

Opera is a world-leading internet company
with more than 350 million users worldwide



We're shaping an open, connected world
www.opera.com



Quarterly Report

1Q 2014

Q1: Strong start of the year

Highlights from our business units:

Consumer products

Strong smartphone growth
Opera Max beta launched in USA, Europe and Russia
Opera Coast launched for iPhone and iPad

Operators

Opera Web Pass launched and new deals signed
Rocket Optimizer new deals signed and ongoing trials

Opera Mediaworks

Strong revenue growth

1Q 2014 Financial Highlights

Financial metric		1Q14 (MUSD)	1Q13 (MUSD)
Revenue	Total revenue	87.0	62.0
Profitability	Adj. EBITDA*	22.7	18.4

- Revenue growth of 40%
- Strong revenue and profit
- Strong revenue growth from Mobile Operators, Mobile Consumers and Mobile Publishers & Advertisers

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



Financial review

Erik Harrell, CFO /CSO 1Q 2014

A note from our lawyers

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Financial Highlights 1Q14

Financial metric		1Q14 (MUSD)	1Q13 (MUSD)
Revenue	Total revenue	87.0	62.0
Profitability	Adj. EBITDA*	22.7	18.4
Cash generation	Operating Cash Flow	15.4	3.4
	Free Cash Flow**	13.8	0.9

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

** Operating Cash Flow less capital expenditures

1Q14 Actuals versus Guidance

	1Q 2014 Actuals	1Q 2014 Midpoint Guidance*
Revenue	MUSD 87.0	MUSD 86.5
Adj EBITDA**	MUSD 22.7	MUSD 22.0

*Provided at 4Q13 Presentation (February 11th, 2014)

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

1Q14 Financial Review

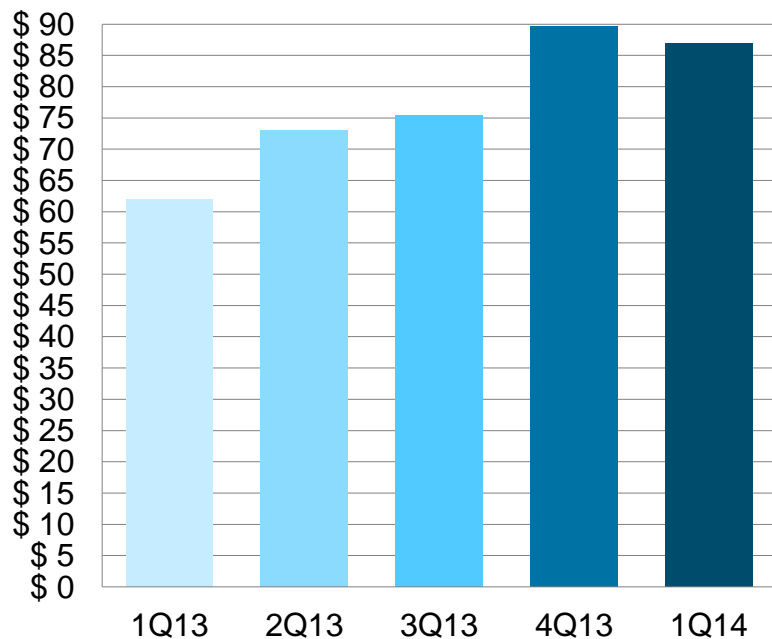
MUSD	1Q14	1Q13	Q on Q
Revenue	87.0	62.0	40%
Cost of Goods sold-	16.1	8.9	81%
Payroll and related expenses -	31.7	23.9	33%
Stock-based compensation expenses-	1.1	0.9	19%
Depreciation and amortization -	6.7	3.2	110%
Other operating expenses -	16.6	10.9	52%
Total expenses =	72.2	47.7	51%
Adjusted EBITDA*	22.7	18.4	23%
EBIT**	14.9	14.3	4%
Net Income	2.5	3.6	
EPS (USD)	0.019	0.030	
Non- IFRS Net Income	14.3	14.6	
Non- IFRS EPS (USD)	0.108	0.122	

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

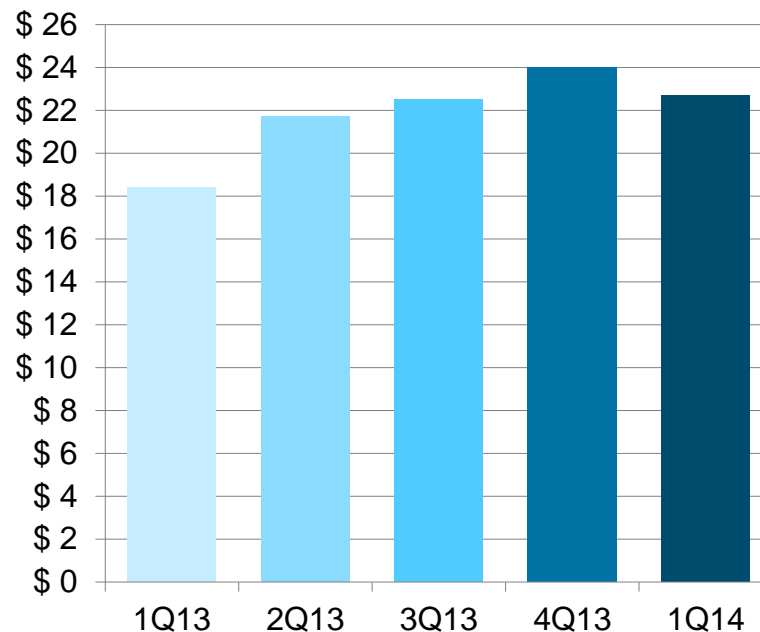
** Excludes one-time extraordinary costs

Financial Highlights: 1Q13 – 1Q14

Revenue (MUSD)



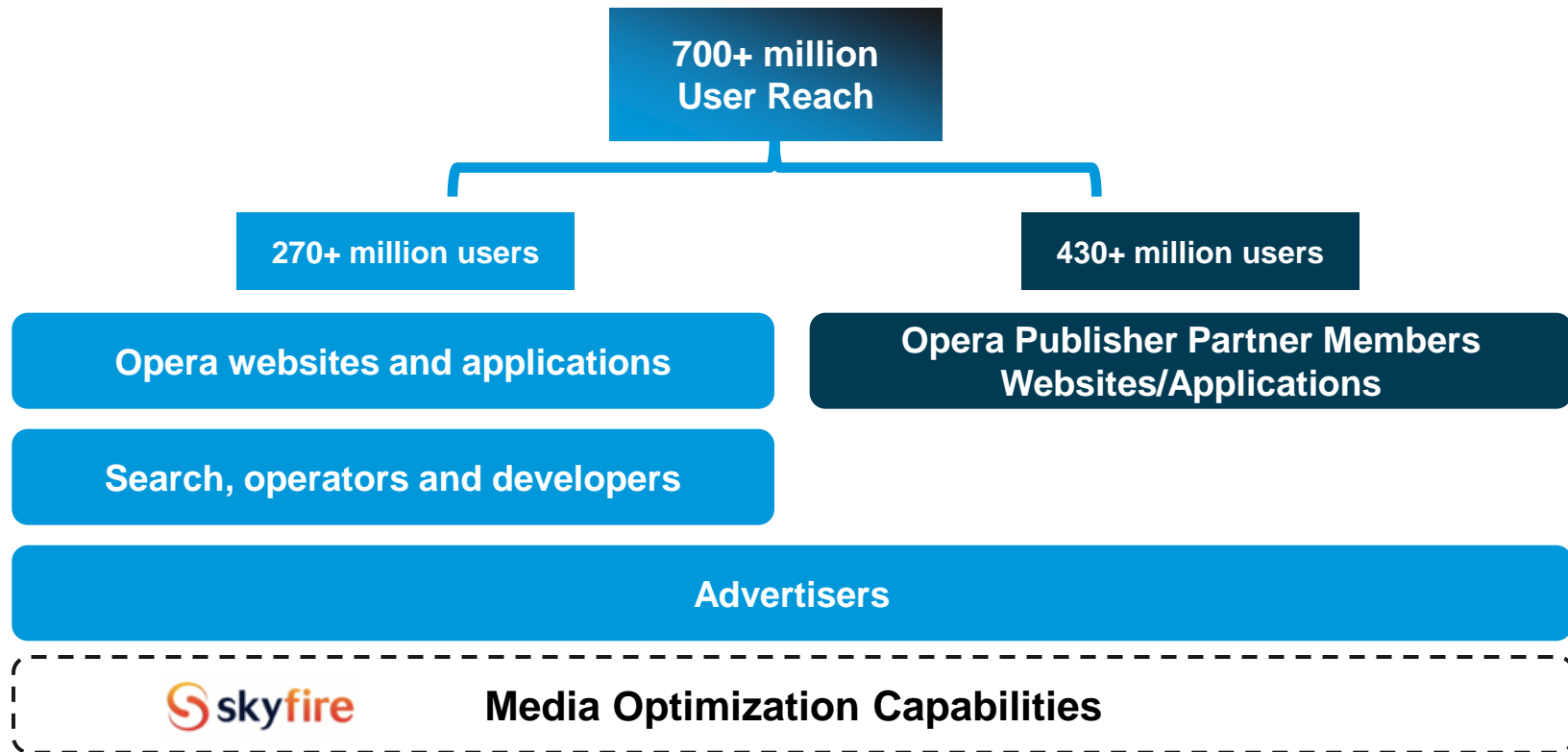
Adjusted EBITDA* (MUSD)



