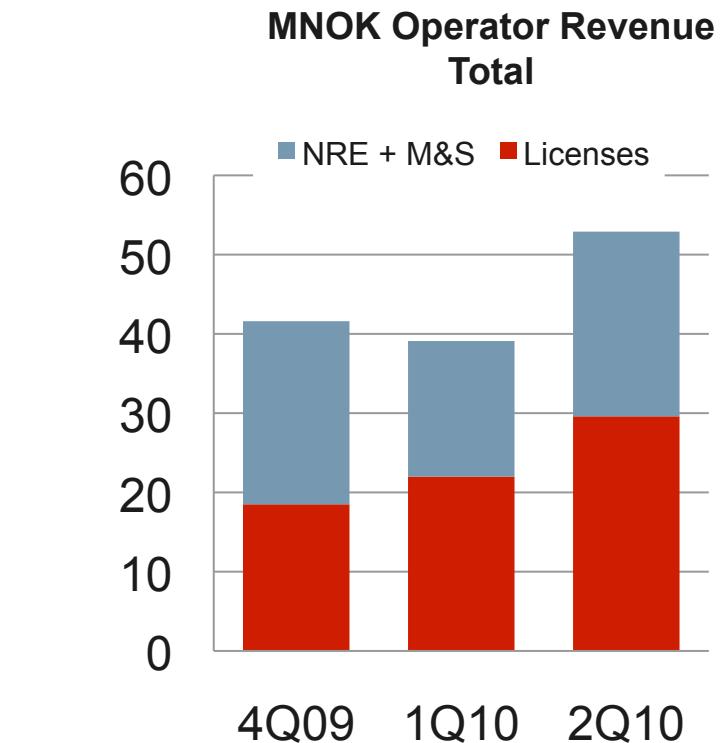


Revenue: Operators (2Q10)

- Operator revenue generally in line with expectations
- 368% Operator Opera Mini user growth June 2010 vs. June 2009
- User growth driven by Motricity (AT&T), Vodafone and Telkomsel, in particular
- Strong growth in license revenue



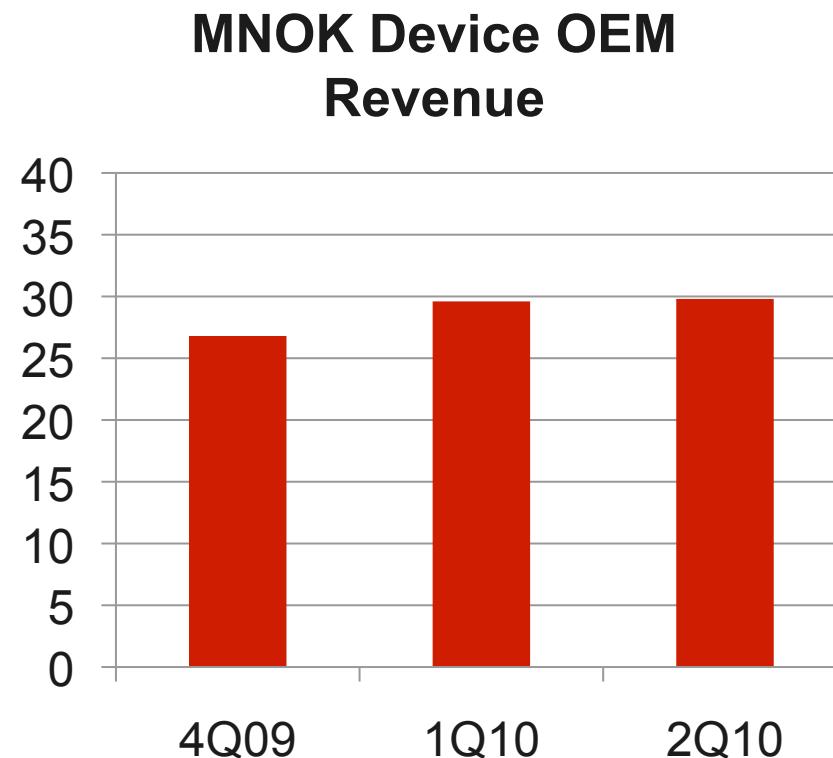
* Operator and co-branded Opera Mini subscribers



Note: Opera Mobile shipments in 2Q10 from Operators was 2.3m

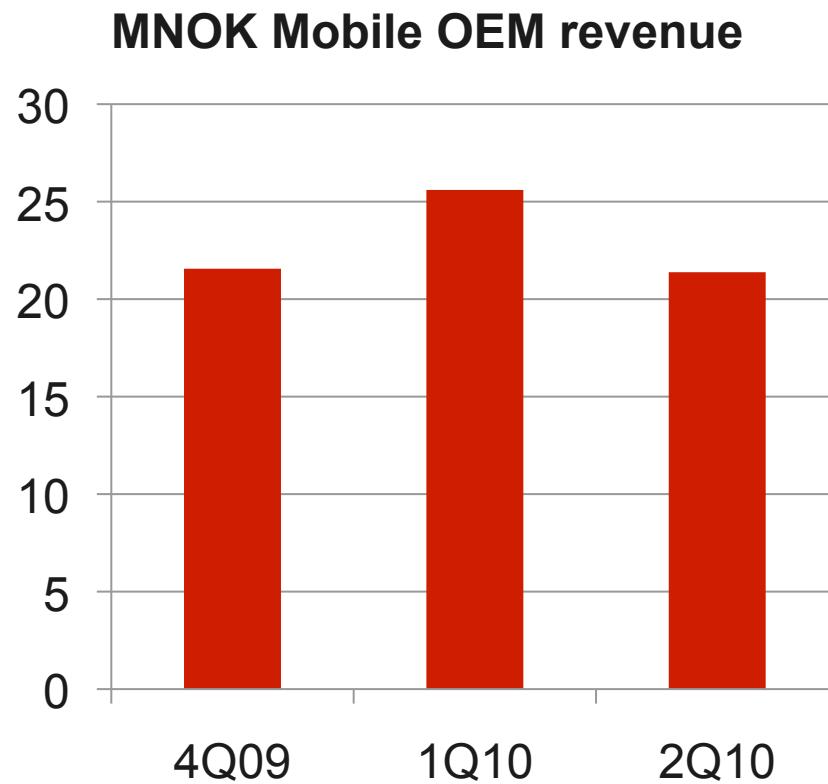
Revenue: Device OEMs (2Q10)

- Device OEM revenue slightly lower than expected
- Revenue driven primarily from the gaming console, connected TV and IPTV segments
- License revenue: 65%+ of revenue



Revenue: Mobile OEMs (2Q10)

- Mobile OEM revenue fell as expected compared to 1Q10 due to lower NREs
- License revenue now accounts for 60% of Mobile OEM revenue compared to 25% in 1Q10



Opera Mobile shipments in 2Q10 from Mobile OEMs was 2.4m

Revenue Type: Internet Devices (2Q10)

- **NRE revenue as expected**
- **M&S revenue as expected**
- **Opera Mini revenue generally as expected, due to strong increase in license revenue and higher NREs from one major customer preparing for launch**

