

Quarterly Report

4Q 2011



Opera Quarterly Report 4Q11

Revenue was MNOK 253.1 in 4Q11, up from MNOK 193.6 in 4Q10, an increase of 31%. EBIT was MNOK 63.8 in 4Q11 compared to MNOK 29.1 in 4Q10. EBIT was MNOK 67.6 in 4Q11, excluding one-time extraordinary costs.

Operational Highlights

■ Operators

Operator- and co-branded Opera Mini users reached 26.7 million by the end of 4Q11, up 152% versus the end of 4Q10

5 new operator agreements were announced, including Orange, Orascom, Etisalat and Bakcell

■ Mobile OEMs

Opera Mini mobile browsers to ship worldwide on MediaTek's MRE Platform

■ Device OEMs

Signed TV Store agreement with leading consumer electronics manufacturer

■ Desktop

Desktop users reached 57 million by the end of 4Q11, up 12% versus the end of 4Q10

Launched desktop version 11.60, with an updated mail client and enhanced HTML 5 support

■ Mobile Consumers & Publishers

Opera-branded Opera Mini users reached 152.7 million at the end of 4Q11, up 78% versus the end of 4Q10

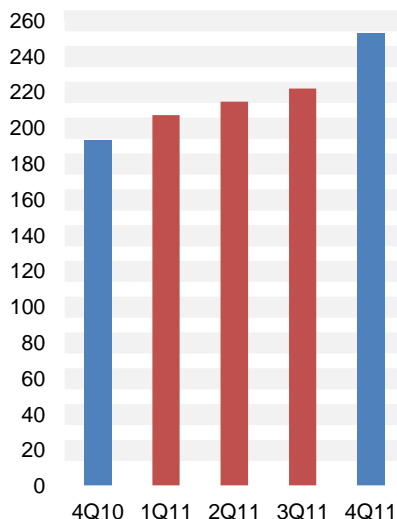
Opera Mini 6.5 released for iPhone, iPad, Blackberry, Symbian S60, Java and Android, and Opera Mobile 11.5 released on Android and Symbian S60

Total mobile advertising impressions grew over 134% to 72 billion in 4Q11 compared to 4Q10

■ Other

Opera will move to USD reporting from 1Q12

Revenue (MNOK)



Financials

Revenues

Revenue in 4Q11 was MNOK 253.1, up 31% from 4Q10, when revenue was MNOK 193.6. Currency fluctuations impacted revenues negatively by 3% in 4Q11 versus 4Q10. On a constant currency basis, 4Q11 revenues increased 34% compared to 4Q10.

Operating costs

Total operating costs for 4Q11 (excluding one-time extraordinary costs) were MNOK 185.5 compared to MNOK 158.9 in 4Q10 (excluding one-time extraordinary costs), an increase of 17%.

Payroll and related expenses

Total payroll and related expenses, excluding stock option costs, were MNOK 109.9 in 4Q11 compared to MNOK 104.9 in 4Q10, an increase of 5%. Payroll and related expenses increased in 4Q11 versus 4Q10 due to

higher compensation expense per employee and overall headcount growth.

Stock option costs

Total stock option costs for 4Q11 were MNOK 4.2 compared to MNOK 4.3 in 4Q10, a decrease of 3%. Option costs were slightly lower in 4Q11 compared to 4Q10 due to fewer options outstanding at the end of 4Q11 compared to 4Q10.

Depreciation and amortization

Depreciation and amortization expenses in 4Q11 were MNOK 11.1 compared to MNOK 6.5 in 4Q10, an increase of 71%. Depreciation and amortization costs increased primarily due to higher investments in Opera Mini server infrastructure, as well as the implementation of a shorter depreciation period for servers (from four to three years), effective from 3Q11.

Other operating expenses

Other operating expenses in 4Q11 were MNOK 60.3 compared to MNOK 43.3 in 4Q10, an increase of 39%. Other operating expenses increased in 4Q11 versus 4Q10 primarily due to higher server hosting, travel and marketing costs, as well as higher cost of goods sold related to our AdMarvel mobile advertising business.

One-Time Extraordinary Cost

In 4Q11, Opera recorded a one-time extraordinary cost of MNOK 3.8 related primarily to severance agreements, costs associated with a new hosting center and M&A related legal costs.

EBIT

EBIT (excluding one-time extraordinary cost) was MNOK 67.6 in 4Q11 compared to MNOK 34.6 in 4Q10. EBIT (excluding one-time extraordinary cost), excluding stock option costs, was MNOK 71.8 in 4Q11 versus MNOK 38.9 in 4Q10. EBITDA (excluding one-time extraordinary cost) was MNOK 78.8 in 4Q11 compared with MNOK 41.1 in 4Q10. EBITDA (excluding one-time extraordinary cost), excluding stock options costs was MNOK 82.9 compared with MNOK 45.4 in 4Q10.

EBIT, including the one-time extraordinary cost of MNOK 3.8, was MNOK 63.8 in 4Q11 compared to MNOK 29.1 in 4Q10. EBITDA, including the one-time extraordinary cost but excluding stock options costs, was MNOK 79.1, compared to MNOK 39.9 in 4Q11.

Interest income and FX gains/(losses)

Net interest income was MNOK 3.7 in 4Q11 versus MNOK 2.8 in 4Q10. Opera had a foreign exchange gain of MNOK 6.2 in 4Q11 compared with a gain of MNOK 0.9 in 4Q10.

Profit for the period

Profit for the period was MNOK 40.3 in 4Q11 compared to MNOK -0.6 in 4Q10. EPS and fully diluted EPS were 0.34 and 0.33, respectively, in 4Q11, compared to -0.01 and -0.01, respectively, in 4Q10.

Liquidity and capital resources

The Company's net cash flow from operating activities was MNOK 104.4 in 4Q11 compared to MNOK 25.5 in 4Q10. 4Q11 cash flow from operating activities was impacted positively by strong profitability and changes in net working capital.

Changes in cash were impacted positively by net cash flow from operating activities and negatively by capital expenditures and share buybacks. Capital ex-

penditures, which are primarily related to Opera's hosting operations, were MNOK 7.7 in 4Q11 versus MNOK 12.2 in 4Q10.

Cash

Cash and cash equivalents at the end of 4Q11 were MNOK 498.2, compared to MNOK 507.4 in 4Q10.

Organization

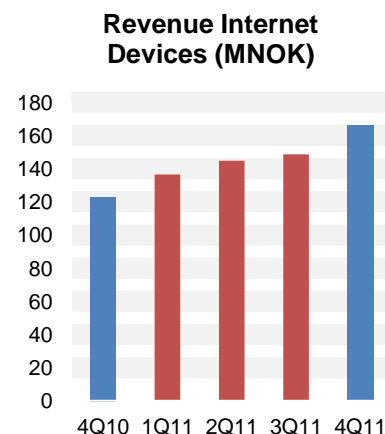
At the end of 4Q11, the Company had 777 full-time employees and equivalents compared to 747 at the end of 4Q10.

Revenue overview

By the end of 4Q11, Opera had more than 250 million monthly active users of its products worldwide, with Opera powering the Internet on mobile phones, gaming consoles, Internet-connected TVs, set-top boxes, netbooks, tablets, desktop computers and laptops. Of the more than 250 million active users, approximately 57 million were desktop users, 26.7 million were related to Opera Mini agreements with operators, 152.7 million were Opera-branded users on mobile phones, and 20 million were users of consumer electronic devices such as TVs.