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

Opera helps partners reach its massive mobile audience

Opera Powers the Mobile Internet and App Economy



Revenue Growth Drivers

Operators

Users and Usage and explosion of video traffic

Mobile Consumers

Users and Usage and smartphone growth

Mobile Publishers & Advertisers

Mobile Advertising Spend from Premium Brands and Performance Advertisers

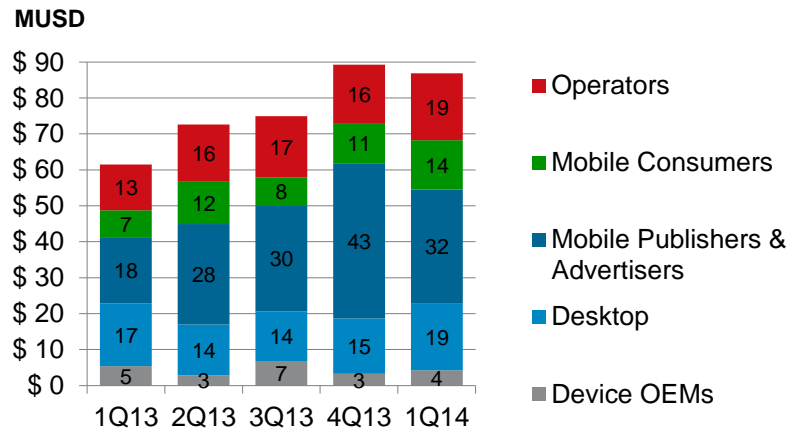
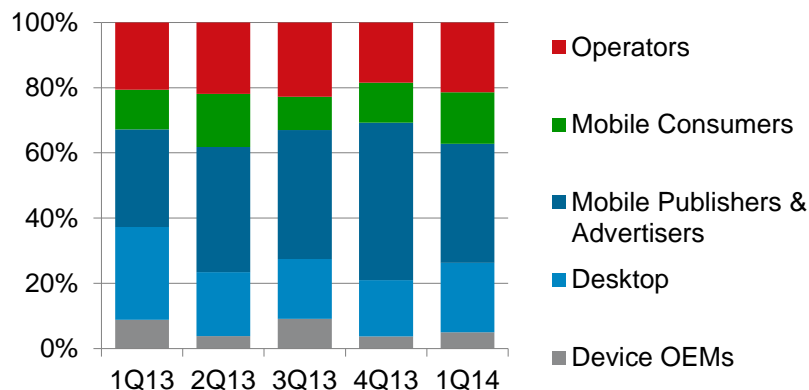
Desktop

Users and Usage

Revenue: Customer Type 1Q14

Overall revenue in line with expectations

Customer Type	
Operators	In line with expectations
Mobile Consumers – Opera Owned and Operated Properties	In line with expectations
Mobile Publishers & Advertisers – Opera Publisher Partner Members	In line with expectations
Desktop Consumers	In line with expectations
Device OEMs	In line with expectations



Revenue: Operators 1Q14

Operator revenue in line with expectations

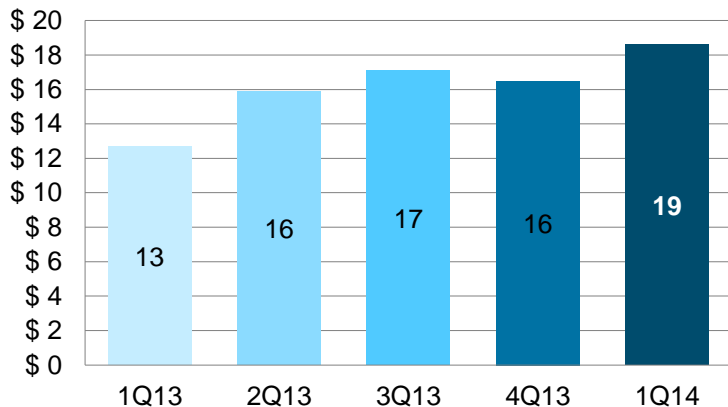
Cloud based Operator Data/License revenue up 48% to MUSD 17.5, driven primarily by Opera Mini Operator license revenue from user growth and revenue from Rocket Optimizer and Horizon products

Overall revenue growth: Up 47% versus 1Q13, driven by Cloud based Operator Data/License revenue

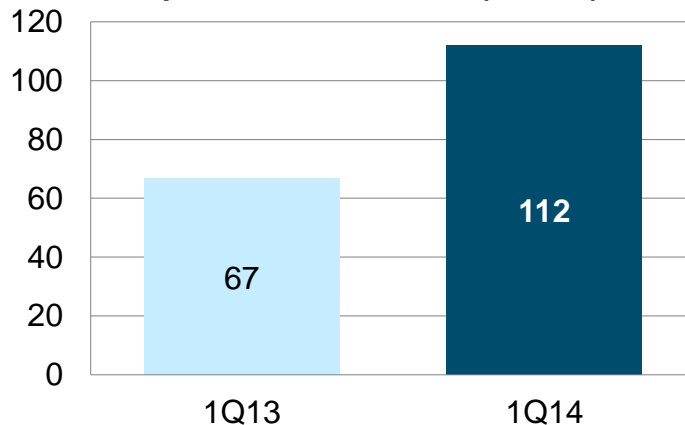
68% Operator active user growth March 2014 vs. March 2013

User growth driven by Airtel, MTN, Telenor, Vimpelcom and Vodafone in particular

MUSD Operator Revenue total*



Operator Cloud Users (Million)**



* Unaudited

** Operator Opera Mini users and Operator Horizon users

Revenue: Mobile Consumers – Opera Owned and Operated Properties 1Q14

Mobile Consumer revenue in line with expectations

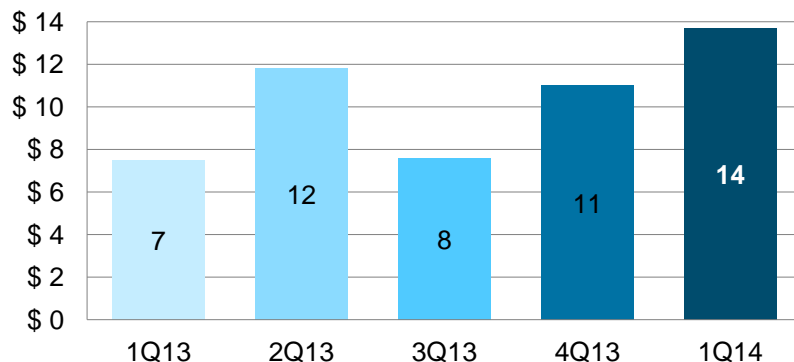
Revenue growth driven primarily by mobile advertising and license revenue, including the licensing of the Rocket Optimizer video/media optimization technology to a major Internet company

274M users by end of 1Q14, up 25M compared to end of 1Q13

29.5b ad requests from owned & operated properties in 1Q14, up 74% versus 1Q13. Application downloads from OMS of 140 million in 1Q14, up 61% compared to 1Q13. Opera users of the Smartpage and Discover page increased to 58.6 million users by the end of 1Q14, up from 33.5 Million in 1Q13.