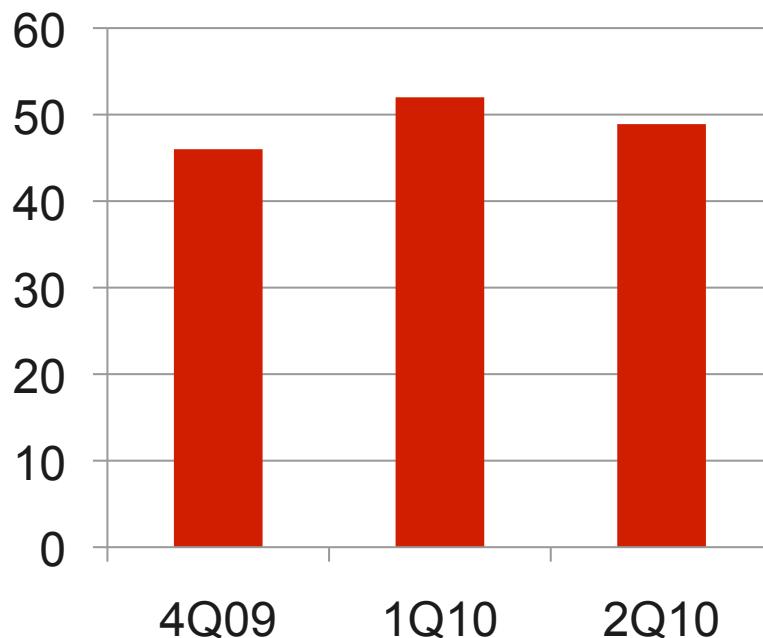
Revenue type	4Q09 (MNOK)	1Q10 (MNOK)	2Q10 (MNOK)
NRE	28	34	29
M&S	14	11	11
Total Opera Mini*	20	22	35

• Includes all revenue types and revenue from all versions of Opera Mini (Operator branded
Operator-Opera co-branded, and Opera branded)

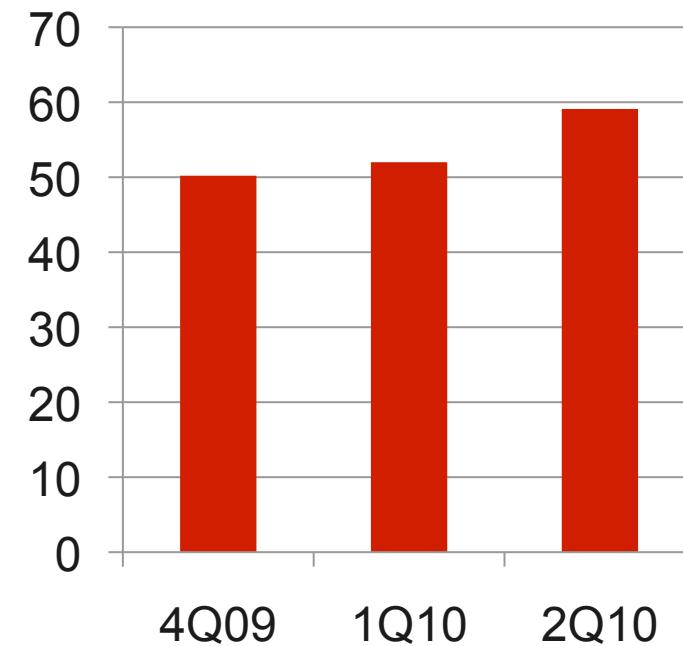
Revenue: Desktop (2Q10)

- Desktop revenue slightly higher than expected
- Desktop user growth as expected, in seasonally weaker quarter compared to 1Q
- Slightly higher content partnership revenue than expected

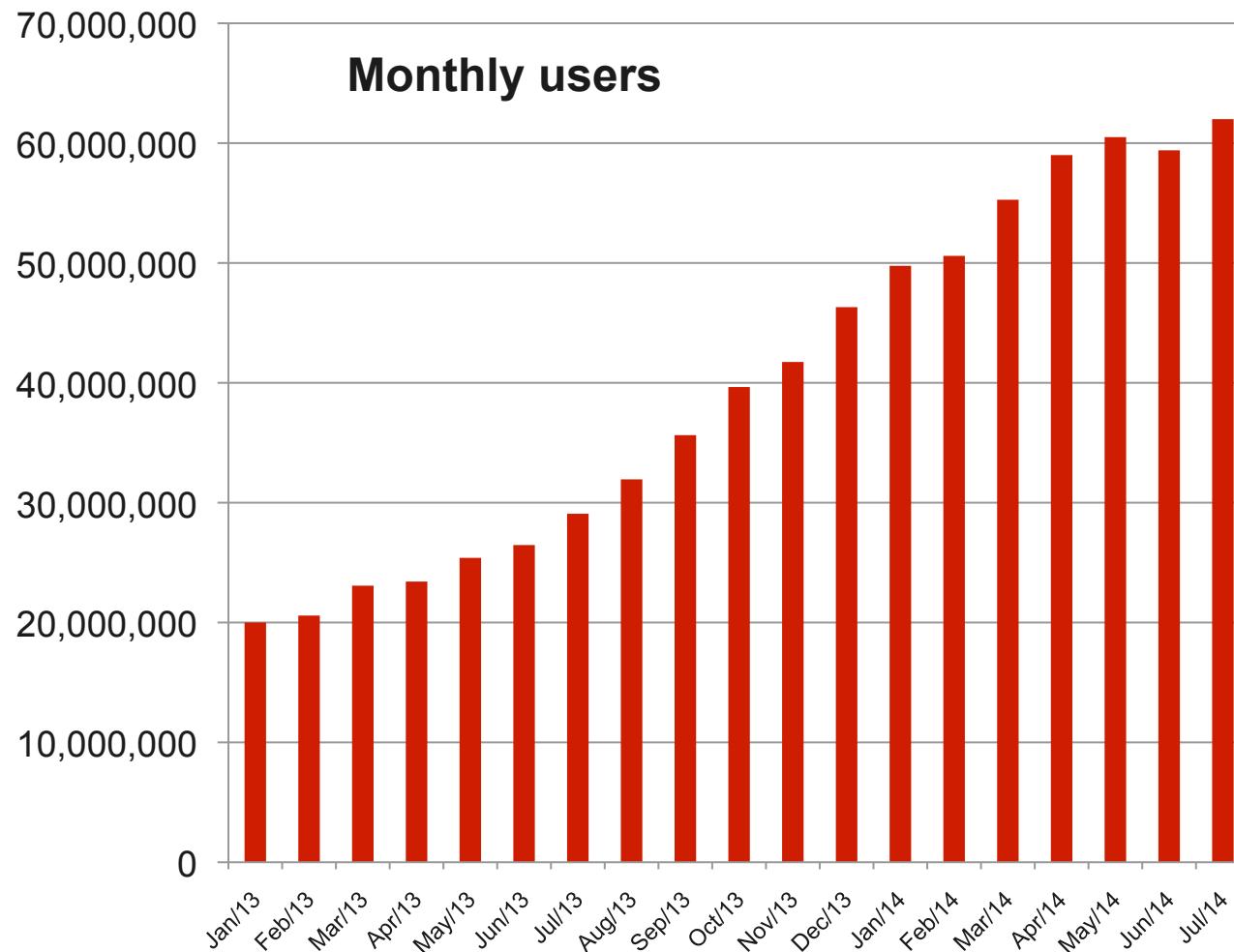
**Monthly Desktop users
(last month of quarter)**