In addition, Opera, via its AdMarvel mobile advertising business, is an increasingly major player in the mobile advertising industry, particularly in the United States. By the end of 4Q11, mobile advertisements delivered by AdMarvel reached more than 130 million consumers across more than 7,000 mobile applications and websites around the world.

Internet Devices



Description

Internet Devices includes revenue from mobile phones and other Internet-connected devices, such as game consoles, ConnectedTVs, IPTV set-top boxes, and portable media players; Opera Mini revenue from operators such as Motricity (AT&T) and MegaFon; revenue generated from the 100% Opera-branded Opera Mini product and revenue from mobile publishers and advertisers.

Update

Revenue from Internet Devices grew to MNOK 165.6 in 4Q11 compared to MNOK 122.7 in 4Q10, an increase of 35%.

4Q11 saw strong revenue growth from Desktop, Device OEMs and Mobile Consumers and Publishers, a slight increase in revenue from Mobile OEMs and a slight decrease in revenue from Operators compared to 4Q10. In general, Opera continued to see a marked shift in the revenue mix towards recurring revenue streams, from active user license fees from operators, search and mobile advertising.

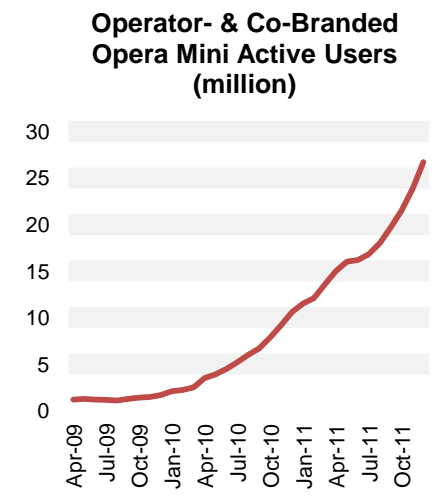
Revenue from operators decreased by 5% in 4Q11 versus 4Q10. An increase in revenue from Opera Mini revenue from

operators was offset by primarily lower development revenue and revenue related to operator customized versions of Opera Mobile.. Operators were the largest source of revenue within Internet Devices in 4Q11 (MNOK 58 in Revenue and 35% of Internet Device revenue), followed by Device OEMs (MNOK 52 in Revenue and 32% of Internet Device Revenue), Mobile Consumers and Publishers & Advertisers (MNOK 37 in Revenue and 23% of Internet Device Revenue) and Mobile OEMs (MNOK 14 in Revenue and 9% of Internet Device Revenue).

Device OEM revenue was up 46% compared to 4Q10 driven by higher license revenue from primarily ConnectedTV customers. Revenue from Mobile OEMs was up 10% in 4Q11 compared to 4Q10, with lower license revenue offset by an increase in development revenue.

Within the Mobile Consumer and Publisher & Advertiser area, Mobile Consumer Revenue was up over 200% compared to 4Q10, driven by increased revenue from mobile search and the Opera Mobile Store. In the quarter, Opera revenue in the Mobile Publisher & Advertiser area grew over 200% compared to 4Q10. Revenue growth in mobile advertising from publishers came from both new customer acquisition and total advertising transactions under management, with total advertising impressions up 134% to 72 billion in 4Q11 compared to 4Q10; the strongest performance in mobile advertising came from smartphone and tablet devices, with iOS and Android constituting the leading platforms.

Operators



As operators face increasing downward pressure on average voice revenue per subscriber, and as competition heightens, operators around the world are looking for new sources of revenue and differentiation through the deployment of data services.

Opera is a trusted partner for operators globally. The Company currently offers an operator-branded hosted solution to operators around Opera Mini and Opera Mobile with Turbo. Opera Mini is a hosted solution for mass-market phones, offering server-side content compression and fast Internet download speeds. A similar cloud-based content compression technology is also offered for Opera Mobile for smartphones, which is packaged for distribution to Operators and OEMs as Opera Turbo. Opera Mini and Opera Mobile with Turbo offer up to 90% content compression, all increasing an operator's implied throughput capacity of their mobile network.

Opera's revenue sources from this hosted solution include active user fees, data fees, NRE/development fees, hosting services, advertising and maintenance and support.

Operator interest in Opera Mini and Opera Mobile stems from five major

sources: (i) proven high consumer adoption of high quality, full HTML browsers (which then drive data traffic and revenue); (ii) the desire to both extend data plans to mass market feature phones and provide a greater choice of data plans to smartphone subscribers; (iii) higher profitability on flat-fee/fixed price data packages due to Opera Mini's server compression of Web pages of up to 90% compared to normal mobile Web browsers (which also lowers an operator's capital expenditure requirements); (iv) provides a platform for operators to increase the adoption of data services in general and of data packages/plans in particular; and (v) the browser home page serves as the "door" to operator portals and services (which operators are keen to promote to drive more content services revenue).

In total, Opera has agreements with 34 operators worldwide (including agreements with 13 of the world's top 30 operators, comprising more than 1.6 billion subscribers) for both the Operator-branded version of Opera Mini and the joint Operator-Opera co-branded version of Opera Mini, including: AIS (Thailand), Motricity for AT&T (USA), Bakcell, Beeline (Russia and Kazakhstan), Etisalat (United Arab Emirates), Maxis (Malaysia), MegaFon (Russia), MTN (11 out of 21 subsidiaries), MTS (Russia, Belarus, Ukraine, and India), Nextel (Argentina, Brazil and Mexico), Orange, Orascom, Smart Telecom (Indonesia), Smart Telecom (Philippines), TATA Teleservices (India), Tele2 (Russia), Telenor (8 of their 11 subsidiaries), Telkomsel (Indonesia), Tigo (Guatemala, Honduras and Columbia), TIM Brazil, T-Mobile International (in 10 of 11 European subsidiaries), Verizon Wireless (USA) and Vodafone (in 20 of 21 global subsidiaries).

In 2011, Opera continues to see high interest among operators in the emerging markets in particular for the operator co-branded Opera Mini solution, for which the browser home page promotes content services from both Opera (such

as search) and the operator (such as games). For such agreements, Opera and the operator work together and undertake joint marketing initiatives to convert existing Opera only branded Opera Mini users to the co-branded solution. Opera sees this as a compelling way to increase ARPU on its more than 170 million Opera branded Opera Mini users, while operators see such agreements as a way to increase data ARPU and profits.

During the quarter, Opera continued to see strong growth in the number of Operator Opera Mini users from its existing agreements. At the end of December 2011, the number of such users grew to 26.7 million, an increase of 152% versus the end of December 2010.

Opera signed up 5 new operators in 4Q11, including Orange, Orascom, Etisalat and Bakcell. In addition to signing agreements with new operator customers, Opera continues to grow subscribers with its existing customer base, with strong growth in subscribers coming from the likes of Vodafone, MTN and Telkom-sel.

Mobile OEMs

Global Mobile OEMs are currently responding aggressively to operator and consumer demands for devices which come bundled with compelling services and applications.

As a result, more than ever before, Mobile OEMs are highly focused on providing operators and their subscribers with compelling browsing solutions on their devices – i.e., full HTML browsers that enable browsing of the full Web and access to rich Web applications.

As Opera's existing and future primary revenue sources become increasingly operator and consumer driven, the Company has focused on the Mobile OEMs as key sources of distribution to drive Opera's overall mobile Internet user

base. Opera is focused not only on the distribution of Opera Mini, but also on the distribution of Opera Mobile with Turbo, with a particular focus on the Android platform.

Overall, Mobile OEM distribution has become a very important complement to the distribution of Opera's products on Opera.com, with approximately 40% of Opera's Opera Mini users coming via this distribution channel.