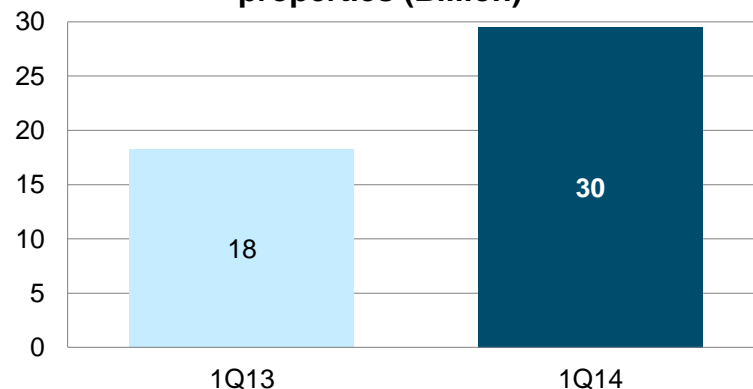
Revenue growth: 84% versus 1Q13

Mobile Consumers – Opera Owned and Operated Properties* (MUSD)



* Unaudited

Ad requests from owned & operated properties (Billion)



Revenue: Mobile Publishers & Advertisers – Opera

Publisher Partner Members 1Q14

Mobile Publisher & Advertiser revenue in line with expectations

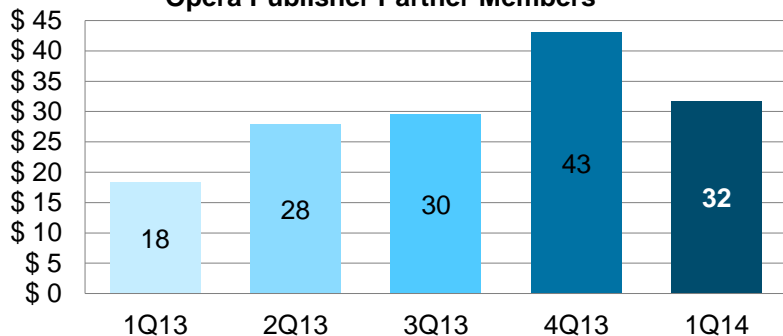
Revenue growth driven by both premium advertisers, including Audi, Coca Cola, eBay, Dominos-Pizza, Kellogg's, McDonalds, Old Navy, Samsung, Snickers, Sony and Wells Fargo, as well as performance advertisers such as King.com and Netspend.

AdMarvel platform managed 187B ad impressions in 1Q14, up 23.5% vs. 1Q13

14,000+ websites and applications enabled in 1Q14, up from 12,000+ in 1Q13 and total reach of 500m+ (including O&O) in 1Q14 up from 300m+ in 1Q13

Revenue growth: 72% versus 1Q13

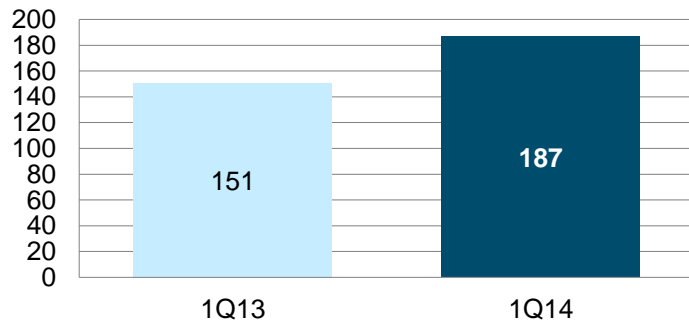
**MUSD Mobile Publishers & Advertisers
Opera Publisher Partner Members***



*Unaudited

** Includes Opera's O&O ad impressions

AdMarvel managed ad impressions (Billion)**



Revenue: Desktop Consumers 1Q14

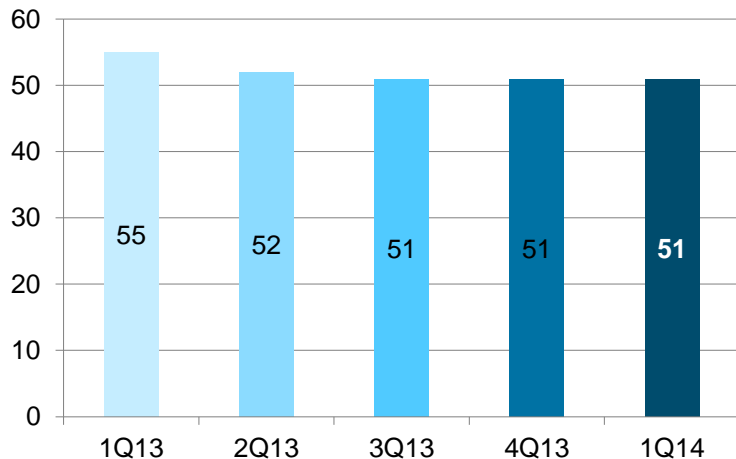
Desktop revenue in line with expectations

Solid ARPU with lower search revenue offset by higher licensing revenue, including the licensing of the Rocket Optimizer video/media optimization technology to a major Internet company

Desktop users at 51 million, down 7% versus 1Q13

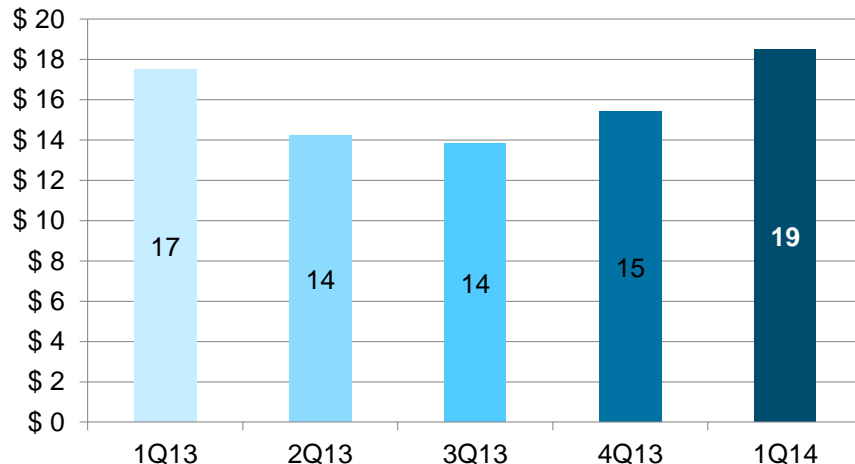
Overall revenue growth: 6% versus 1Q13

Monthly Desktop users* (last month of quarter)



* Unaudited.

Desktop revenue* (MUSD)



Revenue: Device OEMs 1Q14

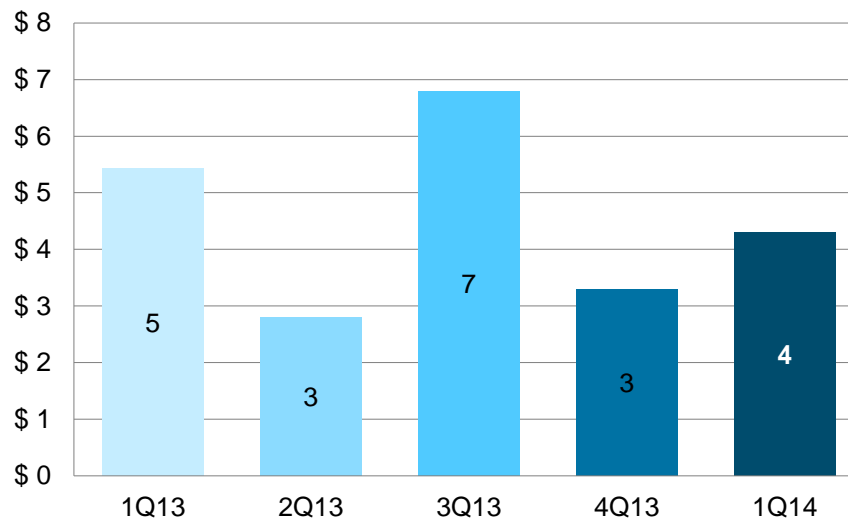
Device OEM revenue in line with expectations

Revenue driven by Connected TV customers

License revenue: ~65% of revenue

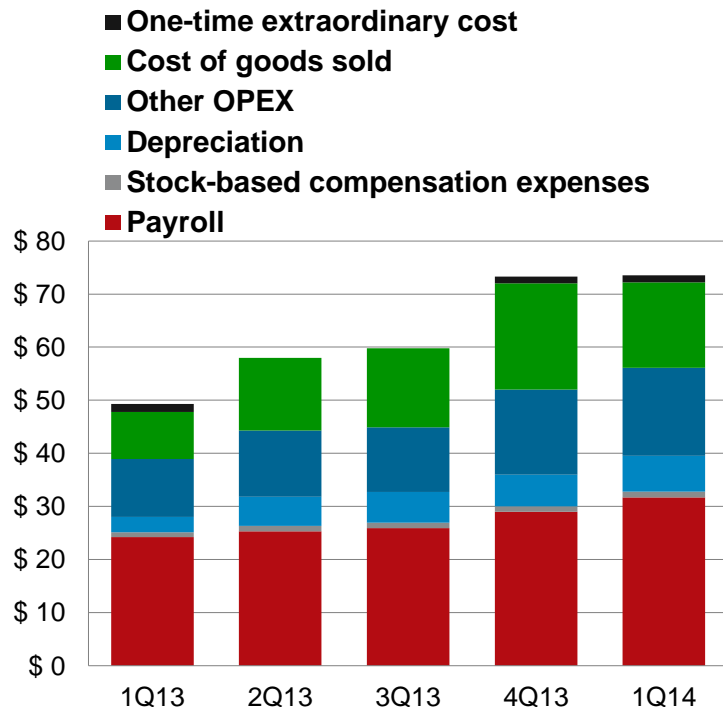
Overall revenue growth: Down 20% versus 1Q13