**Desktop Revenue
(MNOK)**



Revenue: Opera-branded Opera Mini (2Q10)



- Growth continues
- High focus on converting users to Operator branded or Co-branded revenue generating users
- Increasing ARPU on 100% Opera-branded users a high priority

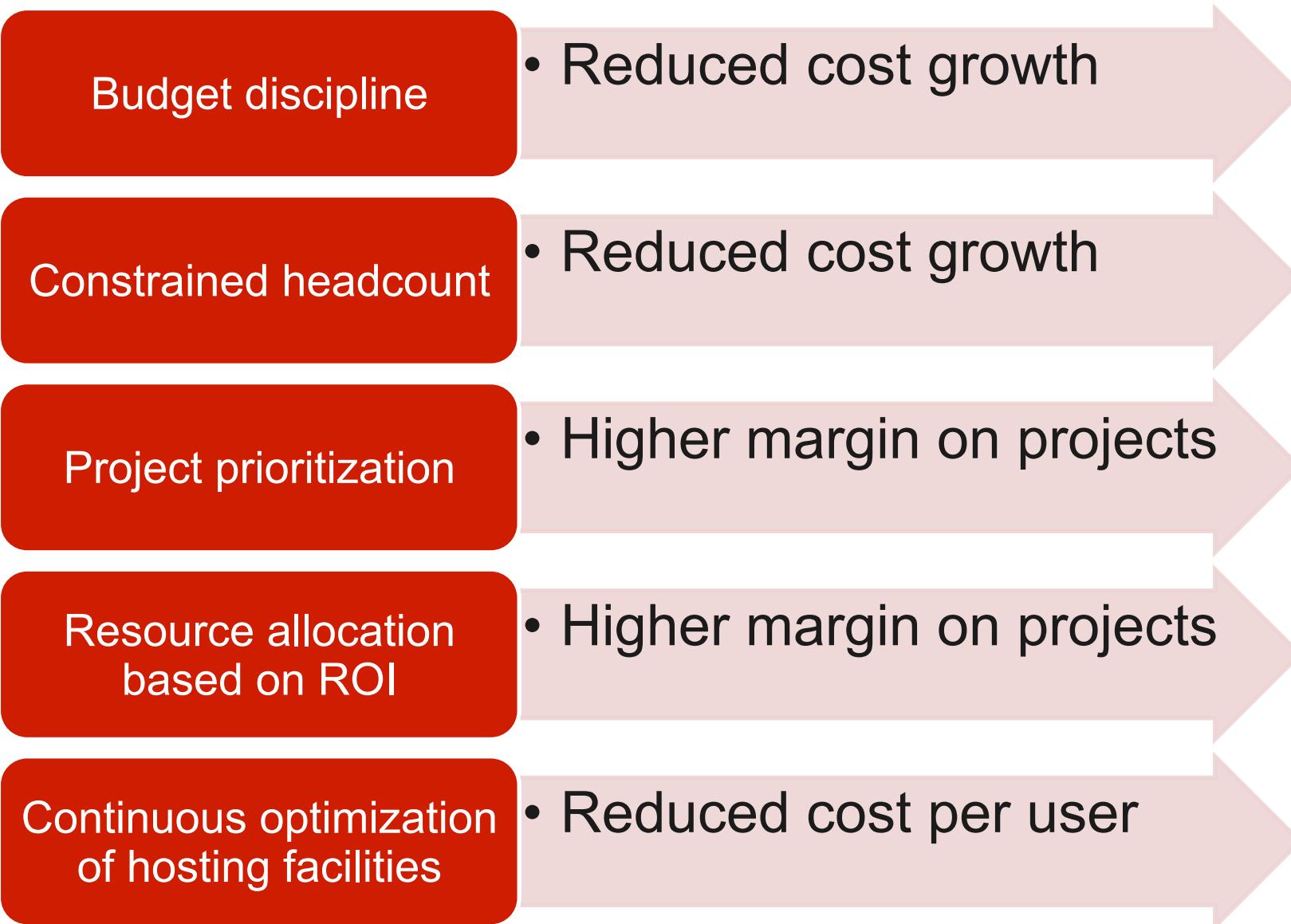
Key user metrics FY2010 - YTD

Metric	January 2010	April 2010	July 2010
Operator Opera Mini users	2.1* Million	3.5* Million	5.2* Million
Opera-branded Opera Mini users	50** Million	59** Million	62** Million
Desktop	48 Million	52 Million	47 Million

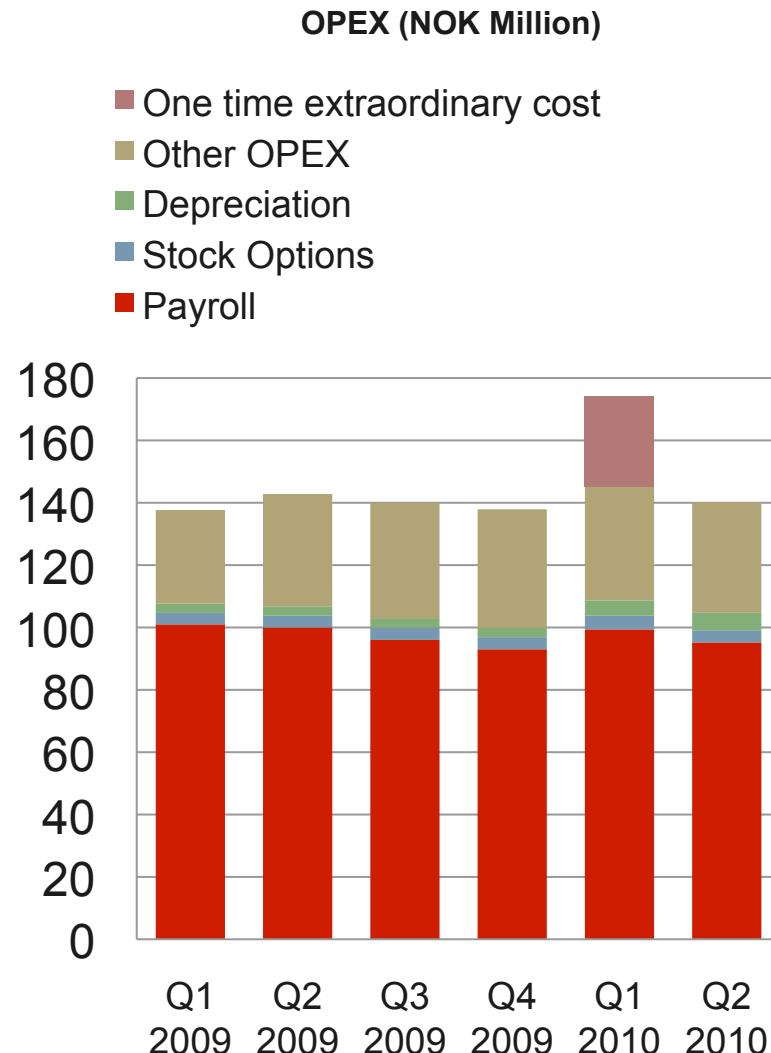
*Operator branded + Opera/Operator co-branded agreements

