



## OPERA SOFTWARE ANNOUNCES FOURTH QUARTER RESULTS

### Record Revenue and Adjusted EBITDA

Oslo, Norway – February 11, 2015 – Opera Software (OSEBX: OPERA) today reported financial results for the fourth quarter, which ended December 31, 2014.

#### 4Q 2014 financial highlights include:

- Revenue of \$154.4m, up 72% versus 4Q13
- Adjusted EBITDA\* of \$34.4m, up 43% versus 4Q13
- Operating Cash Flow of \$20.3m versus \$14.9m in 4Q13
- Free Cash Flow of \$15.1m versus \$12.6m in 4Q13

#### Revenues

Compared to 4Q13, 4Q14 saw strong revenue growth from Mobile Consumers (Owned and Operated Properties), Mobile Publishers and Advertisers (Opera Publisher Partner Members) and Device OEMs and a decrease in revenue from Desktop Consumers and Mobile Operators.

#### Profit

EBITDA, excluding stock-based compensation expenses, was \$34.4 million compared with \$24.0 million in 4Q13, up 43%. EBITDA was \$30.7 million in 4Q14 compared with \$23.1 million in 4Q13. EBIT was -\$11.6 million in 4Q14 compared to \$16.8 million in 4Q13. EBIT, excluding the impairment charge related to Skyfire, was \$19.4 million.

4Q14 IFRS Net Income was -\$58.3 million compared to \$49.3 million in 4Q13. Non-IFRS 4Q14 Net Income was \$25.7 million compared to \$21.1 million in 4Q13. The Company's non-IFRS Net Income in 4Q14 excludes the negative effects of \$3.7 million in non-cash stock-based compensation expenses, \$14.7 million in other FX gains, \$31.0 million related to impairment expense related to Skyfire goodwill, \$2.1 million related to a non-controlling strategic equity interest in a joint venture and \$62.0 million in acquisition related adjustments. Note that the \$62.0 million in acquisition related adjustments is comprised of the following: \$31.3 million is related to interest expense and FX adjustments related primarily to the AdColony acquisition, \$26.3 million is related to change in likelihood, and \$4.4 million relates to acquisition depreciation expenses and tax expenses associated with all of Opera's acquisitions.

EPS and fully diluted EPS were -\$0.407 and -\$0.407, respectively, in 4Q14, compared to \$0.385 and \$0.374, respectively, in 4Q13. Non-IFRS EPS and fully diluted Non-IFRS EPS were \$0.180 and \$0.175, respectively, in 4Q14, compared to \$0.165 and \$0.160, respectively, in 4Q13.

## Liquidity and capital resources

The Company's net cash flow from operating activities was \$20.3 million in 4Q14 compared to \$14.9 million in 4Q13. Cash flow from operating activities was impacted positively by strong operating profitability and negatively by changes in working capital.

Opera's total cash balance was impacted positively by net cash flow from operating activities, proceeds from exercise of employee options, and negatively by cash outlays related to acquisitions, share buybacks, investments in research and development and capital expenditures. Capital expenditures, which are primarily related to Opera's hosting operations, were \$5.2 million in 4Q14 versus \$2.3 million in 4Q13.

## Operational Highlights

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

Revenue of \$17.1 in 4Q14, up 55% versus 4Q13

Opera's Android users reached 130 million at the end of 4Q14, up 53% versus the end of 4Q13

Total Opera mobile consumer users reached 277 million at the end of 4Q14, up 3% versus the end of 4Q13

Total of 37.1 billion ad requests were generated from Opera's owned and operated properties, an increase of 34% from 4Q13

Signed agreement to purchase the Nokia Ovi Store from Microsoft, making the Opera Mobile Store the 3rd largest application store in the world

Opera Mini surpassed 50 million monthly active users in India and 30 million monthly active users in Indonesia

Opera launched Opera Mini 9 with video optimization, which reduces video buffering and data consumption

### ■ Mobile Operators

Revenue of \$14.0m in 4Q14, down 15% versus 4Q13

Operator cloud based license/data revenue of \$13.0 million in 4Q14, down 16% versus 4Q13

Operator active users reached 127 million by the end of 4Q14, up 21% versus the end of 4Q13

Launched the Opera Subscription Mobile Store, an operator-branded app store for "all you can eat" apps and games

Announced a strategic partnership with Huawei, powering distribution of Rocket Optimizer to operators

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

Revenues of \$103.2m in 4Q14, up 139% versus 4Q13

Total mobile advertising impressions managed (including O&O) was 190.8 billion in 4Q14, up 6% compared to 4Q13

Launched “Fuse”, a new tool that helps retail marketers track and measure customer conversion across devices

Announced the acquisition of AdVine, South Africa’s leading premier mobile-advertising network.

## ■ *Desktop Consumers*

Revenues of \$12.4m in 4Q14, down 20% versus 4Q13

Desktop users reached 55 million by the end of 4Q14, up 8% versus the end of 4Q13

Launched Opera 26 and Opera 25, featuring multiple bookmark sharing capabilities, revamped bookmark functionality and improved PDF viewing capabilities

## ■ *Device OEMs*

Revenues of \$7.5m in 4Q14, up 125% versus 4Q13

Opera TV Snap apps debuted on Amazon Fire TV

## Guidance

### 1Q FY15 Guidance\*:

**Revenue:** Revenue for the company’s first fiscal quarter is projected to be in the range of \$124m to \$128m.

**Adj EBITDA\*\*:** Adjusted EBITDA for the company’s first fiscal quarter is projected to be in the range of \$16m to \$20m.

### FY15 Guidance\*:

**Revenue:** Revenue for the company’s full fiscal year 2015 is projected to be in the range of \$630m to \$650m.

**Adj EBITDA\*\*:** Adjusted EBITDA for the company’s full fiscal year 2015 is projected to be in the range of \$130m to \$140m.

Please find the fourth quarter report (4Q14.pdf), fourth quarter press release (4Q14\_Press\_release.pdf) and fourth quarter presentation (4Q14\_presentation.pdf) attached.

Webcast:

<http://www.operasoftware.com/company/investors/webcasts/q42014>

Or

<http://embed.smartcomtv.no/301B67A8-1435-4245-BC29-7AF1D2AB8118>

Erik Harrell, CFO/CSO

Tel: +47 2369 2400

Petter Lade, Investor Relations

Tel: +47 2369 2400

## 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.

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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.

\* Assumes currency rates as of February 10<sup>th</sup>, 2015

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