MUSD Device OEM revenue*



* Unaudited

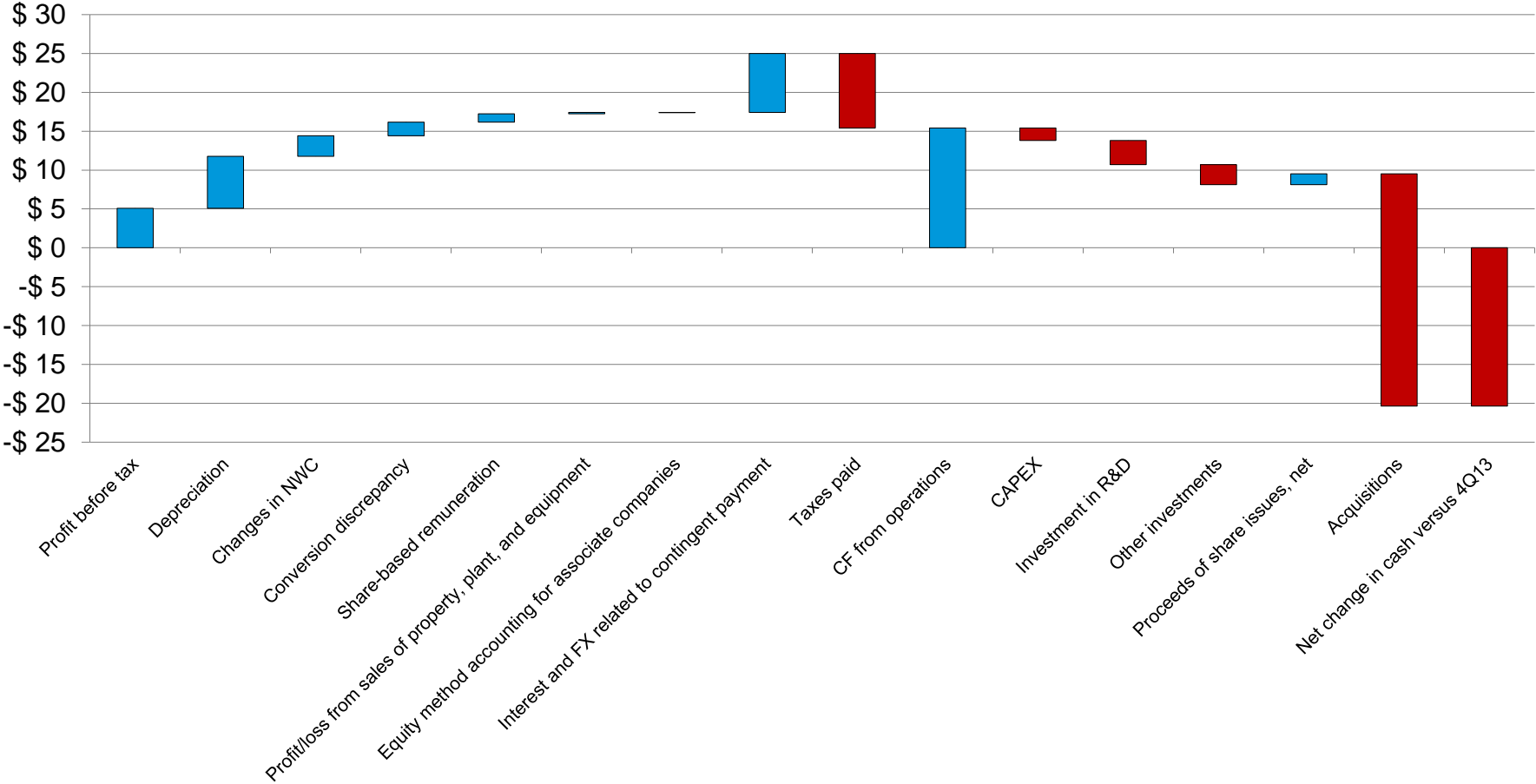
OPEX Development



Cost line	1Q14 vs. 1Q13	Comments
Payroll	33%	Higher headcount
Cost of Goods Sold	81%	Driven by 72% growth in Mobile Publisher and Advertiser revenue COGS or Publisher Cost related to Mobile Publisher & Advertiser business
Other OPEX	52%	Hosting costs, marketing and travel expenses key drivers
Depreciation & Amortization	110%	Higher investments in Opera Mini server infrastructure and depreciation on intangible assets related to acquisitions
Stock-based compensation expenses	19%	Higher strike price for granted options
One-time extraordinary cost	NA	Opera recorded restructuring charges of MUSD 1.3 related to a strategic cost reduction that will better align costs with revenues and legal fees related to business combinations.
Total Expenses*	51%	

*Excludes one-time extraordinary cost

Cash Flow 1Q14 (MUSD)



2Q14 Guidance

Metric	2Q14 Guidance
Revenue*	MUSD 95.5-98.5
Adj EBITDA***	MUSD 24.5-26.5

* Assumes currency remainder of 2Q14 (NOK 6.0 /USD, USD 1.35 /EUR)

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

2Q14 Guidance Overview

		Vs. 1Q14*	Comments
Revenue	Operators	Flat	Solid cloud based license/data revenue
	Mobile Consumers	Down	Solid user growth and solid ARPU offset by lower license revenues
	Mobile Publishers & Advertisers	Up	Strong growth in a seasonally strong quarter
	Desktop	Down	Stable user trend and solid ARPU offset by lower license revenues
	Device OEMs	Flat	Driven by Connected TV customers
Expenses	Payroll	Up	Growing headcount in MP&A business
	Cost of goods sold	Up	Reflecting Mobile Publisher & Advertiser revenue trend
	Stock-based compensation	Up	General trend
	Depreciation	Up	Continued investments in cloud based server hosting infrastructure
	Other Opex	Flat	General trend

Assumes currency remainder of 2Q14 (NOK 6.0USD, USD 1.35/EUR)

2014 Guidance

Metric	2014 Guidance (prior ^{***})	2014 Guidance (new)
Revenue*	MUSD 390-410	MUSD 390-410
Adj EBITDA**	MUSD 108-116	MUSD 108-116

* Assumes currency remainder of 2014 (NOK 6.0 /USD, USD 1.35 /EUR)

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

*** Prior guidance refers to 4Q13 presentation



Operational update

Lars Boilesen, CEO 1Q 2014

Q1: Strong start of the year

Highlights from our business units:

Consumer products

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Opera Mediaworks

Strong revenue growth

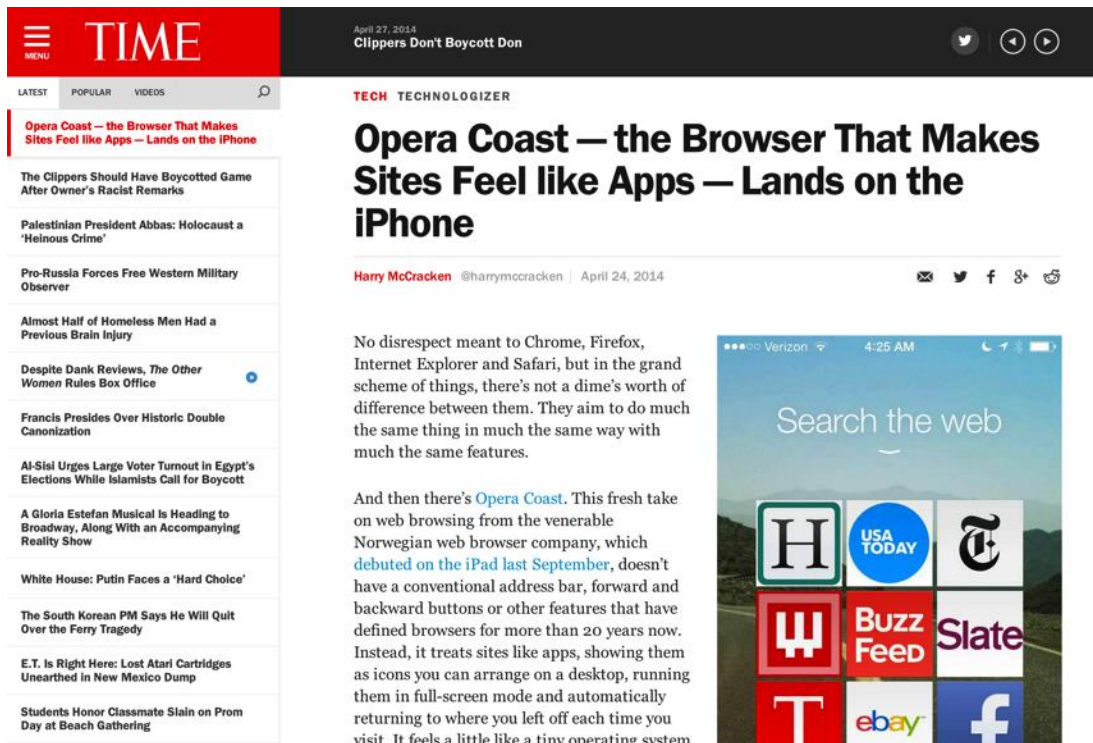
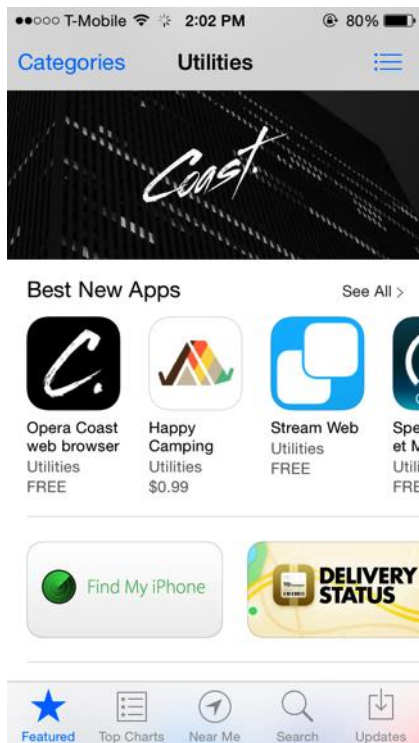