**Includes the co-branded operator users

Cost management priorities

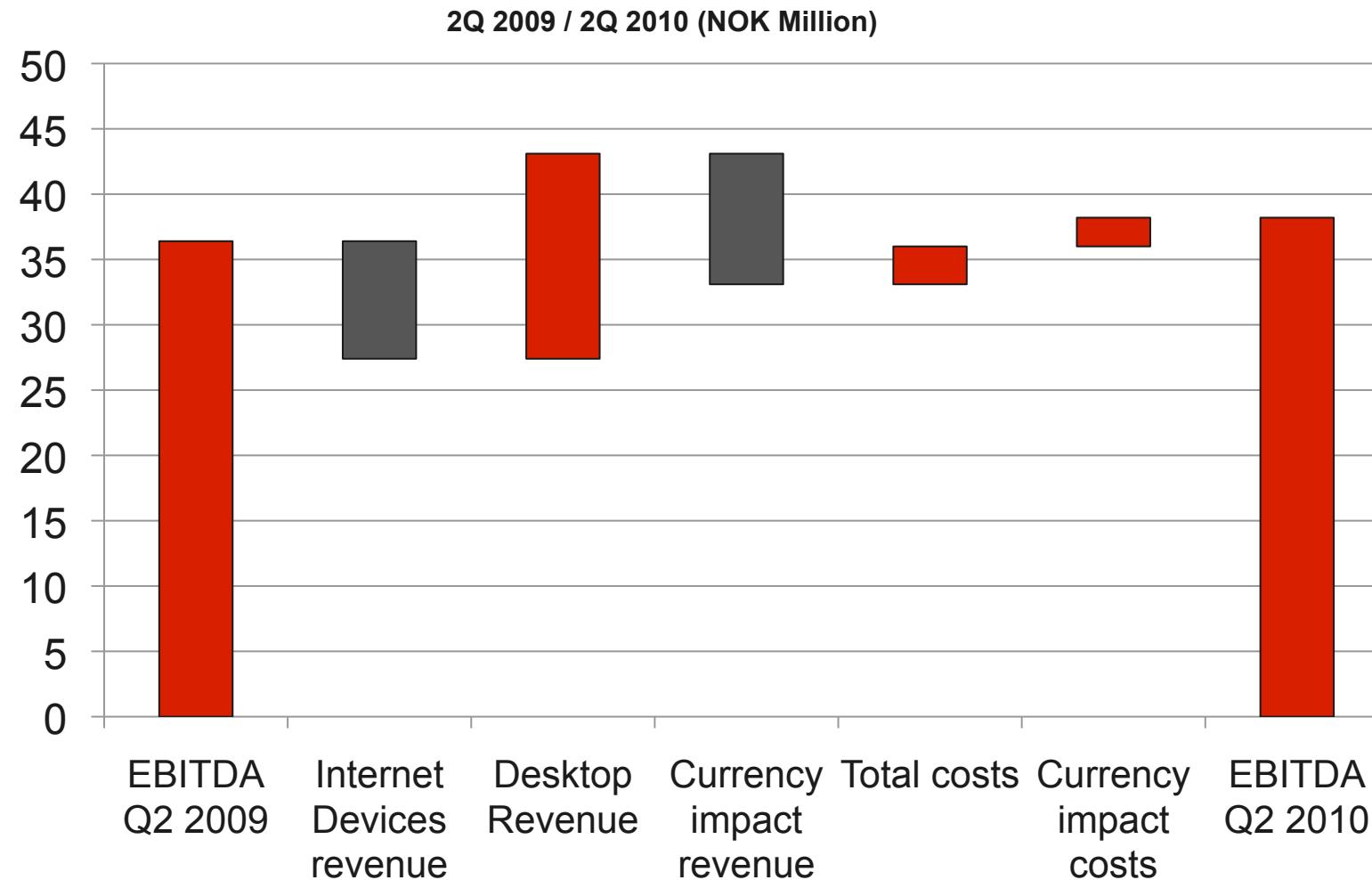


OPEX development



Cost line	2Q10 vs. 2Q09	Comments
Payroll	-4%	<ul style="list-style-type: none"> • Lower headcount (3%) vs. 2Q09 • Positive FX effect
Stock options	1%	<ul style="list-style-type: none"> • Lower than expected
Depreciation & Amortization	74%	<ul style="list-style-type: none"> • Investments in primarily Opera Mini server hosting infrastructure • Amortization related to acquisition of AdMarvel and FastMail
Other OPEX	-2%	<ul style="list-style-type: none"> • Lower headcount associated expenses, such as travel and equipment for employees • Hosting costs of MNOK 10.1 in 2Q10 versus MNOK 6.5 in 2Q09
Total Expenses	-2%	<ul style="list-style-type: none"> • Generally good cost control