In addition, Opera has been focused on expanding its distribution partners in this space to include the chipset manufacturers, which Opera believes will be a much larger source of distribution going forward than in the past.

In 4Q11, Opera and MediaTek Inc. announced that Opera Mini will be included in MediaTek's Runtime Environment (MRE). This partnership will allow users of handsets powered by MediaTek's MRE platform to enjoy the best and most affordable Internet experience. MediaTek is the world's largest mobile chipset platform provider.

Opera currently has license and distribution agreements with a diverse range of chipset manufacturers and mobile OEMs, including: Cosmo Air (Opera Mobile), HTC (Opera Mobile), Huawei (Opera Mobile & Mini), Micromax (Opera Mini), Motorola (Opera Mobile & Opera Mini), MTK (Opera Mobile & Opera Mini), Nokia (Opera Mini), Onda (Opera Mini), Qualcomm (Opera Mini), Samsung (Opera Mobile & Opera Mini), Sony Ericsson (Opera Mini), Spice Mobiles (Opera Mini), Spreadtrum (Opera Mini & Opera Mobile), TCL (Opera Mini) and ZTE (Opera Mobile & Opera Mini).

Device OEMs

As device manufacturers seek to enhance their relationships with and provide compelling applications and services to their consumers, they are increasingly developing Internet-connected devices.

Traditionally, television has been referred to as a "lean back" medium, where interaction is passive. Today, television manufacturers are trying to encourage consumers to become more actively engaged with their TV sets, referred to as a "lean-forward" model, by providing Web applications, Web browsing and other digital content on TVs. This has been spurred not only by the desire of the TV manufacturers to differentiate, obtain premium pricing for their product offerings and generate new revenue streams, but also by the perceived opportunity to bring many of the same services that have been deployed successfully in the mobile phone ecosystem, such as mobile Web browsing and application stores, to their TV consumer customers.

With the Opera Devices Software Developer Kit (SDK), device manufacturers are able to offer not only Web browsing capabilities and full Internet access to their operator and consumer end customers, but also customized Web applications which are accessible from the home screen of the device. Moreover, with the Opera Devices SDK, device manufacturers are able to use their own (and third-party) developers to enable full Web browsing, create user interfaces, widgets and menu systems using Web technologies, such as HTML5 and CSS, HbbTV and OIPF, while accelerating time to market for new consumer electronic devices.

In 4Q11, Opera signed its first TV Store agreement with a leading consumer electronics manufacturer. Opera will provide not only a complete HTML 5 based TV store solution on a hosted basis, but also be responsible for all TV content acquisition and merchandising.

In 4Q11, Opera also announced that it had launched, in partnership with Humax, HD set-top boxes with a suite of web applications. This HD set-top-box model features the HUMAX TV Portal, powered by Opera, which brings TV-friendly and

interactive web content such as YouTube and Flickr together with traditional linear broadcasting viewing and recording. For example, users are able to immediately share with their friends which TV program they are watching or show off their online photos with a click of the remote control.

Opera currently has license agreements with a wide range of consumer electronic device OEMs, including Huawei, Humax, Loewe, Mediatek, Nintendo, Pioneer, Philips, Sagem, Sharp, Sony, Technicolor, Technisat, Toshiba and Vestel.

Mobile Consumers and Publishers & Advertisers

Mobile Consumers

During the quarter, mobile Internet usage around the world continued to grow at a rapid pace. Based on statistics from Global Statcounter, around 750 million consumers accessed the Internet via a full Web mobile browser at the end of 4Q11, up almost 100% compared to 4Q10.

Opera continued to maintain its position as the global leading mobile Web browser. In December 2011, 133 million unique 100% Opera branded Mini users worldwide browsed the Web using Opera Mini (159 million unique users when Operator branded and co-branded Mini users are included and over 174 million when users of Opera Mobile are included).

Opera Mini's tremendous success with consumers has occurred for a variety of reasons. First, Opera Mini is significantly faster than the competition, due to the up to 90% compression compared to a normal full Web browser. This makes for a much more enjoyable and efficient browsing experience for consumers. Second, Opera Mini is much cheaper for consumers – i.e., consumers save up to 90% browsing with Opera Mini compared to competitive products due to Opera's unique proxy browsing technology. Third,

Opera works on the vast majority of mobile phones, supporting more than 3,000 different mobile phone models. Fourth, Opera believes its user interface design and rendering quality is superior to the competition.

Opera.com continues to be the primary channel for distributing the Opera-branded version of Opera Mini. However, Opera has also focused increasingly on distribution via direct agreements with mobile OEMs and other third parties. Opera has such mobile OEM distribution deals with Huawei, Lemon Mobile, LG, MTK, Nokia, Sharp, Sony Ericsson, Spreadtrum and TCL.

Opera Mini is also available on several handset vendor application stores, such as Apple's iPhone App Store, the Android Market, and Nokia's Ovi Store. Additionally, GetJar, a leading global cross-platform application store, also drives meaningful distribution of Opera Mini.

In addition to a high focus on increasing distribution of Opera Mini with Mobile OEMs and other channels, Opera is also putting much greater focus on distribution of Opera Mobile on the high end Open OS/Smartphone platforms, particularly Android.

Historically, Opera's primary focus has been consumer acquisition and growing its user base and much of the monetization focus has been on converting Opera Mini consumer users to joint Operator – Opera branded users, for which ARPU is significantly higher than for the 100% Opera branded Opera Mini users.

Today, Opera is significantly more focused than in the past on generating revenue and profits from its rapidly growing active user base via more consumer oriented business and revenue models. Opera expects the primary sources of future revenue for its consumer mobile users to come predominantly from mobile advertising,

mobile search and mobile applications.

Google is Opera's default search partner for Opera Mini and Opera Mobile worldwide outside Russia/CIS. In Russia/CIS, Opera's default search partner is Yandex, Russia's leading search provider.

In addition, Opera generates revenues from the Opera Mobile Store, which is the sixth largest mobile store in the world. The Opera Mobile Store generates millions of monthly downloads of applications (across Java, Symbian, Android, Windows Mobile and iOS) from over 200 countries.

Going forward, Opera will be placing a much greater emphasis on monetizing its own Opera Mini and Opera Mobile traffic via mobile advertising. To this end, Opera continues to enhance the Opera Open Mobile Ad Exchange (OMAE) and the Opera Audience Network.

The Opera OMAE is now live with features that enable publishers to better understand and monetize their user base. These features include (i) bid-ask auction capabilities, where publishers can set a minimum "ask" for advertisers to gain access to and "bid" on that publisher's inventory in real time and (ii) the Opera Mobile Audience Network, a unique service that provides advertisers and publishers unique insight into Opera's more than 170 million mobile user base.

By using aggregated data (which protects user privacy), the Opera Mobile Audience Network provides real-time intelligence and analytics to its customers and partners, facilitating and enabling better monetization of the Opera mobile publisher traffic. The Opera Mobile Audience Network also helps publishers gain key insights into content trends and preferences and enhances the advertiser's ability to target specific customer segments, thereby improving advertiser returns on their advertising investments.

Through the acquisition of Handster Inc. (3Q11), a leading mobile application store platform company, Opera has a strong position also in the mobile application store space. Handster has assembled the world's largest independent Android content library and offers services to mobile operators, device manufacturers and application stores globally. The company's offerings include a white-label mobile application store platform, content management, developer tools, content curation and financial settlement services.

