



## **FOURTH QUARTER - 2003**

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## FINANCIAL STATEMENT – FOURTH QUARTER 2003

<b>PROFIT AND LOSS ACCOUNT</b> <i>(Figures in TNOK)</i>	Fourth Quarter		Accumulated	
	2002	2003	2002	2003
Revenues, PC/Desktop	3 729	5 205	17 499	23 307
Revenues, Internet Devices	10 071	23 597	33 561	55 224
<b>Total Operating Revenues</b>	<b>13 800</b>	<b>28 802</b>	<b>51 060</b>	<b>78 531</b>
Payroll and related expenses	13 488	14 902	47 016	51 315
Depreciation and amortization	1 940	682	3 118	2 724
Other operating expenses	5 147	6 756	22 307	23 227
<b>Total operating expenses</b>	<b>20 575</b>	<b>22 340</b>	<b>72 441</b>	<b>77 266</b>
<b>Earnings Before Interest and Tax ("EBIT")</b>	<b>-6 775</b>	<b>6 462</b>	<b>-21 380</b>	<b>1 265</b>
Net financial items	-240	13	-857	540
<b>Earnings Before Tax ("EBT")</b>	<b>-7 631</b>	<b>6 475</b>	<b>-22 237</b>	<b>1 805</b>
Taxes	0	-1 429	6 035	-1 429
<b>Earning After Tax ("EAT")</b>	<b>-7 631</b>	<b>5 046</b>	<b>-16 202</b>	<b>376</b>
Earnings per share	-0.12	0.06	-0.26	0.00
Earnings per share fully diluted	-0.12	0.05	-0.26	0.00

<b>BALANCE SHEET</b> <i>(Figures in TNOK)</i>	31. December	
	2002	2003
<b>Assets</b>		
Deferred taxes	21 679	21 348
Goodwill	4 715	3 143
Tangible assets	2 041	1 483
Other current assets	11 473	37 412
Cash and cash equivalents	9 016	28 388
<b>Total assets</b>	<b>48 924</b>	<b>91 774</b>
<b>Liabilities &amp; equity</b>		
Paid in capital	26 506	79 516
Long-term liabilities	0	461
Short-term liabilities	22 418	11 797
<b>Total liabilities &amp; equity</b>	<b>48 924</b>	<b>91 774</b>

<b>CASH FLOW STATEMENT</b> <i>(Figures in TNOK)</i>	Fourth Quarter		Accumulated	
	2002	2003	2002	2003
Cash flow from operating activities	-6 147	-8 675	-23 195	-20 937
Cash flow from investment activities	-250	-183	-548	-594
Cash flow from financing activities	0	1 421	15 850	40 903
Change in cash and cash equivalents	-6 397	-7 437	-7 893	19 372
Cash and cash equivalent, beginning of period	15 413	35 825	16 909	9 016
Cash and cash equivalent, end of period	9 016	28 388	9 016	28 388

<b>EQUITY</b> <i>(Figures in TNOK)</i>	Accumulated per 31. December	
	2002	2003
Opening balance	38 686	26 506
Net profit/loss	-16 181	376
Equity issues	4 000	53 095
Other	0	0
Closing balance	26 506	79 977

<b>INTERIM RESULTS</b> <i>(Figures in TNOK)</i>	Q3	Q4	Q1	Q2	Q3	Q4
	2002	2002	2003	2003	2003	2003
Total operating revenues	11 984	13 794	12 439	19 248	18 041	28 803
EBIT	-7 934	-6 381	-6 351	2 169	-1 024	6 462
Sales growth quarter by quarter (%)	-12.3%	15.1%	-9.8%	54.7%	-6.3%	59.7%

**Note:** The quarterly financial statement is based on the same principles as the annual accounts. All accounts are made in accordance with NRS 11.

# OPERA SOFTWARE ASA – FOURTH QUARTER 2003

## Highlights

- Revenues of MNOK 28.8 in Q4 2003, up from MNOK 13.8 in 4Q 2002, a growth of 108.7%
- Earnings before interest and tax (“EBIT”) of MNOK 6.5 in 4Q03 compared to loss before tax of MNOK 6.7 in 4Q02
- Sendo announced that the Opera browser would be included on their Symbian Smartphone, the Sendo X
- BenQ stated that the new Symbian Smartphone, the BenQ P30, would use Opera’s smartphone edition
- Sharp announced in January that Opera would be included on the new Sharp Zaurus SL-6000 Personal Mobile Tool
- Opera and Motorola GSG, Motorola’s software development Group, signed a cross licensing agreement to deliver a joint product offering consisting of Opera’s “full” HTML browser and Motorola GSG’s WAP stack
- Opera has decided to apply for a listing on the Oslo Stock Exchange. The initial public offering is expected to take place during Q1 2004. Opera has selected Enskilda Securities and ABG Sundal Collier as financial advisors in connection with the planned IPO

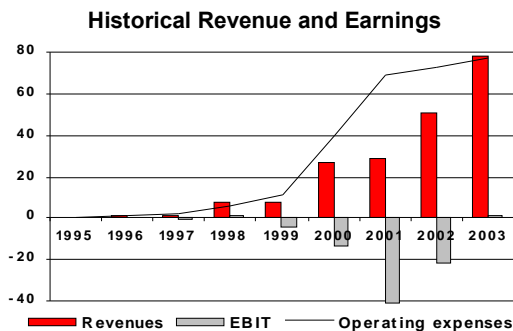
## Financials

Operating revenues in the fourth quarter of 2003 (“4Q03”) was MNOK 28.8, up from MNOK 13.8 in 4Q02. The turnover increased by 108.7% on a year-to-year basis. Accumulated revenues for the year 2003 were MNOK 78.5 compared to MNOK 51.1 in 2002, a growth of 53.8%.