Consumer products 1Q 2014



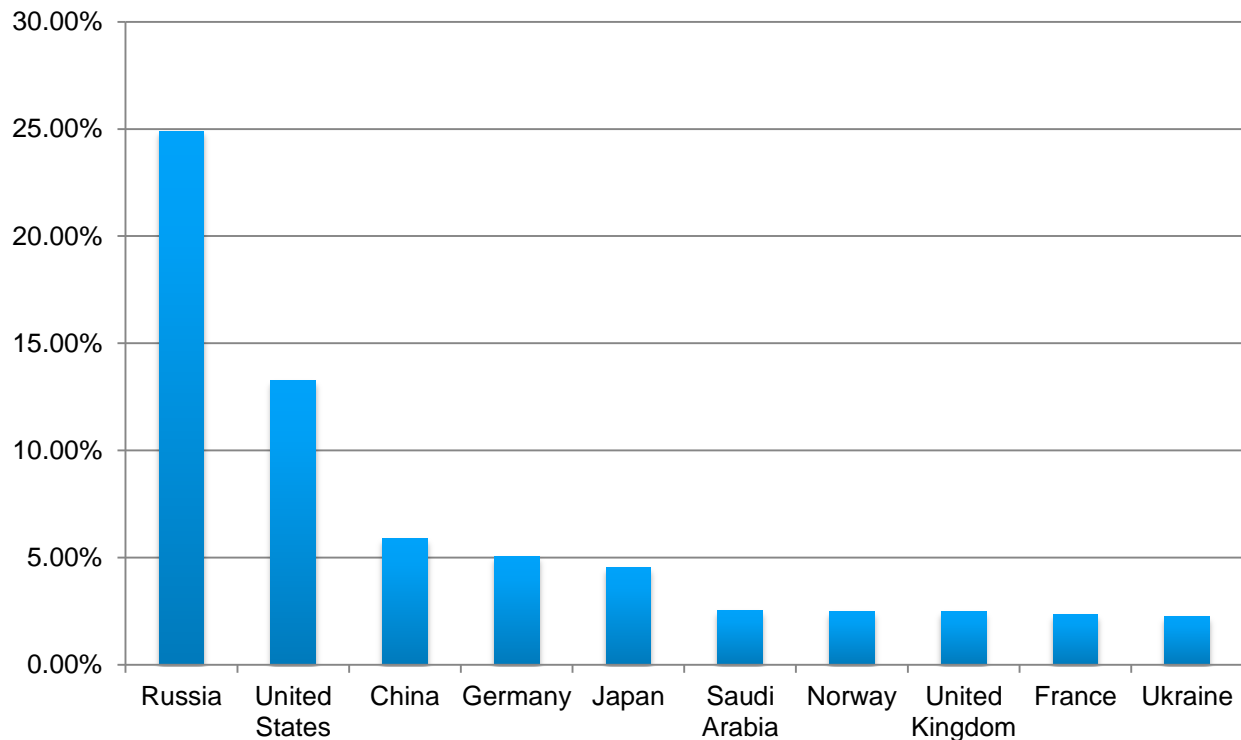
**Strengthening our iOS presence
Opera Coast launched for iPhone and iPad**

Great reception on the Opera Coast for iPhone launch



Top-10 Opera Coast countries

Big in Russia and the U.S.



Opera Max beta launched

Powerful data-savings app that compresses almost all data on your Android smartphone

Available for users in the US, Europe, Russia, Ukraine and Belarus

New devices and more countries coming soon!



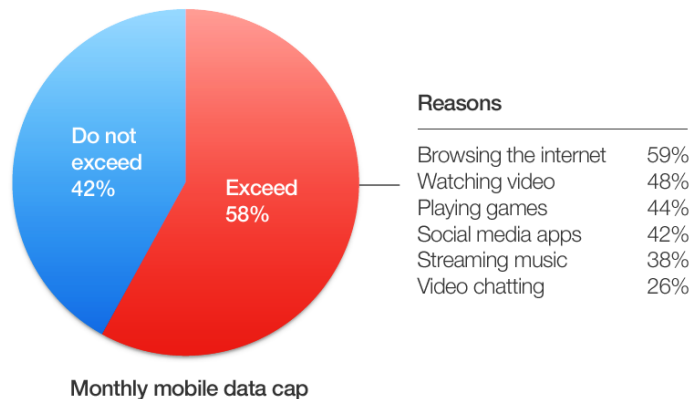
Smartphone users are exceeding their data plans

Mobile video stalling and exceeding data plans are continuing to frustrate consumers

We have solutions to help both consumers and operators: Opera Max and Rocket Optimizer

Opera Max are designed to help give users a buffer-free video experience and up to 50% more out of their limited data plans

Reasons that US Smartphone / Tablet owners exceed their monthly mobile data cap, January 2014
% of total and % of respondents



Note: Ages 18+ who have a monthly data cap
Source: Citrix survey conducted by Wakefield Research, April 16, 2014

Opera for computers updated

Reintroduction of the bookmarks bar

Adding customization options such as themes, advanced settings and Speed Dial configuration

Developing network installer and infrastructure for distribution

Revenue up 6% YoY

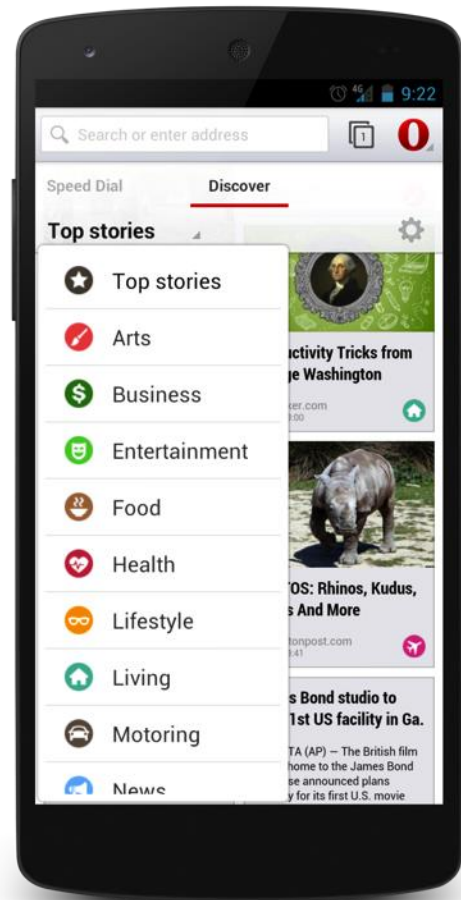


Opera for Android updated

Custom layout selection, where the user can choose between phone, tablet or class look