The Handster platform, which has been renamed as the Opera Mobile Store, supports all major operating systems, and customers include some of the world's largest mobile operators, mobile platform providers and device manufacturers such as MTS, Alcatel-Lucent, Ericsson, Huawei and LG. With this acquisition, Opera can now offer a white label and co-branded version of the Opera Mobile Store to its operator, Device and Mobile OEM customers, enabling these customers to generate incremental revenue from mobile applications. OMS can be bundled inside existing Opera products and can also be offered as a separate client outside Opera's products.

The Handster acquisition has also enabled the Company to develop and provide an Opera built mobile application store to its more than 170 million mobile consumer users. This move also highlights Opera's evolution from a pure-play browser company into a fully integrated mobile services company.

The Opera Mobile Store built on the Handster platform went live on January 1, 2012, replacing Appia, which had been Opera's mobile application partner throughout 2011.

In 4Q11, Opera released Opera Mini 6.5 for iPhone, iPad, BlackBerry, Symbian S60, Android and Java-enabled phones. In addition, the Opera Mobile 11.5 browser was launched on Android and

Symbian S60. Both versions come with a compelling new feature, which helps users to keep track of their data usage. A data counter, located under the "Help" menu in both products, enables users to keep a tally of their web surfing usage. This function is particularly useful for users who have capped data plans or are paying for data on a "pay as you go" basis.

Mobile Publishers and Advertisers

The global advertising industry continues to experience a macro shift in advertising spend from traditional offline channels, such as print and radio, to online channels, with mobile taking an increasing share of the online/Internet medium.

During 4Q11, AdMarvel, Opera's mobile advertising subsidiary, continued to capitalize on the macro trends in the mobile advertising market.

In the quarter, Opera revenue in the mobile publisher and advertiser area grew over 200% compared to 4Q10. AdMarvel's revenue growth from both its mobile publisher customers, who provide content both via mobile Web properties and mobile applications, and mobile advertisers, continues to be strongest on Smartphone and tablet devices, with iOS and Android constituting the leading platforms.

The AdMarvel platform provides a broad mobile advertising solution to premium publishers and their advertiser partners (brand owners and advertising agencies), enabling them to implement highly targeted, interactive and measurable campaigns across a range of mobile platforms and Web properties.

AdMarvel's ultimate mission is to help both premium publishers increase revenue from their mobile properties and content, and advertisers reach potential customers.

AdMarvel's success among mobile publishers stems from two major sources: (i)

Its Ad Serving capabilities (powerful rich media ad serving, targeting and analytics) and (ii) Its Ad Mediation capabilities (transparency and control over ad network traffic from over 80 ad sources from around the world). Both these capabilities have helped AdMarvel publisher customers drive higher fill rates and CPMs and ultimately higher revenue.

Furthermore, AdMarvel's array of marquee mobile publishers has put the company in an increasingly strong position to attract mobile advertisers and ad agencies directly and Opera anticipates more revenue from campaign management and "demand side" mobile advertising going into 2012.

In total, AdMarvel serves over 7,000 Websites and applications. Customers include AOL, Bloomberg, CBS, CNET, Dow Jones/Wall Street Journal, GLU Mobile, Univision, USA Today (Gannett) and Zynga.

Today, AdMarvel has primarily two revenue models with its mobile publisher and advertiser customers: (i) a fixed mediation CPM (cost per thousand) or revenue share CPM transaction model, where advertising revenue is generated by AdMarvel based on advertising impressions served by AdMarvel for the mobile publisher or advertiser customer, and (ii) a gross revenue share model, where AdMarvel is responsible for sourcing the advertising, and actual gross advertising revenue served is shared with the mobile publisher customer, with the revenue shared with the publisher showing up as cost of goods sold (COGS) in Other Operating Expenses

Desktop

Description

Since the first public release in 1995, Opera has continuously delivered browser innovation to desktop PCs. Opera's desktop browser provides its users with a safe, efficient and enjoyable browsing experience.

Today, the desktop browser is more important a platform than ever. This is seen most saliently with the clear dominance of Web applications over device-centric computing. This trend is no more pronounced than with social networking, where Facebook, for example, has more than 845 million monthly active users.

In addition, the rapid adoption and innovation around HTML 5 is making Web applications more powerful and always available. For example, playing video without the need for third-party applications or plug-ins and using geo-location to provide locally targeted information are some clear examples where HTML 5 is making the browser and browser based applications much more powerful than in the past.

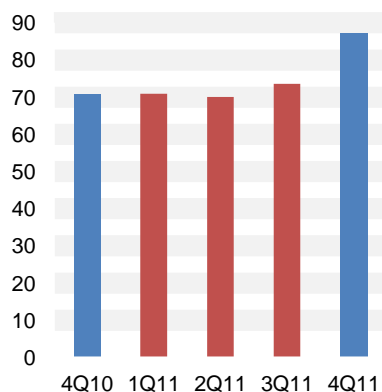
Historically, the vast majority of desktop user growth has occurred in Russia/CIS and in the emerging markets. Opera expects this trend to continue, as Opera's key value proposition in the emerging markets emanates to a large extent from the fact that it is considered the fastest browser, valued highly in many emerging markets where overall broadband penetration is low.

Opera's monetization strategy for its desktop browser revolves predominantly around search. Google is Opera's global search partner and provides the vast majority of desktop monetization. This global partnership is supplemented by local search partnerships in certain markets, such as Russia, Japan, and China, where Opera works with Yandex, Yahoo! Japan and Baidu, respectively. In addition

Opera has signed up e-commerce players such as Amazon.com (USA, Germany, Japan), Booking.com (24 countries), Groupon (US & Russia), Kayak (7 countries) and Ozon (Russia) to further enhance ARPU.

In 4Q11, Opera released Opera 11.60, the newest version of Opera's desktop browser. Among the improvements is a new and improved email client and improved HTML5 support.

Revenue Desktop
(MNOK)



Update

Revenue from Desktop rose 23% in 4Q11 to MNOK 87.5, compared to MNOK 70.9 in 4Q10, with users up approximately 12% versus the end of 4Q10. The main contributors to higher ARPU in the quarter versus 4Q10 were affiliate revenue and strong growth in revenue from local search providers such as Yandex.

Outlook

Opera remains positive about the Company's growth prospects.

Going into 2012, Opera continues to drive a compelling value proposition for operators, helping such customers as Vodafone and Telkomsel increase data

and service revenue streams and profitability.

In the ConnectedTV segment, Opera has established itself as the leading independent provider of web browsers to TV manufacturers and the recent launch of the Opera TV Store puts the company in a stronger position to continue to win business among the major players in the industry.

Opera also continues to deliver a very compelling value proposition to its rapidly burgeoning mobile consumer base, providing a fast and data saving and thereby cheaper browser experience. Moreover, Opera expects to monetize this user base and the billions of daily web page traffic generated by these users to a much greater extent in 2012 compared to 2011, from advertising, applications and search.

Opera also intends and expects to generate meaningfully more revenue from mobile publishers and advertisers in 2012 compared to 2011, as AdMarvel leverages its strong position with premium USA publishers to generate much more revenue directly from advertisers and ad agencies.

The Company also sees positive growth prospects from its Desktop product, particularly as a result of user growth in Russia/CIS and the emerging markets in general.

Opera's key operational priorities in 2012 include continuing to (i) sign up additional leading operators and grow active users of Opera products and services with existing operator customers; (ii) grow revenues and users of Opera's consumer products (Desktop, Opera-branded Opera Mini and Opera Mobile), with Android being Opera's most important smartphone platform; (iii) increase revenue from mobile publishers and advertisers; (iv) increase Opera's position with top mobile phone OEMs and chipset manufacturers globally to drive greater distribu-

tion of Opera's mobile products; (v) build on the momentum Opera has with major ConnectedTV manufacturers; and (vi) increase Opera's overall profitability and margins.