EBITDA* development



*Non-IFRS EBITDA excludes stock option costs

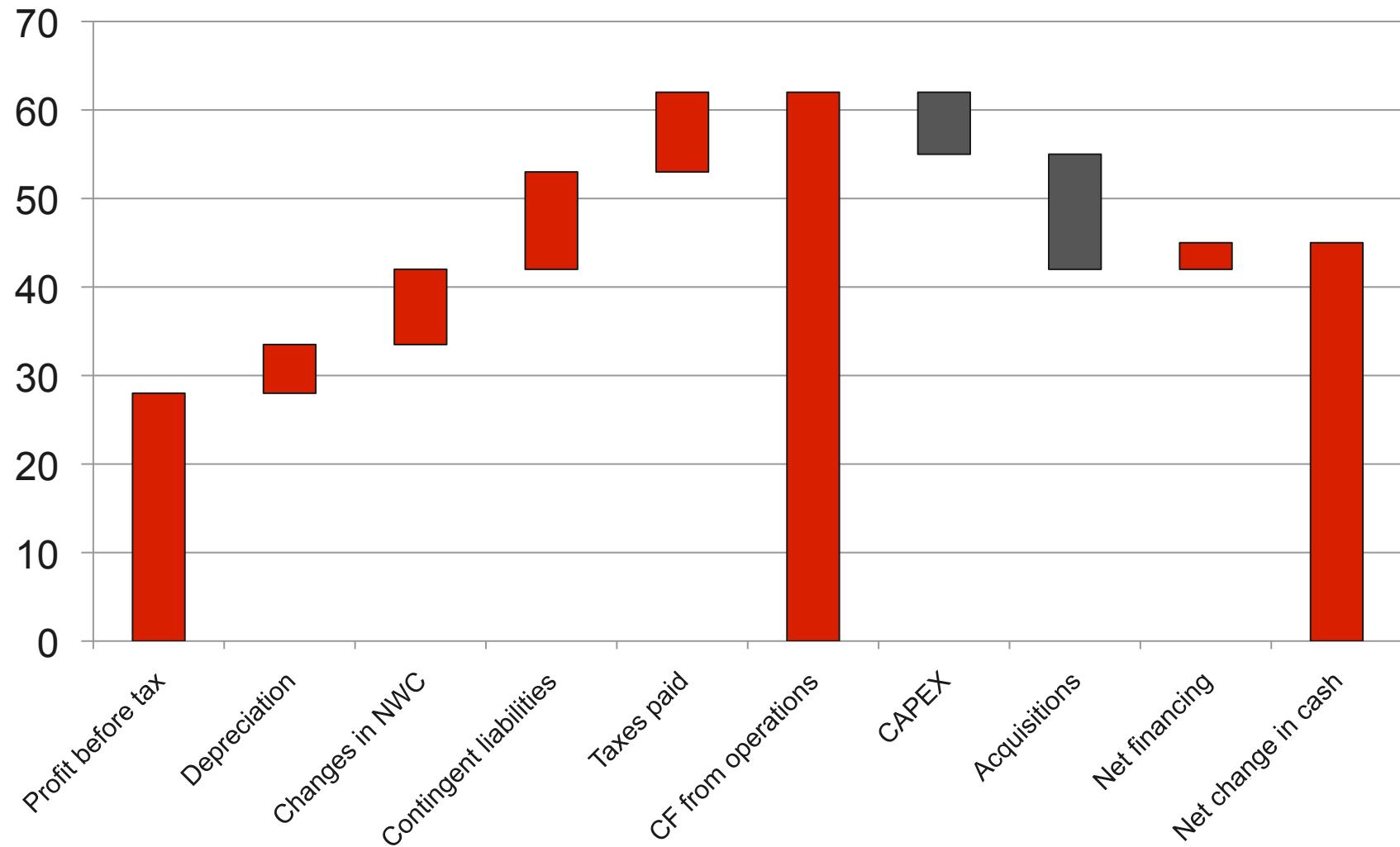
Strong capital structure

Balance-sheet highlights:

Metric	2Q10 (MNOK)	2Q09 (MNOK)
Cash	528	587
Interest-bearing debt	0	0
NWC*	-87	-13
Equity	617	657

* NWC is defined as Total current assets excluding cash and cash equivalents and minus Total current liabilities excluding provisions.

Cash flow 2Q10 (MNOK)



Financial high-level summary: 2Q10

- **Revenues: Generally in line with expectations**
- **Expenses: Much better than expected**
 - Solid cost control across the board
 - Reaping better savings than expected from the 1Q10 cost reduction program
 - Hosting costs, in particular, continuing to be better than expected due to optimization of Opera Mini server facilities

Financial high-level summary: 3Q10*

- **Revenues: Expectations vs. 2Q10 (constant currency)***
 - Flat to slight revenue growth from operators - very solid increase in license revenue offset by decline in NRE/M&S revenue
 - Slight decrease in desktop revenue as we move into seasonally weak 3Q
 - Solid revenue growth from Device OEMs (primarily from new customers)
 - Fall in revenue from Mobile OEMs due to lower NRE and license revenues
- **Expenses: Expectations vs. 2Q10 (constant currency)***
 - **Payroll**
 - Increase due to new hires, partly offset by vacation effect
 - **Stock option costs**
 - Higher stock option costs - from the issuance of new options
 - **Other operating expenses**
 - Expect higher marketing, hosting and other costs as enter higher activity 2H

Assumes currency remainder of 2010 (NOK 6.2 /USD, NOK 8.0 /EUR).

3Q 2010 Guidance

Metric	3Q 2010
Revenue*	MNOK 175-180
Expenses**	MNOK 142-147

*Assumes currency remainder of 2010 (NOK 6.2 /USD, NOK 8.0/EUR)

** Includes payroll, other OPEX, stock option costs and depreciation

2010 Updated guidance

Metric	2010*** (Earlier)	2010 (Updated)
Revenue*	MNOK 675-725	MNOK 680-690
Expenses**	MNOK 635-645	MNOK 585-595

*Assumes currency remainder of 2010 (NOK 6.2 /USD, NOK 8.0/EUR)

** Includes payroll, other OPEX, stock option costs and depreciation, expenses exclude extraordinary restructuring charges and acquisition costs

*** Given at 4Q09 presentation

Operations update

Opera's road to growth in 2010



Our fast-moving industry

- Opera's strategic position

Trend: Mobile data grows quickly in popularity

- Opera Mini is the world's most popular mobile browser

Trend: Content is becoming available everywhere, on every platform and every device

- Opera enables this trend - a reference company within the WAC initiative

Trend: A battle between the leading OEMs

- Opera: Opera working closely with Asian manufacturers

Our fast-moving industry

- Opera's strategic position

Trend: Open Internet browsers vs. native applications on mobile

- Opera: Native applications are tied to single platforms. Opera's web technology enables cross-platform distribution. HTML5 is growing.

Trend: Operators introducing tiered pricing and fair usage caps

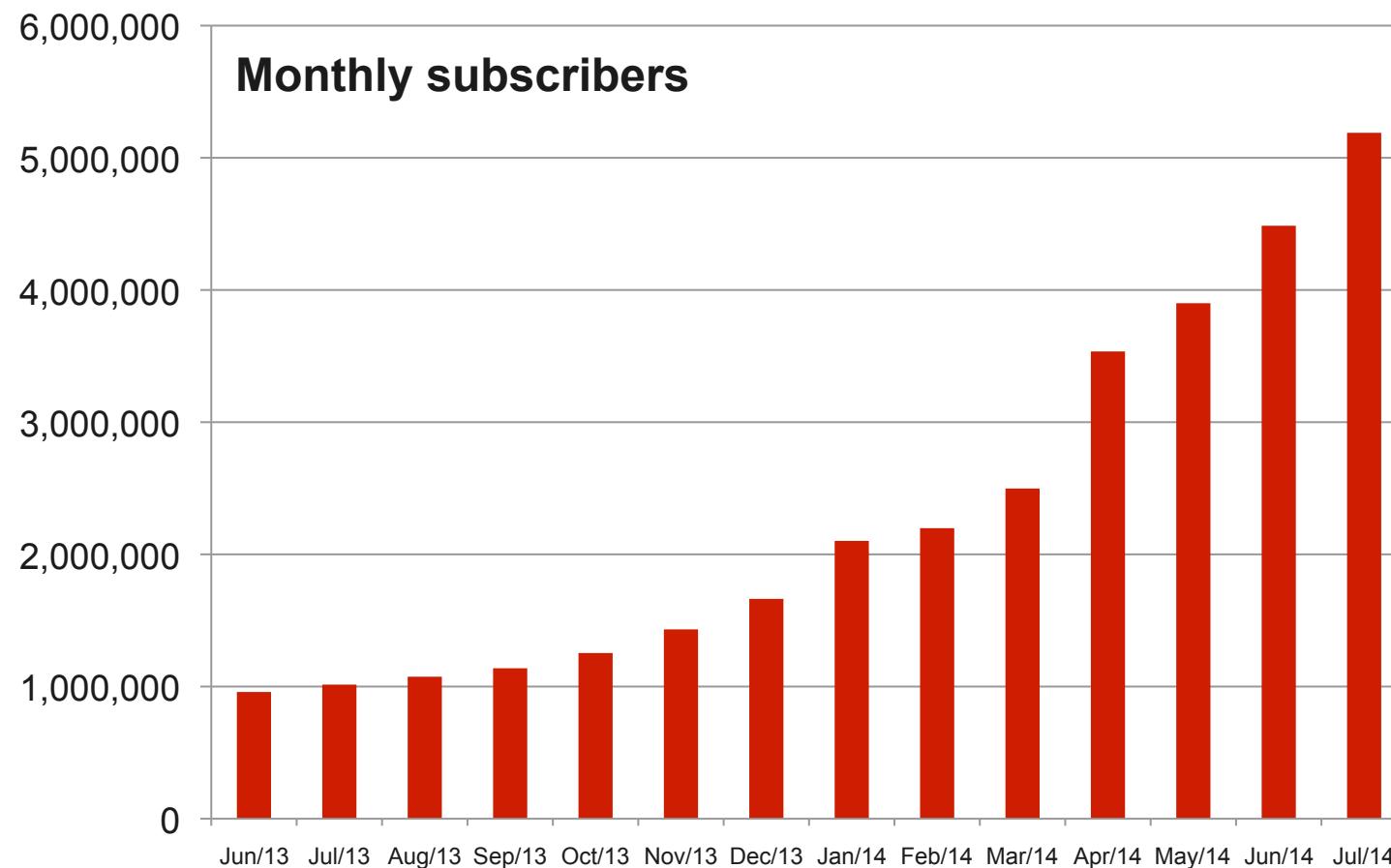
- Opera: Opera's compression technology delivers lower cost for operators and a great experience for consumers