EBIT in 4Q03 was MNOK 6.4, compared to an operating loss of MNOK -6.8 in 4Q02. Accumulated EBIT for the year was MNOK 1.3 compared to a loss of MNOK 21.4 in 2002.

Income from internet devices was MNOK 23.6 in 4Q03, up from MNOK 10.1 in 4Q02. Income from desktop products was MNOK 5.2, up from MNOK 3.7 last year.

The operating costs increased from MNOK 20.6 in 4Q02 to MNOK 22.3 in 4Q03, a growth of 8.6%. Accumulated operating costs for the year were MNOK 77.3 compared to MNOK 72.4 in 2002, a growth of 6.7%.



Cash and cash equivalents were MNOK 28.4 at the end of 4Q03.

## Internet Devices

The income from Internet devices products grew from MNOK 10.1 in 4Q02 to MNOK 23.6 in 4Q03, a growth of 134.3%.

### Smartphones

Sendo, the British mobile phone manufacturer, announced in November that Opera technology would form the basis for Sendo X’s Internet browser.

BenQ, a leading manufacturer of digital lifestyle devices, announced in November that it had decided to utilize Opera’s smartphone edition on their Symbian-based P30 smartphone.

Sharp announced in January that Opera would be included on the new Sharp Zaurus SL-6000 Personal Mobile Tool. The Sharp SL-6000 is the first Internet device to feature Opera 7 for Internet devices. Opera was previously included in the SL-6000’s predecessor, the SL-5500, and received praise from media and users alike.

Opera and Motorola GSG, Motorola’s software developer, signed a cross licensing agreement to deliver a joint product offering consisting of Opera’s full HTML browser and Motorola GSG’s WAP stack. The solution enables operators to use existing WAP infrastructure while also scaling up to HTML content to boost average revenue per user (ARPU). Opera and Motorola GSG will each license the combined product offering to carriers.



BenQ P30



Sendo X

### iTV

In December, Opera successfully completed a project with Canal+ Technologies in France to integrate Opera as a component within the Multimedia Home Platform (MHP) software stack on Pilotime, a leading digital satellite set-top box/ Personal Video Recorder (PVR).

The Pilotime STB was launched in December 2003 within the Canal Satellite DTH operator network in France.



Canal + Pilotime DTH PVR STB.  
Opera 6 running on Media Highway

## Desktop

Income from Desktop grew from MNOK 3.7 in 4Q02 to MNOK 5.6 in 4Q03, a growth of 39.6%.

In October, Opera 7.21 was released for Linux and Windows, introducing users of the free browser version to a new advertising option. Users can now choose to see text-based content-related ads served by Google or keep the previous generic, graphical ads. As a result, the total revenue from advertising increased significantly from September to December.

In December, Opera unveiled its new My Opera Community site ([www.my.opera.com](http://www.my.opera.com)) with interactivity enhancements. Users can now share discussions, files and even browser features, and an all new section named "setup" allows Opera toolbars, configurations for mouse gestures, keyboard shortcuts and menus to be downloaded or uploaded to be exchanged with users around the world.

## Organization

As of the December 31, the Company had 128 employees (123 man-labor years), compared to 130 employees by the end of December 2002 and 126 employees by the end of 3Q03.

The Company foresees further organizational growth in 2004. Growth will be driven by customer demand. New employees will mainly be working within the development, quality assurance and documentation departments.

## Outlook

Income from license fees from mobile phones and desktop has increased in 2003, and this trend is expected to continue. The operating costs will grow mainly due to the planned organizational growth in 2004. The costs are expected to grow at a lower pace than revenues for 2004.

### *Internet devices*

Both operators and manufacturers are looking for ways to serve compelling content and services that can increase average revenue per user (ARPU). Opera believes that the major growth in revenue from Internet devices will come from the market's demand for phones with enhanced data services.

These phones will be more software-centric, depending more on the browser as a core component within the whole software package..

Additionally, the Opera Platform technology greatly increases mobile phone users' access to and interactivity with operator data services, by placing the data services in the home screen of the phone, accessible in just one click. Meanwhile, operators can communicate with their users through this screen and completely brand and determine their customers' end-user experience.

The Company believes that with innovations such as the Opera Platform it is better positioned than ever before to become a leading player in the mobile and PDA market. But although Opera continues to strengthen its position, the market itself is still in an early phase.

The Company believes that its browser will be included on several devices in 2004. At the same time, a

substantial part of the 2004 income will come from research and development projects. License revenue will continue to grow as the market matures and more and more products are launched.

The level of activity within the digital television industry is improving. The Opera browser will be included on several set-top boxes in the short to medium term, but mass-market adoption remains more distant. We continue to believe that Opera has a leading solution for this sector and that the long-term income potential is substantial.

### *Desktop*

We believe that the desktop revenue will continue to grow with the number of users. The Company believes that advertising will become an increasingly important income generator.

## Shareholder and Equity Related Issues

As of December 31, 2003, the total number of outstanding shares was 84 652 747, which equals the number of shares reported per 3Q03.

Following a six months corporate governance discussion among the largest shareholders, with the objective of strengthening the industrial expertise and the independence of the Board of Directors, Jon S. von Tetzchner and Geir Ivarsøy, the two founders of the company, chose to resign from the Board at an extraordinary general meeting held on January 30, 2004. John Patrick, former vice president of IBM Internet Technology and a leading Internet visionary, was elected as a new board member.

The Board has decided to apply for a listing of Opera's shares on the Oslo Stock Exchange. The Company expects to be listed in March.

Oslo, February 9, 2004

The Board of Directors  
Opera Software ASA

Christian H. Thommessen  
Chairman  
(sign.)

Jon S. von Tetzchner  
CEO  
(sign.)