Oslo, February 15, 2012

The Board of Directors

Opera Software ASA

Arve Johansen

Lars Boilesen

Chairman

CEO

(sign.)

(sign.)

This report and the description of Opera's business and financials should be read in conjunction with the presentation given by the Company of its quarterly numbers, a Webcast of which can be found at www.opera.com.

Consolidated Statement of Comprehensive Income

(Numbers in KNOK, except per share amounts)

	4Q 2011 (Unaudited)	4Q 2010 (Unaudited)	% Change	YTD 2011 (Unaudited)	YTD 2010 (Audited)	% Change
Desktop consumers	87,507	70,866	23%	302,067	242,275	25%
Internet devices	165,638	122,716	35%	595,312	449,964	32%
Total operating revenue	253,145	193,581	31%	897,379	692,239	30%
Payroll and related expenses, excluding stock option costs	109,887	104,862	5%	428,263	394,858	8%
Stock option costs	4,165	4,296	-3%	17,645	17,626	0%
Depreciation and amortization	11,144	6,501	71%	34,699	22,915	51%
Other operating expenses	60,338	43,275	39%	200,971	153,241	31%
Total operating expenses	185,534	158,934	17%	681,578	588,640	16%
Results from operating activities ("EBIT") excl. restructuring costs	67,612	34,647		215,801	103,599	
Costs for restructuring the business	3,790	5,535		9,941	34,630	
Results from operating activities ("EBIT")	63,821	29,112		205,860	68,969	
Other interest income/expense, net	3,650	2,846		8,074	10,176	
Interest expense related to VAT case	0	(2,375)		(1,480)	(2,375)	
Interest expense related to contingent consideration	(2,269)	(2,576)		(8,591)	(9,233)	
FX gains/losses related to contingent consideration, net	(1,568)	259		(62)	(724)	
Other FX gains/losses, net (negative amount = losses)	6,206	864		6,942	(4,988)	
Revaluation of contingent consideration	(167)	(14,649)		3,324	(14,649)	
Share of the profit/loss of associates accounted for using the equity method	(4,022)	0		(4,022)	0	
Profit before income tax	65,651	13,481		210,045	47,175	
Provision for taxes*	(25,307)	(14,045)		(68,101)	(24,049)	
Profit for the period	40,344	(564)		141,944	23,126	
Foreign currency translation differences for foreign operations	1,595	1,131		102	2,685	
Total comprehensive income for the period	41,939	567		142,046	25,812	
Earnings per share**	0.340	-0.005		1.194	0.194	
Earnings per share, fully diluted**	0.335	-0.005		1.175	0.191	
Shares used in earnings per share calculation	118,809,127	119,296,432		118,914,427	118,947,486	
Shares used in earnings per share calculation, fully diluted	120,377,252	122,040,330		120,780,112	120,792,343	
Number of employees after restructuring***	777	747		777	747	

*The quarterly and year to date provision for taxes is based on an estimated tax rate for the Group.

**Earnings per share is calculated based on the profit for the period.



Consolidated Statement of Financial Position

(Numbers in KNOK)

	12/31/2011 (Unaudited)	12/31/2010 (Audited)
Assets		
Non-current assets		
Intangible assets		
Goodwill	156,263	114,903
Other intangible assets	26,781	20,252
Total intangible assets	183,045	135,155
Property, plant and equipment		
Property, plant and equipment	76,807	55,872
Total property, plant and equipment	76,807	55,872
Financial assets and deferred tax assets		
Deferred tax assets	5,235	28,138
Other investments and deposits	26,527	17,210
Total financial assets and deferred tax assets	31,762	45,348
Total non-current assets	291,613	236,375
Current assets		
Trade and other receivables		
Accounts receivable	86,139	121,193
Unbilled revenue	91,079	64,462
Other receivables	24,586	24,718
Total trade and other receivables	201,803	210,373
Cash and cash equivalents	498,213	507,422
Total current assets	700,016	717,794
Total assets	991,629	954,170



Consolidated Statement of Financial Position

(Numbers in KNOK)

	12/31/2011 (Unaudited)	12/31/2010 (Audited)
Shareholders' equity and liabilities		
Equity		
Paid in capital		
Share capital	2,359	2,381
Share premium reserve	456,855	457,005
Other reserves	74,380	60,639
Total paid in capital	533,593	520,025
Retained earnings		
Other equity	165,856	101,514
Total retained earnings	165,856	101,514
Total equity	699,449	621,539
Liabilities		
Non-current liabilities		
Provisions	11,065	39,442
Total non-current liabilities	11,065	39,442
Current liabilities		
Accounts payable	24,172	25,254
Taxes payable	17,666	4,546
Social security, VAT and other taxation payable	29,712	29,345
Deferred revenue	87,093	124,949
Other short-term liabilities	80,225	66,190
Provisions	42,247	42,903
Total current liabilities	281,116	293,188
Total liabilities	292,180	332,630
Total equity and liabilities	991,629	954,170



Consolidated Statement of Cash Flows

(Numbers in KNOK)

	4Q 2011 (Unaudited)	4Q 2010 (Unaudited)	YTD 2011 (Unaudited)	YTD 2010 (Audited)
Cash flow from operating activities				
Profit/loss before taxes	65,651	13,481	210,045	47,175
Taxes paid	(1,351)	(9,973)	(25,556)	(3,519)
Depreciation expenses	11,144	6,501	39,597	22,915
Profit/loss from sales of property, plant and equipment	108	0	1,099	(31)
Impairment of intangible assets	0	1,716	0	1,716
Changes in accounts receivable **	(2,333)	(44,356)	11,405	(63,119)
Changes in accounts payable	12,330	13,115	(1,642)	10,786
Changes in other liabilities and receivables, net	3,339	24,335	(42,591)	13,103
Equity method accounting for associate companies	4,022	0	4,022	0
Share-based remuneration	4,232	4,497	14,141	16,708
Interest and FX related to contingent payment */****	4,004	16,966	5,217	24,607
Conversion discrepancy	3,207	(808)	(947)	5,594
Net cash flow from operating activities	104,354	25,474	214,791	75,934
Cash flow from investment activities				
Capital expenditures	(7,650)	(13,876)	(59,167)	(32,270)
Acquisitions ***	(3,110)	0	(68,352)	(57,649)
Other investments****	(13,053)	0	(13,053)	0
Net cash flow from investment activities	(23,813)	(13,876)	(140,571)	(89,919)
Cash flow from financing activities				
Proceeds from exercise of stock options	5,651	5,862	32,979	20,634
Proceeds of share issues, net	0	0	0	0
Dividends paid	0	0	(21,453)	(19,027)
Purchase of own shares	(58,591)	(19,450)	(94,955)	(26,682)
Net cash flow from financing activities	(52,940)	(13,588)	(83,429)	(25,075)
Net change in cash and cash equivalents	27,601	(1,990)	(9,209)	(39,060)
Cash and cash equivalents (beginning of period)	470,612	509,412	507,422	546,482
Cash and cash equivalents *****	498,213	507,422	498,213	507,422

*Interest income and interest expenses are included in the profit and loss. Interest paid and interest received are recognized in the same quarter that interest income and interest expenses are recognized in the profit and loss, with the exception of interest related to re-evaluation of the contingent payment related to acquisitions. Conversion differences and interest related to re-valuation of the contingent payment are booked on a separate line as net cash flow from operating activities.