Redesigned Discover, optimized for swiping between the different articles

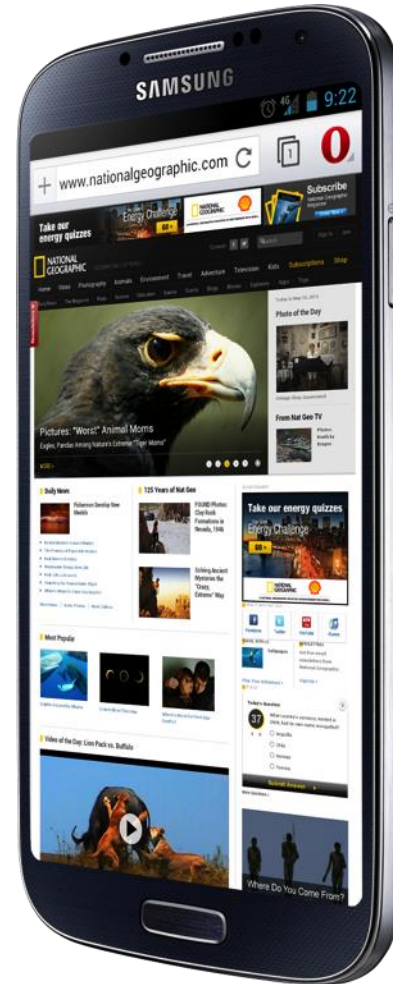
Improved and optimized search functionality



Opera Mini for Android, Java and BlackBerry updated

The most well-known Opera product gets a long-awaited update with a completely new UI and new features

Important for us to support Java & BlackBerry phones as well as users are transitioning to smartphones

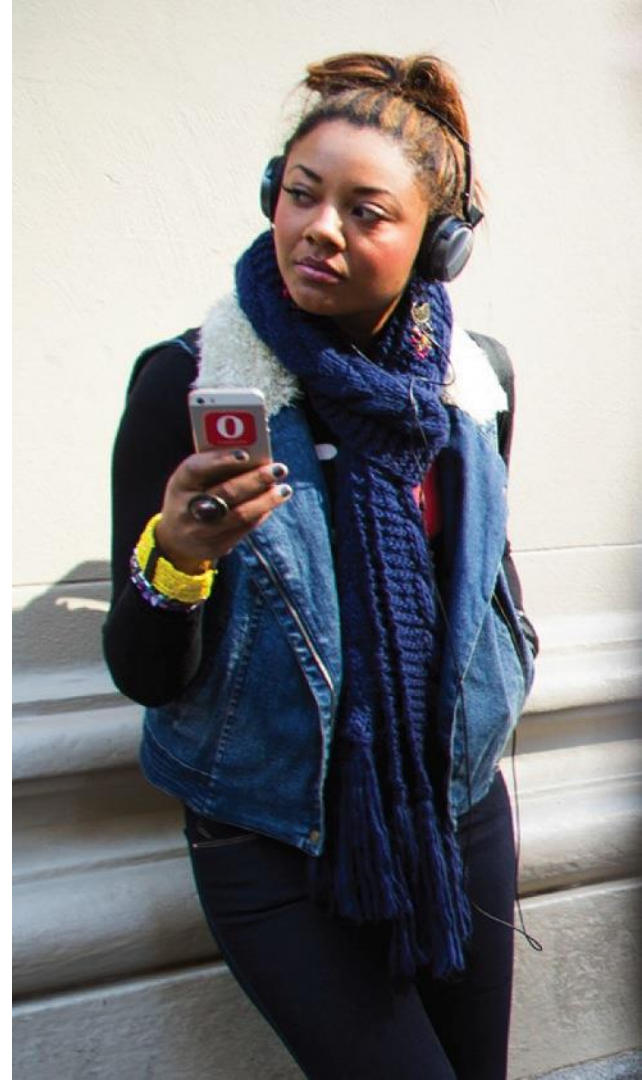


Consumer products in the pipeline

New Opera Mini version coming for iPhone

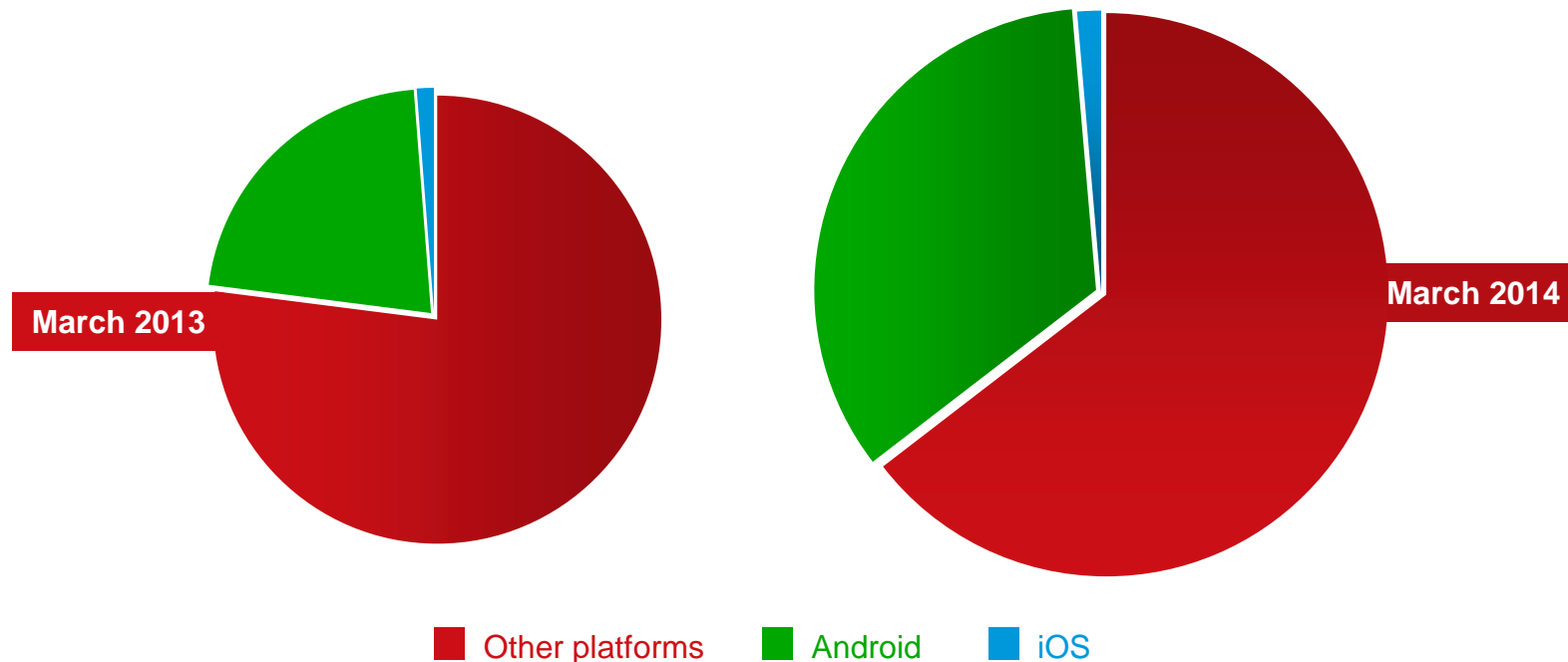
New Opera Mini version coming for iPad

Video compression technology deployed on all consumer products



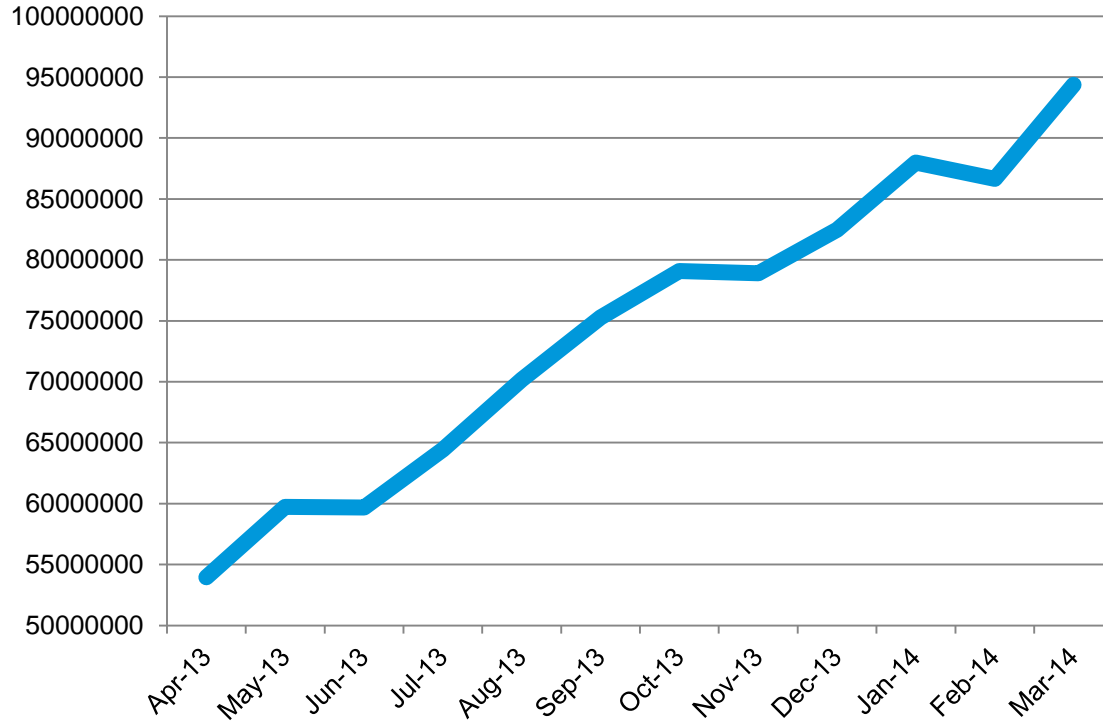
275+ million monthly active users

More and more of our users are migrating to smartphones



95+ million monthly active users

Opera on Android



Opera pre-installed on Nokia X smartphones

Nokia announced the debut of its Nokia X operating system during Mobile World Congress

Opera will be pre-installed on Nokia X, Nokia X+ and Nokia XL devices

Nokia is aiming big with this new venture in the smartphone market – and we're excited to be part of that!





