Recommended cash offer to acquire 100% of the shares of Opera Software ASA

- Voluntary offer for all outstanding shares at NOK 71.00 per share
- The offer price represents a premium of approximately 56 per cent to the volume weighted average share price for the last 30 trading days
- The Offer values the total share capital of Opera at approximately NOK 10.5 billion (USD 1.2 billion) on a fully diluted basis
- The Offer is a result of the strategic review process announced on 7 August 2015
- The Board of Directors of Opera has unanimously decided to recommend the Company's shareholders to accept the Offer
- Larger shareholders representing approximately 33 per cent of the shares, the members of the executive team and the Board holding shares have undertaken to accept the Offer

Oslo and Beijing, 10 February 2016 – Opera Software ASA ("Opera" or the "Company"), the leading consumer Internet and mobile advertising company, has reached an agreement with Golden Brick Silk Road (Shenzhen) Equity Investment Fund II LLP ("Golden Brick"), the general partner of which is Golden Brick Silk Road Fund Management (Shenzhen) LLP and the limited partners of which are Beijing Kunlun Tech Co. Ltd. ("Kunlun"), Qihoo 360 Software (Beijing) Co. Ltd. ("Qihoo"), and Yonglian (Yinchuan) Investment Co., Ltd. ("Yonglian") (collectively the "Consortium"), whereby Golden Brick will launch, through a directly or indirectly wholly owned special purpose vehicle (the "Offeror"), a recommended voluntary cash offer (the "Offer") for 100% of the shares of Opera.

A cash consideration of NOK 71.00 will be offered per share, valuing the total outstanding share capital of Opera at approximately NOK 10.5 billion (USD 1.2 billion) on a fully diluted basis. The Offer represents a premium of approximately 53 per cent to the closing price on 4 February 2016, one day prior to speculations appearing in the local market concerning a potential offer for the Company, and a premium of approximately 56 per cent and approximately 46 per cent, respectively, to the 30 trading days and 90 trading days volume weighted average share price ending on 4 February 2016.

The Offer is the result of the structured process to explore various strategic opportunities initiated by Opera's Board of Directors (the "Board") and announced in a stock exchange release on 7 August 2015. After careful consideration of the various opportunities for the Company and the proposals received, the Board has concluded that an acquisition of Opera by the Consortium is the most attractive proposition for the shareholders, the Company and its employees.

The Board has unanimously decided to recommend to its shareholders to accept the Offer. In addition, the members of the executive team and the Board holding shares have entered into pre-acceptances to accept the Offer with respect to their shareholdings in Opera.

Furthermore, larger shareholders representing approximately 33 per cent of the Opera shares outstanding, have undertaken to accept the Offer for their shares in the Company, subject to customary conditions.

Launch of the Offer is conditional upon approval by the general meeting of Kunlun of its participation in the Consortium. Such approval is expected to be obtained in the beginning of March 2016. The acceptance period in the Offer will commence no later than 15 March 2016.

Strategic rationale

The Consortium consists of the leading Chinese Internet firms Kunlun and Qihoo, backed by the investment funds Golden Brick and Yonglian. The transaction would give Opera access to the extensive internet user base of Kunlun and Qihoo in China as well as the financing and other support of the Consortium that would allow for the full potential of the Company to be realized. At the same time, Kunlun and Qihoo would be able to cross-sell their products and services to the Opera user base, and benefit from Opera's leading mobile advertising platform.

Kunlun (SZ: 300418) is a public company listed in China, with a market capitalization of approximately USD 5 billion. Kunlun is a leading mobile internet company, focusing on mobile gaming R&D and global publishing, as well as app distribution operation and the Fintech P2P lending business. The company has a large user base both in China and internationally. It completed the acquisition of the U.S.-based company Grinder, a leading dating social network, in January 2016.

Qihoo (NYSE: QIHU) is a leading Internet company in China. The company is the number one provider of Internet and mobile security products in China as measured by its user base, according to iResearch. The company also provides users with secure access points to the Internet via its market leading web browsers and application stores. It has built one of the largest online open platforms in China and monetizes its extensive user base primarily through online advertising and through Internet value-added services on its open platform.

Golden Brick Silk Road Fund Management (Shenzhen) LLP is an affiliate of Golden Brick Capital Management Limited ("Golden Brick Capital"). Golden Brick Capital is one of the leading private-equity investment institutions in China, with its headquarters in Hong Kong and other offices located in Beijing, Shenzhen and Zhuhai. Golden Brick Capital focuses on investing in the TMT, energy and natural resources sectors. The total assets under the management of Golden Brick Capital are about USD 3 billion.

Yonglian is an affiliate of Golden Brick Silk Road Fund Management (Shenzhen) LLP.

Sverre Munck, Chairman of the Board, said, "Our Board has undertaken a careful review of the terms and conditions of the Offer and is unanimous in its recommendation. We commend the management team on the work they have done on behalf of the shareholders, employees and other Opera stakeholders."

Lars Boilesen, Chief Executive Officer of Opera, said, "There is strong strategic and industrial logic to the acquisition of Opera by the Consortium. We believe that the Consortium, with its breadth of expertise and strong market position in emerging markets, will be a strong owner of Opera. The Consortium's ownership will strengthen Opera's position to serve our users and partners with even greater innovation, and to accelerate our plans of expansion and growth."