**Changes in unbilled revenue are included in changes in accounts receivables in the statement of cash flows.

***On April 30, 2010, Opera entered into an Asset Purchase Agreement with the Fastmail Partnership. Identifiable assets acquired and liabilities assumed are not presented on separate lines in the consolidated statement of cash flows but are presented as acquisitions. For more details about the acquisition, please see note 9.

The earnout paid in 1Q 2011 of KUSD 514 and 4Q 2011 of KUSD 519 was also related to this deal and is included in acquisitions in the statement of cash flows. Please see note 9 and 10 for more information.

In 2Q 2011, Opera paid the earn out of MUSD 5 related to the AdMarvel acquisition deal. The payment has been included in acquisitions in the statement of cash flows. Please see note 9 and 10 for more information.

On September 9, 2011, Opera Software International AS acquired 100% of the shares and voting interest of the privately held company Handster, Inc., following a payment of KUSD 6,344 for the shares acquired.

****In 4Q 2011, Opera paid KUSD 2,373 as capital contribution to nHorizon Innovation (Beijing) Software Ltd. Please see note 11 for more information.

*****Cash and cash equivalents of KNOK 9,056 were restricted assets as of December 31, 2011, and Cash and cash equivalents of KNOK 8,443 were restricted assets as of December 31, 2010.

*****As of December 31, 2011, the conversion discrepancy profit booked on Cash and cash equivalents was KNOK - 2,793.

Note: The financial figures have been prepared based upon management's interpretation of the current International Financial Reporting Standards (IFRS).



Consolidated Statement of Changes in Equity

(Numbers in KNOK)

	Face-value	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 9/30/2011	0.02	119,527	2,391	456,797	70,385	-1	-38	171,324	700,858
Comprehensive income for the period									
Profit for the period								40,344	40,344
Other comprehensive income									
Foreign currency translation differences							1,595		1,595
Total comprehensive income for the period			0	0	0	0	1,595	40,344	41,939
Contributions by and distributions to owners									
Dividend to equity holders									0
Own shares acquired	0.02	-2,000				-40		-58,551	-58,591
Own shares sold	0.02	405				8		5,643	5,651
Tax deduction loss own shares								5,301	5,301
Tax deduction on equity bookings				58					58
Share-based payment transactions					4,232				4,232
Total contributions by and distributions to owners	0.02	-1,595	0	58	4,232	-32	0	-47,607	-43,348
Other equity changes									
Other changes									0
Total other equity changes			0	0	0	0	0	0	0
Balance as of 12/31/2011	0.02	117,932	2,391	456,855	74,617	-33	1,557	164,061	699,449

Other reserves

Other reserves consists of option costs booked according to the Equity Settled Method and issued shares registered in the period after the current financial year.

Reserve for own shares

The reserve for the Group's own shares comprises the face value cost of the Company's shares held by the Company.

Translation reserve

The translation reserve consists of all foreign currency differences arising from the translation of the financial statements of foreign operations.

Other equity

Other equity consists of all other transactions, including but not limited to, total recognized income and expense for the current period and excess value of the Company's own shares.



Consolidated Statement of Changes in Equity

(Numbers in KNOK)

	Face-value	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 9/30/2010	0.02	119,350	2,391	456,964	55,979	-4	324	113,108	628,762
Comprehensive income for the period									
Profit for the period								-564	-564
Other comprehensive income									
Foreign currency translation differences							1,131		1,131
Total comprehensive income for the period			0	0	0	0	1,131	-564	567
Contributions by and distributions to owners									
Dividend to equity holders									0
Own shares acquired	0.02	-689				-14		-19,436	-19,450
Own shares sold	0.02	387				8		5,854	5,862
Tax deduction loss own shares								1,260	1,260
Issue expenses									0
Tax deduction on equity bookings				40					40
Share-based payment transactions					4,497				4,497
Total contributions by and distributions to owners	0.02	-302	0	40	4,497	-6	0	-12,322	-7,790
Other equity changes									
Other changes									0
Total other equity changes			0	0	0	0	0	0	0
Balance as of 12/31/2010	0.02	119,048	2,391	457,005	60,476	-11	1,456	100,222	621,539



Consolidated Statement of Changes in Equity

(Numbers in KNOK)

	Face-value	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2010	0.02	119,048	2,391	457,005	60,476	-11	1,455	100,223	621,539
Comprehensive income for the period									
Profit for the period								141,944	141,944
Other comprehensive income									
Foreign currency translation differences							102		102
Total comprehensive income for the period			0	0	0	0	102	141,944	142,046
Contributions by and distributions to owners									
Dividend to equity holders								-21,453	-21,453
Own shares acquired	0.02	-3,311				-66		-94,889	-94,955
Own shares sold	0.02	2,195				44		32,935	32,979
Tax deduction loss own shares								5,301	5,301
Tax deduction on equity bookings				58					58
Share-based payment transactions					14,141				14,141
Total contributions by and distributions to owners	0.02	-1,116	0	58	14,141	-22	0	-78,105	-63,928
Other equity changes									
Other changes				-208					-208
Total other equity changes			0	-208	0	0	0	0	-208
Balance as of 12/31/2011	0.02	117,932	2,391	456,855	74,617	-33	1,557	164,061	699,449



Consolidated Statement of Changes in Equity

(Numbers in KNOK)

	Face-value	Number	Share capital	Share premium	Other reserves	Reserve for own shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2009	0.02	118,575	2,391	457,109	43,769	-20	-1,230	100,910	602,928
Comprehensive income for the period									
Profit for the period								23,126	23,126
Other comprehensive income									
Foreign currency translation differences							2,685		2,685
Total comprehensive income for the period			0	0	0	0	2,685	23,126	25,812
Contributions by and distributions to owners									
Dividend to equity holders								(19,027)	-19,027
Own shares acquired	0.02	(1,040)				(21)		(26,661)	-26,682
Own shares sold	0.02	1,513				30		20,604	20,634
Tax deduction loss own shares								1,260	1,260
Issue expenses									0
Tax deduction on equity bookings				40					40
Share-based payment transactions					16,708				16,708
Total contributions by and distributions to owners	0.02	474	0	40	16,708	9	0	-23,824	-7,066
Other equity changes									
Other changes				(144)				11	-133
Total other equity changes			0	-144	0	0	0	11	-133
Balance as of 12/31/2010	0.02	119,048	2,391	457,005	60,476	-11	1,455	100,223	621,539



Disclosure

Note 1 - Corporate Information

Opera Software ASA is a company domiciled in Norway. The consolidated financial statements of the Company include the Company subsidiaries Hern Labs AB, Opera Distribution AS and Opera Software International AS (which, in turn, includes the subsidiaries Opera Software Korea Ltd, Opera Software Technology (Beijing) Co., Ltd, Opera Software Poland Sp. z o.o, Opera Software Australia PTY LTD, AdMarvel, Inc., LLC Opera Software (Russia), LLC Opera Software Ukraine, Opera Software Iceland ehf, Opera Web Technologies Pvt. Ltd, Handster, Inc and the limited company Beijing Yuege Software Technology Service Co., Ltd. (of which Opera had full control) together referred to as the "Group". As of December 31, 2011, Opera Software International AS had branches in the Czech Republic, Japan, USA, China, Taiwan and Poland.

Note 2 - Statement of Compliance

The consolidated financial statements have been prepared in accordance with IAS 34: Interim Financial Reporting. These condensed consolidated interim financial statements are unaudited. The report does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2010.