TV & Devices

1Q 2014

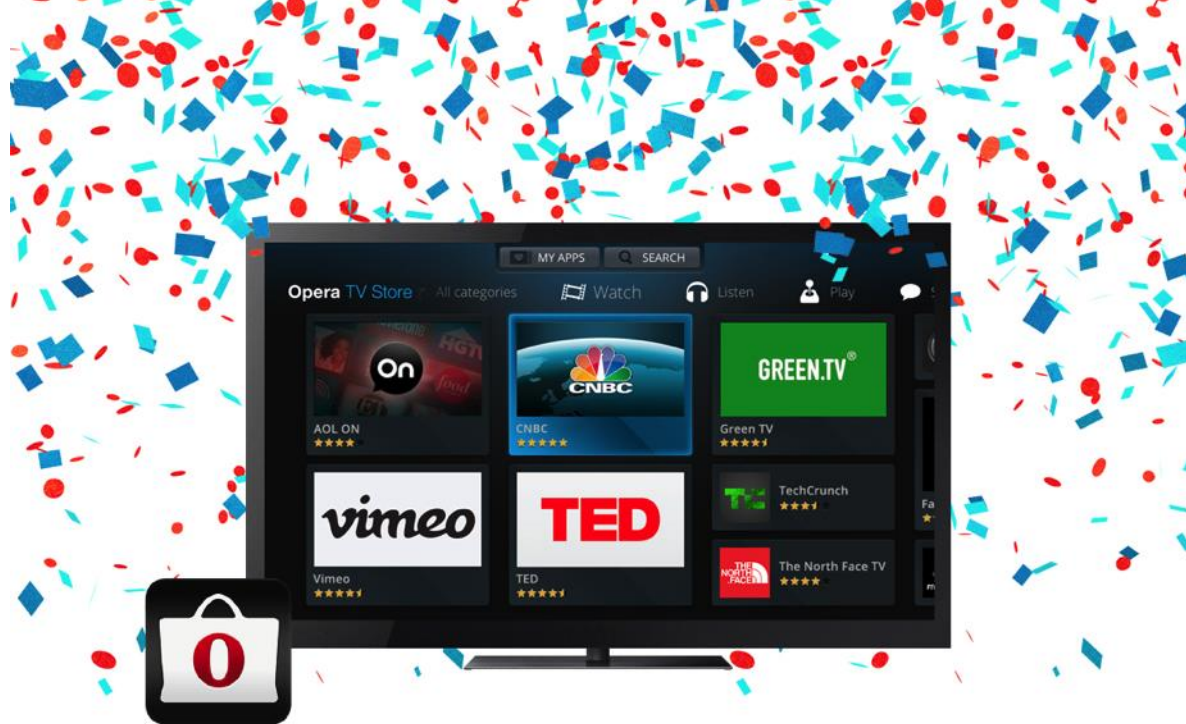
Market overview

There were 307 million TV's connected to the internet in 2013

By 2018, it's estimated that 759 million TV's will be connected to the internet

We're establishing ourselves as the leading distribution medium to deliver premium video content, including Opera Mediaworks' technology to monetize content owners





Opera TV Store

It's #10 for
Opera TV Store

SONY

Hisense

MEDIATEK

Skyworth

SAMSUNG

amino



KONKA



CHANGHONG

TCL

HUMAX

Continuing to expand our customer base

New deals signed this quarter



BANG & OLUFSEN



TV's



Silicon vendors



Operators



Operators 1Q 2014

Our operator offering one year ago



Co-branded Opera Mini

Rocket Optimizer

Opera Web Pass



Co-branded Opera Mini



Opera Max



Horizon

Rocket Optimizer

Cloud based video optimization engine, available today, built for the future
Improved video quality of experience over any network

Congestion based, on-demand video optimization in
high-speed 3G and 4G networks – to avoid buffering
and stalling

Video right-sizing in low-speed Edge and basic 3G
networks – to make videos play

The desire to watch video is universal - when it works,
people watch more!



Good progress with Rocket Optimizer and Skyfire

Signed Tier 1 internet company

Multiple trials and RFP's ongoing among major operators

New customer signed up in South Asia: Wi-Tribe

Two customers already gone live in the market



Opera Web Pass – new deals signed

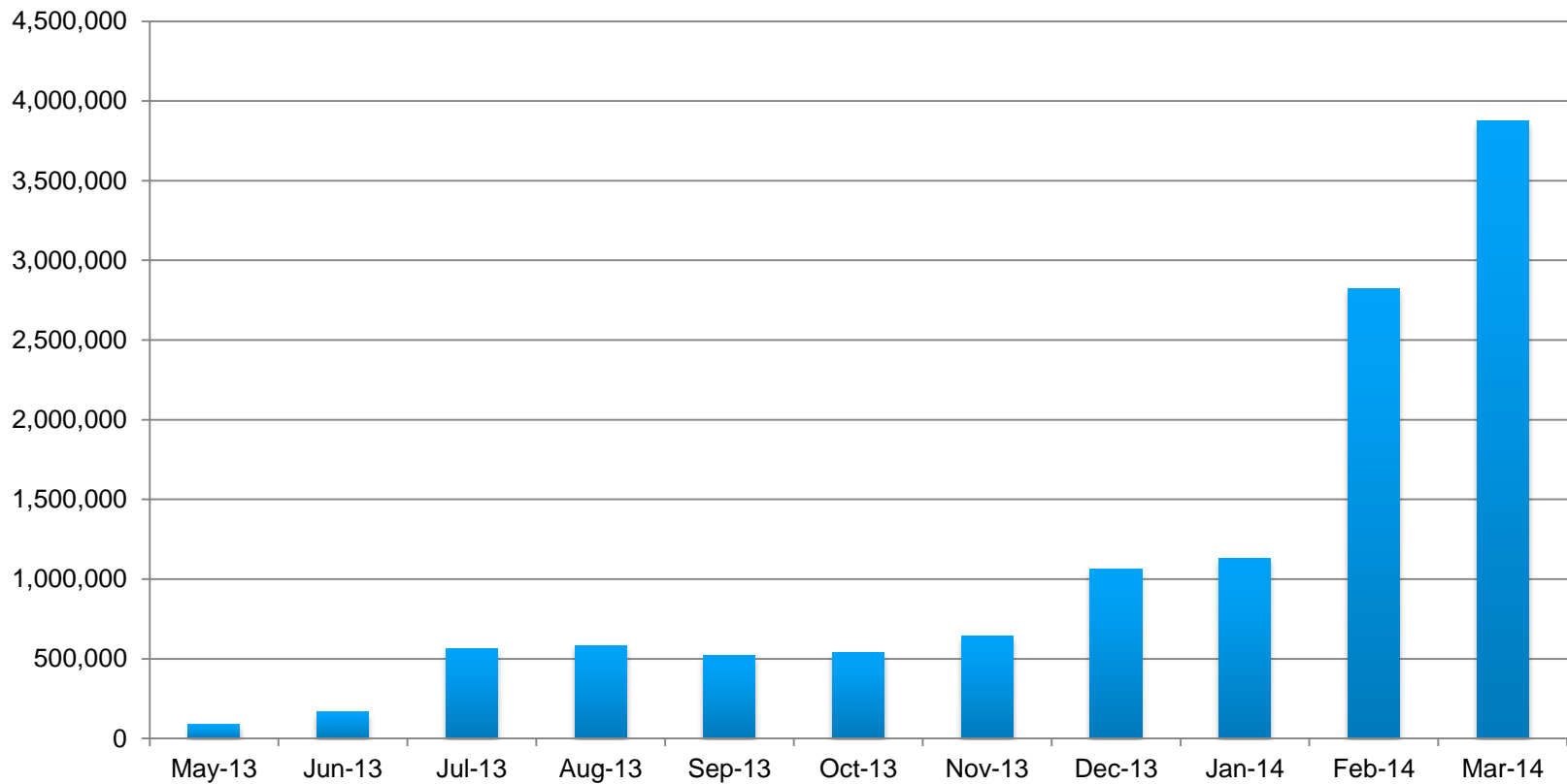
We're now building a strong pipeline with partners and customers in our key markets

