



## OPERA SOFTWARE ANNOUNCES SECOND QUARTER RESULTS

### Record Revenue and Adjusted EBITDA

#### *Raises 2014 Revenue and Adjusted EBITDA guidance*

Oslo, Norway – August 21, 2014 – Opera Software (OSEBX: OPERA) today reported financial results for the second quarter, which ended June 30, 2014.

#### **2Q 2014 financial highlights include:**

- Revenue of MUSD 100.6, up 38% versus 2Q13
- Adjusted EBITDA\* (excluding one-time extraordinary costs) of MUSD 27.0, up 24% versus 2Q13
- Operating Cash Flow of MUSD 4.7 versus MUSD 11.1 in 2Q13
- Free Cash Flow of MUSD 0.1 versus MUSD 10.1 in 2Q13

#### **Revenues**

Revenue was MUSD 100.6 in 2Q14 compared to MUSD 73.1 in 2Q13, an increase of 38%. Compared to 2Q13, 2Q14 saw strong revenue growth from Mobile Publishers and Advertisers (Opera Publisher Partner Members), revenue growth from Desktop Consumers, Mobile Operators and Device OEMs and a decrease in revenue from Mobile Consumers (Owned and Operated Properties).

#### **Profit**

EBITDA, excluding stock-based compensation expenses and one-time extraordinary costs, was MUSD 27.0 compared with MUSD 21.7 in 2Q13. EBITDA, excluding one-time extraordinary costs, was MUSD 24.9 in 2Q14 compared with MUSD 20.7 in 2Q13. EBIT, excluding one-time extraordinary costs, was MUSD 18.0 in 2Q14 compared to MUSD 15.2 in 2Q13. EBIT, including one-time extraordinary costs, was MUSD 16.1 in 2Q14 compared to MUSD 15.2 in 2Q13.

2Q14 IFRS Net Income was MUSD 9.5 compared to MUSD 6.1 in 2Q13. Non-IFRS 2Q14 Net Income was MUSD 17.5 compared to MUSD 15.1 in 2Q13. The Company's non-IFRS Net Income in 2Q14 excludes the effects of MUSD 2.1 in non-cash stock-based compensation expenses, MUSD 1.9 in one-time extraordinary costs and MUSD 1.8 in acquisition related adjustments.

EPS and fully diluted EPS were USD 0.071 and USD 0.069, respectively, in 2Q14, compared to USD 0.051 and USD 0.049, respectively, in 2Q13. Non-IFRS EPS and fully diluted Non-IFRS EPS were USD 0.132 and USD 0.128, respectively, in 2Q14, compared to USD 0.125 and USD 0.122, respectively, in 2Q13.

## Cash Flow

The Company's net cash flow from operating activities was MUSD 4.7 in 2Q14 compared to MUSD 11.1 in 2Q13. Cash flow from operating activities was impacted positively by strong profitability and negatively by changes in working capital. Opera's cash balance was impacted positively by net cash flow from operating activities, and negatively by expenses related to acquisitions, dividend payments, investments in research and development and capital expenditures. Capital expenditures, which are primarily related to Opera's hosting operations, were MUSD 4.6 in 2Q14 versus MUSD 1.0 in 2Q13.

## Operational Highlights

### ■ *Mobile Operators*

Revenue of MUSD 17.7 in 2Q14, up 12% versus 2Q13

Operator cloud based license/data revenue of MUSD 16.5 in 2Q14, up 11% versus 2Q13

Operator active users reached 113.5 million by the end of 2Q14, up 46% versus the end of 2Q13

Released Rocket Insights as part of the Rocket Optimizer platform

Extended and expanded partnership with Telenor

### ■ *Mobile Consumers – Opera Owned and Operated Properties*

Revenue of MUSD 9.3 in 2Q14, down 21% versus 2Q13

Total Opera mobile consumer users reached 270.8 million at the end of 2Q14, up 8% versus the end of 2Q13

Android users reached 103.9 million at the end of 2Q14, up 74% versus the end of 2Q13

Total of 31.4 billion ad requests were generated from owned and operated properties, an increase of 52% from 2Q13

Launched the Opera Coast web browser and Opera Mini 8 for iPhone

### ■ *Mobile Publishers & Advertisers – Opera Publisher Partner Members*

Revenue of MUSD 51.1 in 2Q14, up 83% versus 2Q13

Total mobile advertising impressions managed was 187 billion in 2Q14, up 9% compared to 2Q13

Announced the acquisition of AdColony, a global leading mobile video ad platform

### ■ *Desktop Consumers*

Revenues of MUSD 17.4 in 2Q14, up 23% versus 2Q13

Desktop users reached 51 million by the end of 2Q14, down 2% versus 2Q13

## ■ *Device OEMs*

Revenues of MUSD 4.9 in 2Q14, up 74% versus 2Q13

Announced Swisscom will pre-install the Opera TV Store application platform on its set-top boxes.

## **Guidance**

### **3Q FY14 Guidance:**

**Revenue:** Revenue for the company's third fiscal quarter is projected to be in the range of MUSD 135 to MUSD 142.

**Adj EBITDA\*:** Adjusted EBITDA for the company's third fiscal quarter is projected to be in the range of MUSD 31 to MUSD 34.

### **FY14 Guidance:**

**Revenue:** Revenue for the company's full fiscal year 2014 is projected to be in the range of MUSD 480 to MUSD 500.

**Adj EBITDA\*:** Adjusted EBITDA for the company's full fiscal year 2014 is projected to be in the range of MUSD 117 to MUSD 124.

Please find the second quarter report (2Q14.pdf), second quarter press release (2Q14\_Press\_release.pdf) and second quarter presentation (2Q14\_presentation.pdf) attached.

Webcast:

<http://www.operasoftware.com/company/investors/webcasts/q22014>

Or

<http://embed.smartcomtv.no/C0CD6752-A3FB-411C-BD28-57808934CADF>

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# About Opera Software ASA

Opera enables more than 350 million internet consumers worldwide to connect with the content and services that matter most to them and more than 130 mobile operators to deliver the very best possible internet experience to their subscriber base. Opera also helps publishers monetize their content through advertising and advertisers reach the audiences that build value for their businesses, capitalizing on a global consumer audience reach that exceeds 800 million.

This Press Release contains forward-looking statements. These statements include, among other things, statements regarding future operations and business strategies and future financial condition and prospects. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences are covered in the Opera Software FY 2013 Annual Report under the heading "Risk Factors." We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

\*"Adjusted EBITDA", or Non- IFRS EBITDA, refers to EBITDA excluding stock-based compensation expenses, extraordinary/one-time costs and acquisition costs.