Trend: New categories of devices becoming Web-enabled

- Opera has a leading position within tablets, TVs, portable media players

Status report: Traction with global operators

Opera users from operators



This just in (August 25):

- Opera signs Global Frame Agreement with Telenor Group
- The agreement covers a co-branded version of Opera Mini, targeted at Telenor's business units worldwide
- Telenor is one of the world's leading operators with 181 million subscribers



Opera works with Verizon Wireless



- According to the agreement, Opera's widget platform will be preinstalled on select handsets
 - Verizon Wireless will also launch a branded version of Opera Mini on select handsets
 - Verizon Wireless serves more than 91 million customers across the United States

Status with key operators



- Multiple launches, user growth



- Handsets launched, campaigns running



- Launched



- Four devices shipping with Opera



- Russia: Continuous growth
- India: Expect to sign

Status with key operators



- Russia: Launched in August



- Continuous growth



- Signed. Launched in 2Q



- Phillipines: Launched in 2Q
- Indonesia: Signed in 2Q

Status with key operators



- National deal signed and launched



- Colombia: Launched
- Guatemala: Launched
- Honduras: Launched

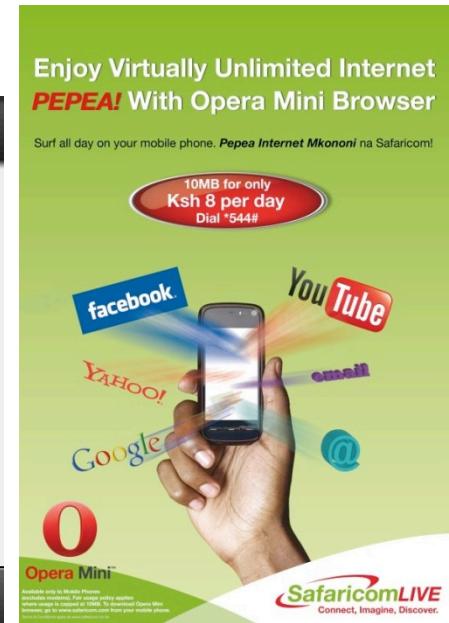
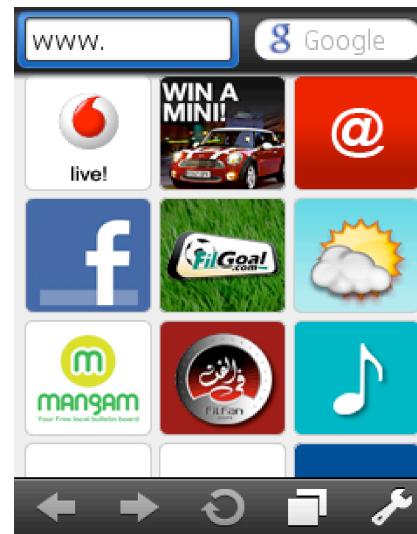


- India: Launched

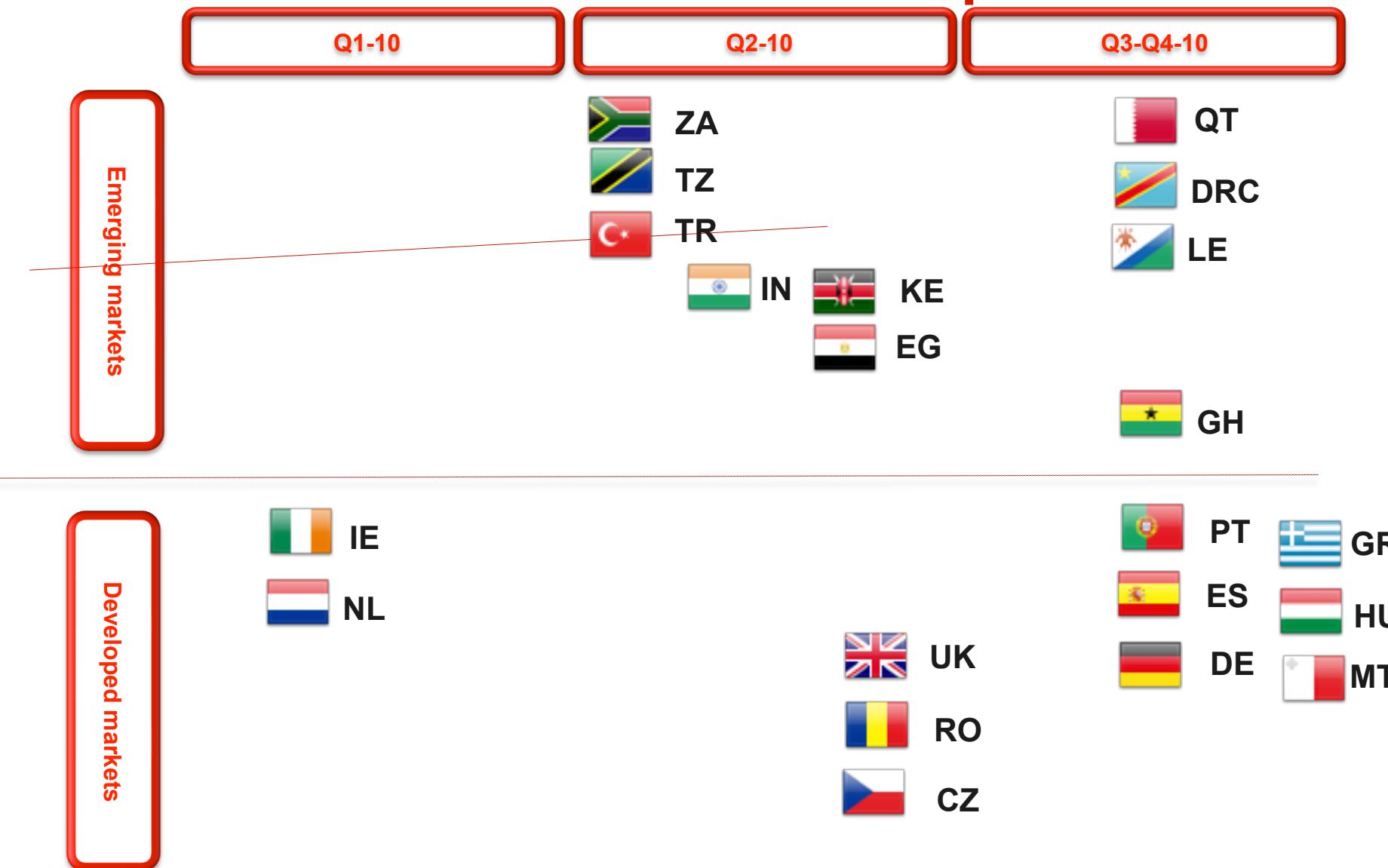


Vodafone status update

- Opera Mini 5 and Widgets launched in South Africa, Kenya, Egypt, Turkey, Romania, Czech Republic, Tanzania, India, UK
 - In total: Opera Mini launched in 16 markets. 10+ markets will be launched during Q3-Q4
- Strong user growth in Q2, partly due to growth in India and Egypt
 - India is the fastest growing market with 53% m-o-m growth.