Note 3 - Financial Statements - Accounting Policies

The Group has used the same accounting policies and standards as in the consolidated financial statements of December 31, 2010, except as mentioned below. The consolidated financial statements of the Opera Group for 2011 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act.

There were no new standards, interpretations or amendments to published standards that were effective from January 1, 2011 that have significantly affected the consolidated financial statements for FY 2011.

Note 4 - Estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Change in an accounting estimate is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



Note 5 - Basic Earnings per Share

(Numbers in KNOK, except per share amounts)

	4Q 2011 (Unaudited)	4Q 2010 (Unaudited)	YTD 2011 (Unaudited)	YTD 2010 (Audited)
Earnings per share (basic)	0.340	(0.005)	1.194	0.194
Earnings per share, fully diluted	0.335	(0.005)	1.175	0.191
Shares used in per share calculation (mm)	118,809,127	119,296,432	118,914,427	118,947,486
Shares used in per share calculation, fully diluted (mm)	120,377,252	122,040,330	120,780,112	120,792,343

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted ordinary shares in issue during the period.

The average stock exchange price for 4Q 2011, and year to date, is used when calculating the options that are "in the money" and when calculating the fully diluted number of shares. The options have varying exercise prices and would, upon exercise, mean payment to the Company of KNOK 103,324 (YTD: 204,777) using the average stock exchange price for the 4Q 2011 and for the full year. In relation to the accounting standard regarding earnings per share, the effect of these funds being used by the Company to purchase shares in the market should be considered when calculating the fully diluted number of shares outstanding. Opera has included options with a strike price below NOK 27.42 for 4Q 2011 and 29.06 for the full year when calculating the fully diluted number of shares outstanding. Total options used in the calculations are 5,613,031 (YTD: 9,241,631), of which 3,367,450 (YTD: 6,783,050) options are unvested and 2,245,581 (YTD: 2,458,581) are vested but not yet exercised.

	4Q 2011	YTD 2011
Average number of shares	118,809,127	118,914,427
The following equity instruments have a diluting effect:		
Options	5,613,031	9,241,631
Total	5,613,031	9,241,631
Options	5,613,031	9,241,631
Number of shares purchased (KNOK 103,324/27.42 and KNOK 204,777/29.06)	3,768,178	7,046,708
Number of shares with diluting effect	1,844,853	2,194,923
Expected options to be exercised	1,568,125	1,865,684



Note 6 - Revenue and Segment Information

Opera's business activities stem from browser related sales, advertising revenue (primarily generated by Opera's Admarvel subsidiary) and content revenue (primarily generated by various partnerships and Opera's Handster subsidiary).

Opera's chief operating decision-makers are members of the Executive Team. The Executive Team meets regularly to review the period's assets, liabilities, revenues and costs for the Group as a whole, and to make decisions about how resources are to be allocated based on this information. These executive meetings also include reviews of the total revenue and profit and loss from advertising and content revenue.

Members of the Executive Team are specified in note 3 of the FY 2010 Annual Report.

Based on the above, Opera has determined that it has only one segment that meets the threshold requirements in IFRS 8 for segment reporting. Advertising and content revenue are included in other segments. Please see note 1 in the FY 2010 Annual Report for a definition of products and services for each reportable segment.

(Numbers in KNOK)

REVENUE	4Q 2011 (Unaudited)	4Q 2010 (Unaudited)	YTD 2011 (Unaudited)	YTD 2010 (Audited)
Sale of the browser	228,519	186,329	835,690	677,288
Other segments	24,626	7,252	61,689	14,950
Total	253,145	193,581	897,379	692,239

(Numbers in KNOK)

PROFIT FOR THE PERIOD	4Q 2011 (Unaudited)	4Q 2010 (Unaudited)	YTD 2011 (Unaudited)	YTD 2010 (Audited)
Sale of the browser	44,961	(2,121)	143,943	24,183
Other segments	(4,617)	1,557	(1,999)	(1,057)
Total	40,344	(564)	141,944	23,126

(Numbers in KNOK)

REVENUE BY REGION	4Q 2011 (Unaudited)	4Q 2010 (Unaudited)	YTD 2011 (Unaudited)	YTD 2010 (Audited)
Europe	62,410	50,297	264,354	161,213
USA/ Canada	118,180	83,818	403,245	290,016
Asia	72,555	59,466	229,781	241,010
Total	253,145	193,581	897,379	692,239

The geographic revenue breakdown reflects the location of Opera's customers and partners. Because the products of Opera's customers and partners are distributed on a global basis, the geographic breakdown below does not accurately reflect where Opera's derivative products are actually used.

Revenues generated in Norway for 4Q 2011 were KNOK 1,406 and YTD revenues generated in Norway were KNOK 5,866.

In 4Q 2011 and YTD, Opera had sales to three customers that accounted for more than 10% of total Group revenues.

(Numbers in KNOK)

REVENUE TYPE	4Q 2011 (Unaudited)	4Q 2010 (Unaudited)	YTD 2011 (Unaudited)	YTD 2010 (Audited)
Desktop consumers	87,507	70,866	302,067	242,275
Internet devices	165,638	122,716	595,312	449,964
Total	253,145	193,581	897,379	692,239

Desktop Consumers: Desktop Consumer revenue includes revenue related mostly to search and eCommerce together with a small portion from Google AdSense through community site.

Internet Devices includes revenue from mobile phones and other Internet-connected devices, such as game consoles, Connected TVs, IPTV set-top boxes, and portable media players. Opera Mini revenue from operators such as Motricity (AT&T) and MegaFon, revenue generated from the 100% Opera-branded Opera Mini product and revenue from mobile publishers.



Note 7 - Shareholder Information

Authorization to acquire own shares

The Annual General Meeting (AGM), held on June 14, 2011, passed the following resolution:

- a) The Board of Directors is authorized to acquire shares in the Company. The shares are to be acquired at market terms in or in connection with a regulated market where the shares are traded.
- b) The shares may only be used to fulfill obligations under incentive schemes approved by the shareholders. No new authority is granted by this item for new incentive schemes.
- c) The maximum face value of the shares which the Company may acquire pursuant to this authorization is in total NOK 238,000. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 10, and the maximum amount is NOK 100.
- d) The authorization comprises the right to establish pledge over the Company's own shares.
- e) This authorization is valid from registration with the Norwegian Register of Business Enterprises until June 30, 2012.
- f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.

Board authorization to increase the share capital by issuance of new shares

The Annual General Meeting, held on June 14, 2011, passed the following resolutions:

1 Authorization regarding the incentive program

- a) The Board of Directors is authorized to increase the Company's share capital by a total amount of up to NOK 239,000, by one or several share issues of up to a total of 11,950,000 shares, each with a nominal value of NOK 0.02. The subscription price and other terms will be determined by the Board of Directors.
- b) The authorization includes the right to increase the Company's share capital in return for non-cash contributions or the right to assume special obligations on behalf of the Company.
- c) The preferential rights pursuant to Section 10-4 of the Public Limited Liability Companies Act may be deviated from by the Board of Directors.
- d) The authorization may only be used for issuing new shares in relation to the Company's incentive schemes existing at any time in the Opera Group. The authorization cannot be used in connection with options that may be granted to directors on or after June 15, 2010.
- e) The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until June 30, 2012.
- f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.
- g) The authorization cannot be used if the Company, in the period of June 14, 2011 to June 30, 2012, pursuant to board authorizations, has issued new shares in the Company representing more than 10% of the Company's share capital.