On behalf of the Consortium, Yahui Zhou, Chairman and Chief Executive Officer of Kunlun, said "Opera is a well-recognized mobile internet company with great brand recognition and global impact. Under its excellent management team, Opera has made remarkable achievements in recent years in the fields of mobile browser and mobile advertising. Kunlun has always been a pioneer in international growth among its Chinese internet peers, and has already obtained a large market share in Asia, Europe and other markets. Our partner, Qihoo, operates one of the largest online open platforms with significant expertise in offering online advertising and internet value added services.

By combining Opera with Kunlun, Qihoo, and Golden Brick, the Consortium will join forces and solidify our leadership position in the international internet space."

Conditions to completion of the Offer

The complete details of the Offer, including all terms and conditions, will be contained in an offer document to be sent to Opera shareholders following review and approval by the Oslo Stock Exchange pursuant to Chapter 6 of the Norwegian Securities Trading Act (the "Offer Document").

As further detailed and specified in the Offer Document, the Offer will be subject to the following conditions being satisfied or waived: (i) the Offer shall have been accepted by shareholders of Opera representing more than 90 per cent of the issued and outstanding share capital and voting rights of Opera on a fully diluted basis, (ii) the Board shall not have amended or withdrawn its recommendation of the Offer, (iii) all consents and approvals required from governmental authorities for completion of the Offer shall have been obtained, (iv) Opera's business shall in all material respects have been conducted in the ordinary course and in accordance with applicable law and regulations in the period until settlement of the Offer, (v) there shall not have been events related to the Company or its subsidiaries that separately or together may have a material adverse effect, and (vi) there shall have been no material breach by Opera of the agreement with the Offeror which entitles the Offeror to terminate the agreement.

The Offer will not be subject to any financing or due diligence conditions. The Offer will be financed by the Offeror through a combination of equity and debt financing.

As part of the agreement with the Offeror, the Board has entered into certain undertakings not to solicit offers from third parties. Pursuant to the terms of the agreement, the Board may however amend or withdraw its recommendation of the Offer in the event a superior competing offer is made and is not matched by the Offeror within three business days of being provided with notice thereof. Any such amendment or withdrawal will permit the Offeror to withdraw from the Offer. The pre-accepting shareholders will also have the right to withdraw their pre-acceptance if a superior competing offer is launched and not matched by the Offeror within one week before the lapse of such superior offer.

The Offeror shall pay to the Company a break fee of USD 40 million in the event that the Offeror for any reason does not launch the Offer or fails to complete and settle the Offer in accordance with its terms after the fulfilment or the Offeror's waiver of the conditions for the Offer, other than (i) if the Board withdraws its recommendation of the Offer; (ii) if the failure to launch the Offer is caused by a breach by the Company of its obligations under the agreement (including, without limitation, due to the withdrawal by the Board of its recommendation of the Offer in breach of the agreement); (iii) if the Company does not comply with its obligations under the agreement with the Offeror; (iv) if the general meeting of Kunlun does not approve the participation in the Consortium; (v) if the Offer is not completed due to the failure of obtaining the necessary consents from relevant governmental authorities for reasons not attributable to the Offeror; or (vi) if the failure of completion of the Offer is due to the minimum acceptance condition in the Offer not being met or waived by the Offeror.

Compulsory acquisition and delisting

If the Offeror, as a result of the Offer or otherwise, acquires shares representing more than 1/3 of but less than 90 per cent of the voting rights of all shares in Opera, the Offeror must proceed with a mandatory offer for the remaining shares in Opera, pursuant to the provisions in the Norwegian Securities Trading Act. The Offeror intends to make a compulsory acquisition of the remaining shares in Opera upon obtaining more than 90 per cent of the total outstanding share capital and voting power of Opera on a fully diluted basis, pursuant to the Norwegian Public Companies Act, and intends to propose to the general meeting of Opera that an application is filed with Oslo Stock Exchange to de-list the shares of Opera.

Indicative timetable for the Offer

The offer document for the Offer is expected to be sent to Opera shareholders during the first half of March 2016. The offer period will span a period of no less than three weeks. The offer period may be extended, at any time and one or several times, provided however that the maximum offer period may not exceed ten weeks. In the event the conditions to the Offer are not satisfied or waived by the Offeror prior to four months after the commencement of the offer period or a later date to be mutually agreed in writing between the Company and the Offeror, the Offer will lapse.

Advisors

ABG Sundal Collier ASA and Morgan Stanley & Co. International plc ("Morgan Stanley") are acting as financial advisors to Opera in connection with the Offer. Citigroup Global Markets Inc. and Arctic Securities AS are acting as financial advisors to certain members of the Consortium and as overall co-ordinators to the Consortium.

Schjødt is acting as legal advisor to Opera. Thommessen and Fangda Partners are acting as legal advisors to the Consortium.

Further information

The information in this announcement is not intended to be exhaustive. For further information, explicit reference is made to the Offer Document. This Offer Document will contain further details regarding the Offer, and the Opera shareholders are advised to review the Offer Document in detail once published.

The Offer will not be made in any jurisdiction in which making of the Offer would not be in compliance with the laws of such jurisdiction. This announcement does not in itself constitute an offer. The Offer will be only be made on the basis of the Offer Document and can only be accepted pursuant to the terms thereof.

The information herein is subject to disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

Morgan Stanley, which is authorised by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority, is acting as financial adviser to Opera and no one else in connection with the matters described in this announcement. In connection with such matters, Morgan Stanley, its affiliates and its and its affiliates' respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to Opera, the contents of this announcement or any other matter referred to herein.

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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. 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 1 billion.