Vodafone launch schedule – Opera Mini 5



Example from a recently launched campaign in Turkey



vodafone

Cep Özgür'lülere
Her Cumartesi
Webşin üzerinden
internete girmek
Ücretsiz

**Vodafone'dan
Opera Mini / Webşin 5.0**

**Bilgisayardaki gibi zengin internet
deneyimi artık cep telefonunuzda...**

*Telefon ekranı artık internet için dar değil!
Webşin internette yaşadığınız deneyimin
benzerini cep telefonunuza taşıyor.*

Tıkla telefonuna gelsin

Webşin Nedir ?	Avantajları Nedir?	Nasıl Yüklerim?	Widget	Yeni Özellikler
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Numaramı Nasıl Taşırıım? | Webşin Opera Mini 5.0 | vodafone.com.tr

Cep Özgür'lülere Her Cumartesi Bedava İnternet

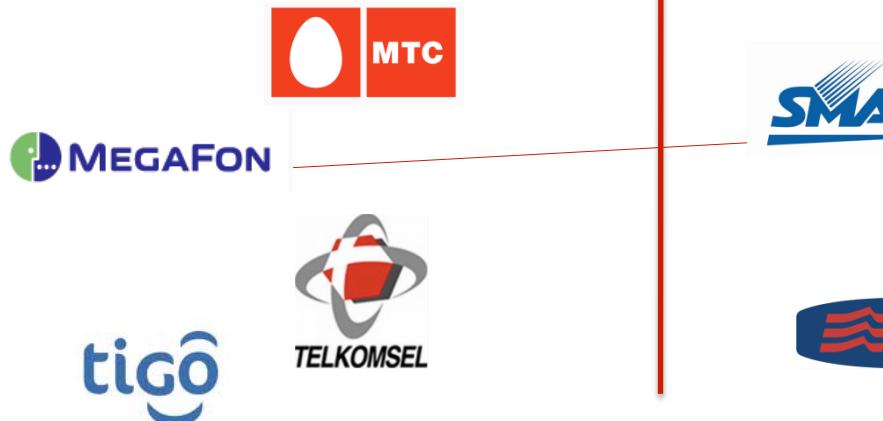
Opera Mini operator co-branded launches

Signed operators

Q1-10

Q2-10

Q3-10



TELE2

TIM

Priority target markets



RU



IN



EG and
Middle East



CN



ID



ZA



TR



UA



Mexico and
Latam



BR



US



PH



and

SE

Asia

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

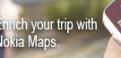
Applications



Products



OS



Apple



Microsoft

... leaving operators to deliver the pipe only

WAC and Opera: a perfect match



- WAC is an alliance of operators committed to building an open applications platform
- WAC drives open, standardized technologies across platforms and operators

Opera differentiators:

- Experience from similar initiatives (JIL)
- Proven track record
- Scalable offering
- Optional solution for basic and feature phones
- Strong knowhow/people

Mobile manufacturers: Opera and ZTE

- Opera signs agreement with China-based ZTE
- ZTE will preinstall Opera Mini in its low-end phones and distribute it outside China



Mobile manufacturers: Opera and MediaTek

- Taiwan-based MediaTek is the world's second largest supplier of mobile phones, closely behind Nokia
- 2Q update: In addition to Opera Mini, MediaTek will also ship Opera Mobile 10
 - on a feature phone platform



Mobile manufacturers: Opera and Huawei

- Huawei selects Opera Mobile 10
- 2Q update: Opera has shipped on 12 handsets from Huawei



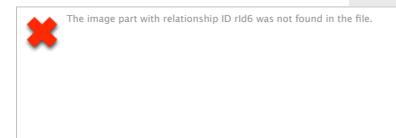
NII Holdings selects Opera Mini to power new Nextel browser in Latin America

- Opera Mini 5 preinstalled on new Motorola handset, based on Android
- The touchscreen Motorola i1 to be launched in Argentina, Brazil and Mexico.



India: a fast-growing market for Opera

- A long list of operators, content vendors and telecom service providers ship Opera Mini
- In the past 6 months, 31 Indian handsets were launched with preinstalled Opera Mini
- Total handsets available in India = 63
- Vodafone-optimized Opera Mini has resulted in 300% growth in the last quarter
- StatCounter: Opera Mini has 60% market share in the Indian mobile browser market



Opera Mobile: 8 new models in 2Q



Kyocera SA002

Asus
ASUS M10

CASIO
CA005
HIY02

HTC
HTC Touch 3G
HTC Mini

Kyocera
SA002

Sharp
SH006
SH008

KDDI
Sharp SH005
Sharp SH006
Sony Ericsson BARONE
Toshiba E08T

O2
O2 XDA Ignito

Sony Ericsson
SO003
SO004

Toshiba
TS004

Red: 2Q 2010

Black: 1Q 2010

Opera Mini: 34 new models in 2Q



Samsung GT-C3300K

Red: 2Q 2010

Black: 1Q 2010

Alcatel

Alcatel ICE3
Alcatel OT-808

G-Fone

G-Fone 571
G-Fone 777

Infibeam

Infibeam I5000

Lemon

Lemon iQ 707
Lemon iT 717

Karbonn

Karbonn K77
Karbonn K23

LG Mobile

LG GR700
LG GS290LG
LG Shine 2
LG View Plus
LG SU920

LG Mobile (cndt)

LG GT350
LG GX500
LG A310
LG C320

Micromax

Micromax Q3
Micromax Q5fb
Micromax Q7
Micromax Q55
Micromax X500i
Micromax Q55 Bling
Micromax Q6X600

Motorola

Motorola i1
Motorola i1 (NII)

Nokia

Nokia C3
Nokia 2690
Nokia 7100
Nokia 7230
Nokia 6350

Pantech

Pantech EI33S
Pantech C790
Pantech IM-U590S
Pantech P7000
Pantech P7040
Pantech P2000
Pantech P9020
Pantech P2020

Samsung

Samsung Bourban ST
Samsung Blackbox
Samsung Jack MR
Samsung A687
Samsung GT-S3550
Samsung SGH-A767
Samsung SGH-A777
Samsung GT-C3300K
Samsung Genie
Samsun MRA877

Sony Ericsson

Sony Ericsson W205
Sony Ericsson S312
Sony Ericsson W100i

SK Telecom

SK Telesis
SK-900

Spice

Spice S 700
Spice S-1200
Spice S7000
Spice S-930

Videocon

Vodafone 543
Vodafone 547
Vodafone 546
Vodafone 1675

Virgin Media

VM202

Wynncom

Wynncom Y50

Connected TV: a growing market

Opera's customers:



LOEWE.