Vodafone India, one of India's leading telecommunications service providers, is all set to bring web pass services to its customers in India

Telkomsel, Indonesia's biggest telecommunication provider, today announced the launch of Opera Web Pass for the first time in Indonesia



More than 11 million Opera Web Passes sold since launch





Powering the Mobile Ad Economy™

OPERA MEDIAWORKS

AdMarvel



Opera Mobile Store



Browser Ad Sales



Handster

4thscreen

mobiletheory

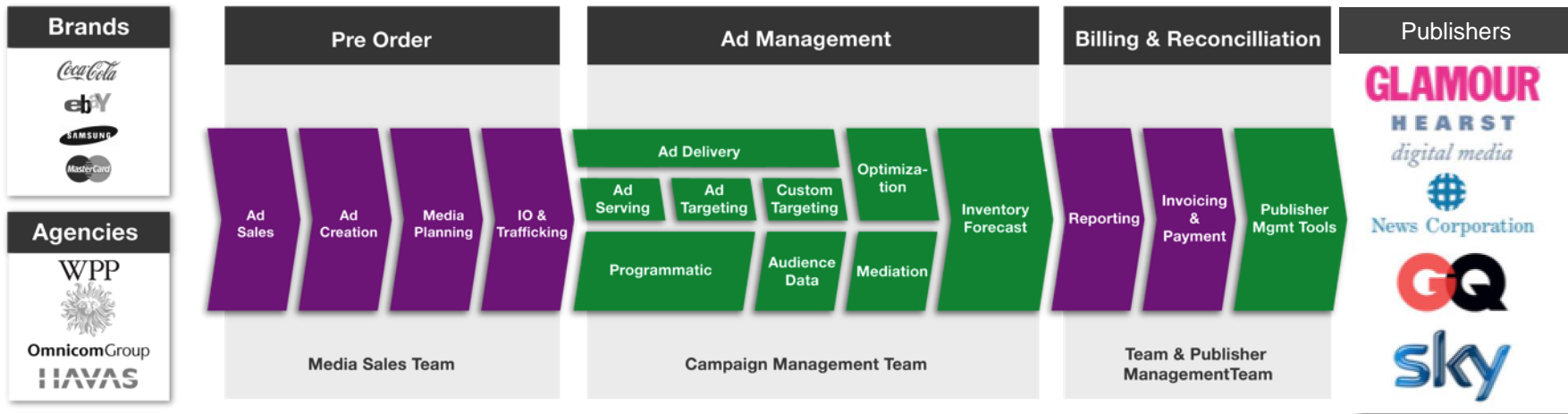
OPERA
mediaworks
performance



moolah
media

Hunt
mobile
advertising

We are servicing the entire advertising value chain

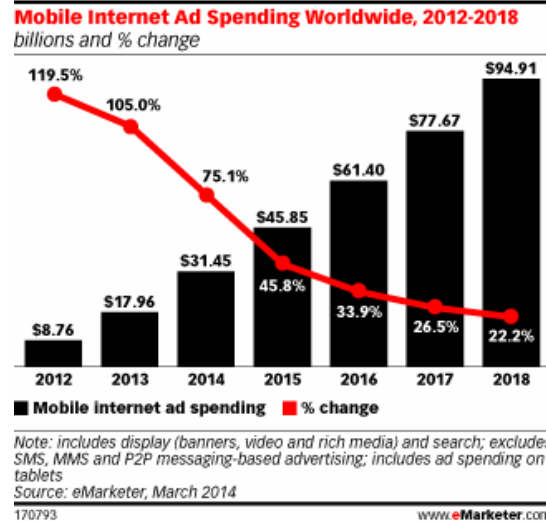


Market trends – Global Mobile Advertising Spend

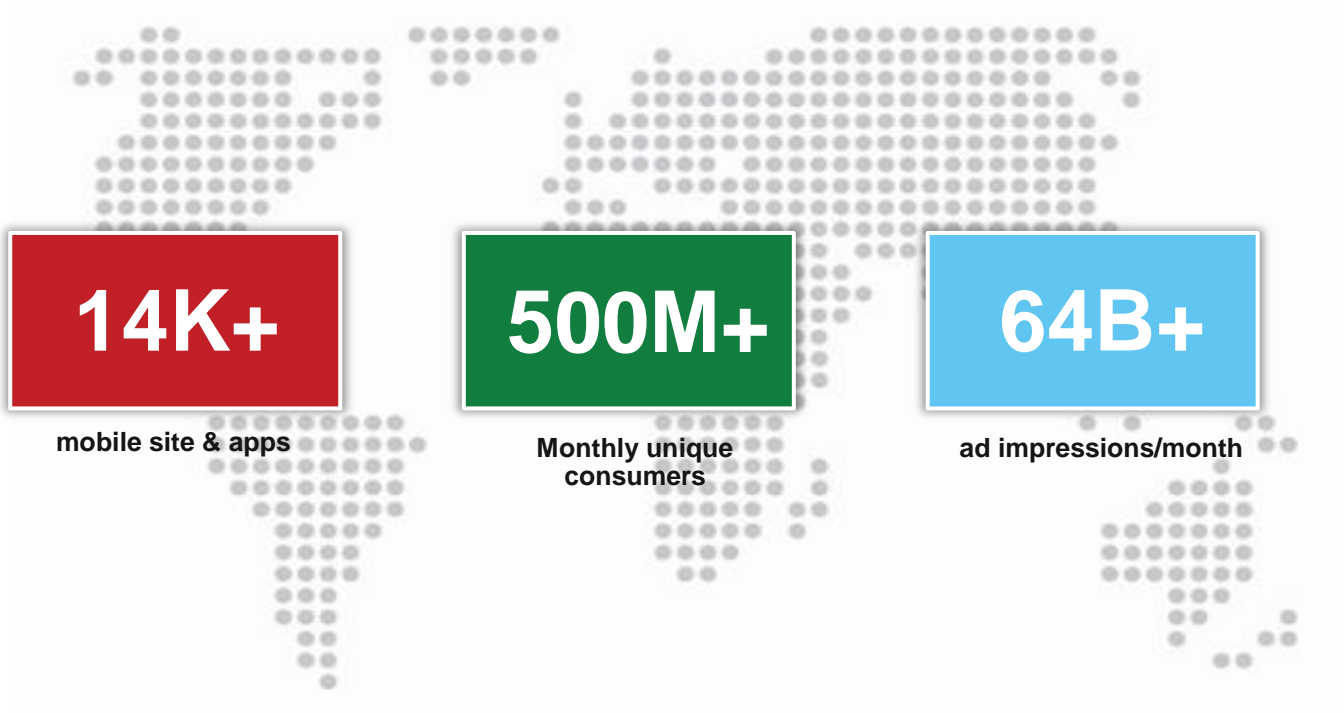
In 2014, mobile advertisement will account for nearly one-quarter of total digital ad spending worldwide

The US will continue to be the largest market followed by Europe and APAC

Strong growth expected in emerging markets, particularly in large markets like Russia, Mexico and Brazil, where smartphone adoption is reaching critical mass



Our core metrics



A selection of our Q1 Agencies and Advertisers



2014 Honda Civic Camera Unit

Targeting: National Hispanic Campaign promoting the new 2014 Honda Civic

Compelling features: The ad unit allows the users to take a picture of themselves, while then posting that picture on Facebook.

More Details: The unit allows the user to rotate, zoom in and out and the ability to retake the photo if needed.



Lego City, Panoramic

Targeting: National campaign promoting Lego City with the ability to download the App

Compelling features: The ad unit allows the users to swipe left and right version up or down. The unit is put together with several sections of artwork to present one long fluid view.

More Details: Users have the ability to engage with each section and either swiping left or right replaying the animation, watching the video or downloading the app.



Opera Mediaworks LATAM, formerly Hunt Mobile Ads



New mobile publishers



And new advertisers

Meet Apprupt



Jascha Samadi

Founder & CEO of Apprupt

New acquisition, based in Hamburg, Germany

Will cover Europe and German-speaking countries such as Austria and Switzerland

Is now part of Opera Mediaworks, and our European sales organization, we're excited about what Apprupt will bring to Opera



Opera @ WEBBY AWARDS

Both our core businesses nominated this year



JetBlue Voice Ad Unit

Official Honoree for Interactive Advertising & Media / Mobile Advertising