PHILIPS



TOSHIBA



VESTEL



TechniSat[®]
DIGITAL
DAS ORIGINAL

2Q: Sharp Corporation

- Opera will deliver the Opera Devices SDK (Software Development Kit) to Sharp
- The agreement between Opera Software and the customer includes license, maintenance and development fees.

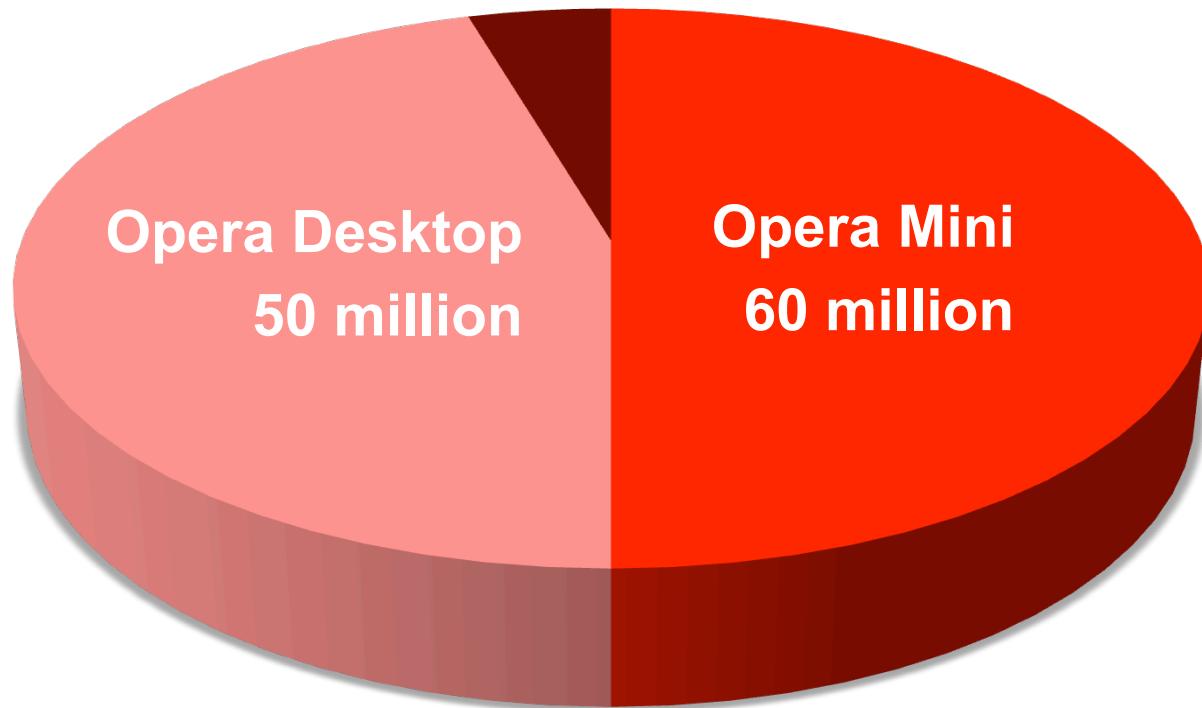


2Q10: Browsing the Web with Opera on Acer LumiRead

- Acer, the world's second-largest PC vendor, has selected Opera Devices SDK to bring the full Web to its new LumiRead.
- The Acer LumiRead uses Opera to deliver web content directly to its 6-inch, E Ink screen.



120+ million people use Opera



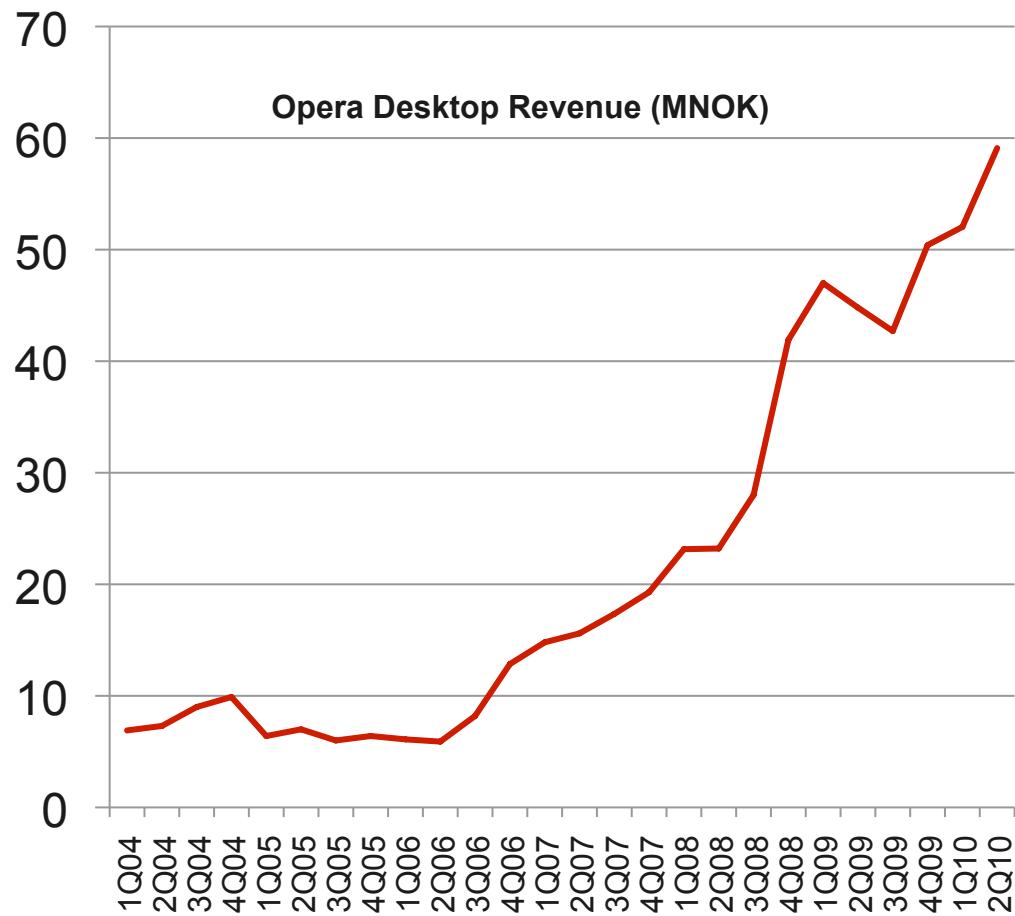
Fast, faster ... Opera

- Opera's new speed marvel, Opera 10.60
- GeoLocation
- HTML 5 support
- WebM (video) support
- Search suggestions
- Custom thumbnails for tabs
- Visual improvements



Opera builds further momentum on desktop

- **Continued revenue growth**
 - 59 MNO^K: increase of 32% compared to 2Q09
- **Continued user growth**
 - 49 million Opera Desktop users: increase of 19% compared to 2Q09



Opera's road to growth in 2010

Key strategic objectives



1. Build volume with existing tier-one operator customers
2. Sign up additional operators and mobile manufacturers
3. Monetize the 60+ million mobile users
4. Strengthen leadership position in the growing connected TV/ devices market
5. Continue to grow desktop user base

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



Q & A