Note 7 - Shareholder Information (continued)

2 Authorization regarding acquisitions

- a) The Board of Directors is authorized to increase the Company's share capital by a total amount of up to NOK 239,149, by one or several share issues of up to a total of 11,950,000 shares, each with a nominal value of NOK 0.02. The subscription price and other terms will be determined by the Board of Directors.
- b) The authorization includes the right to increase the Company's share capital in return for non-cash contributions or the right to assume special obligations on behalf of the Company.
- c) The preferential rights pursuant to Section 10-4 of the Public Limited Liability Companies Act may be deviated from by the Board of Directors.
- d) The authorization may only be used in connection with acquisitions of businesses or companies, including mergers, within the business areas operated by the Opera Group, or which relates thereto.
- e) The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until June 30, 2012.
- f) The authorization replaces the current authorization when registered in the Norwegian Register of Business Enterprises.
- g) The authorization cannot be used if the Company, in the period of June 14, 2011 to June 30, 2012, pursuant to board authorizations, has issued new shares in the Company representing more than 10% of the Company's share capital.

Approval of maximum number of options

The Annual General Meeting, held on June 14, 2011, passed the following resolutions:

1. The maximum number of options to be granted during 2011, 2012, 2013 and 2014 is 11,950,000. This represents slightly less than 10% of the registered share capital of the Company. However, options cannot be granted if the aggregate of all issued, un-exercised and not terminated options represents more than 10% of the then registered share capital of the Company.
2. No employee can be granted options annually which in value exceed 200% of that employee's base salary. The value is to be based on valuation principles for options as applied under IFRS and in accordance with Opera Software's financial statements.
3. The options are to be granted in accordance with the Company's standard option agreement as approved by the Ordinary General Meeting in 2010, which i.a. means that the vesting structure is 50% after 3 years and 50% after 4 years with a strike price equal to the market price at grant.
4. No changes are made to the already approved standard option agreement. The proposal does not constitute any authority for the Board to change the terms in the standard agreement, including strike price and time of vesting, for the options that may be granted, and does not include the possibility to grant options to Board members.

Dividends for 2010 of NOK 0.18 per share

The Annual General Meeting, held on June 14, 2011, passed the following resolution:

NOK 0.18 per share is paid as dividend for 2010, constituting an aggregate dividend payment of KNOK 21,453. The dividend will be paid to those who are shareholders as of June 14, 2011, and the shares will be trading exclusive of dividend rights as of June 15, 2011.

Other items passed at the AGM

For further details about the meeting held on June 14, 2011, please see the protocol from the Annual General Meeting published on the Oslo Stock Exchange website (www.oslobors.no).

Own shares

During 4Q 2011, Opera purchased 2,000,000 shares for KNOK 58,591 and sold 405,329 own shares for KNOK 5,651. During 3Q 2011, Opera purchased 0 shares and sold 319,770 own shares for KNOK 6,036. During 2Q 2011, Opera purchased 0 shares and sold 607,223 own shares for KNOK 10,318. During 1Q 2011, Opera purchased 1,311,000 shares for KNOK 36,364 and sold 863,067 own shares for KNOK 10,974. As of December 31, 2011, Opera owned 1,641,930 shares.



Note 8 - Financial Information

Opera has chosen to include more information regarding currency risk as of December 31, 2011.

The majority of the financial risk carried by the Group, as a result of its subsidiaries, relates to foreign exchange fluctuations. Both sales and expenses are exposed to currency risk.

Most of the Company's foreign exchange risk relates to sales and is the result of revenue contracts signed in USD and EUR. In 4Q 2011, approximately 44% (YTD: 46%) of revenues were in EUR and 53% (YTD: 51%) in USD; for expenses, approximately 37% (YTD: 47%) were in NOK, 28% (YTD: 19%) in USD, 10% (YTD: 10%) in SEK, 8% (YTD: 8%) in PLN, 4% (YTD: 5%) in JPY, 2% (YTD: 3%) in EUR, and 11% (YTD: 10%) in other currencies.

Foreign currency movements had impact on Opera's 4Q 2011 income statement in the following way: Revenue would have been approximately MNOK 260 (higher by approximately 3%) using the 4Q 2010 constant currency FX rates and revenue would have been approximately MNOK 249 (lower by approximately 2%) using the 3Q 2011 constant currency FX rates. Costs would have been approximately MNOK 193 (higher by approximately 2%) using the 4Q 2010 constant currency FX rates and cost would have been approximately MNOK 187 (lower by approximately 1%) using the 3Q 2011 constant currency FX rates. The majority of the Company's purchases are made in the following denominations: NOK, EUR, SEK, PLN, USD, JPY, CZH, CNY, KRW, TWD, AUD, UAH, ISK and INR. Exchange rate fluctuations in these currencies do impact Opera's income statement.

For 4Q 2011, Opera had a net foreign exchange gain of KNOK 4,638. KNOK 5,018 was realized foreign exchange gain and KNOK 380 was unrealized foreign exchange loss. The unrealized disagio is estimated as the difference between the exchange rate at the closing date and date of the transaction.

Opera has not entered into any foreign exchange contracts as of December 31, 2011.



Note 9 - Business Combinations

AdMarvel, Inc

On January 19, 2010, Opera Software International AS acquired 100% of the shares and voting interest of the privately held company AdMarvel, Inc. The agreed acquisition price was approximately USD 8,250 in cash. The acquisition structure also envisages up to an additional KUSD 15,000 in cash consideration, paid only if certain aggressive financial targets are met in FY 2010 and FY 2011. Opera expects that AdMarvel will help Opera to expand its portfolio of products and services to include highly scalable ad monetization services for Opera branded mobile products, and products and services offered by mobile operators and content partners. AdMarvel, based in San Mateo, California (USA), works with a broad set of constituents in the advertising ecosystem to improve the performance of mobile advertising. The company was founded in 2006 by a team of mobile veterans led by Mahi de Silva and currently employs 62 full-time equivalents. In 2009 and 2010, the Group incurred acquisition-related costs of KNOK 2,683 related to external legal fees and due diligence costs. In 2011, the Group has incurred KNOK -258 as additional acquisition related costs related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the consolidated statement of comprehensive income.

(Numbers in KNOK)

Identifiable assets acquired and liabilities assumed

Property, plant and equipment	28
Accounts receivable*	2,520
Other receivables*	1,759
Cash and cash equivalents	1,954
Accounts payable	-5,314
Other short-term liabilities	-333
Total net identifiable assets	614
Cash consideration	-46,846
Contingent consideration	-39,007
Excess value	-85,240
Related customer relationships	13,299
Proprietary technology	3,518
Deferred tax on excess values	-6,723
Goodwill	75,146

* No provision for bad debt.

The assets and liabilities that were recognized by AdMarvel immediately before the business combination, equaled the carrying amount recognized by the Group on the acquisition date. In addition, the Group booked the excess price of the fair value of the total identifiable assets as related customer relationships, proprietary technology, deferred tax on excess values and goodwill, since the excess price has been deemed to be related to these intangible assets. The substantial amount of goodwill in the acquisition of AdMarvel can be related to synergies. In addition, some of the goodwill can be related to the potential value of a future patent grant and the workforce.

Opera calculated the fair value on the acquisition date and booked a contingent consideration of KNOK 39,007 in the financial statements. The contingent consideration is revalued each quarter, and more information can be found in note 10.

The value of the related customer relationships is depreciated over a 5 year period, and the value of the proprietary technology is depreciated over a 4 year period.

The fair value of the net identifiable assets has been calculated by an external company and is deemed to be an independent valuation. Opera has treated the entire contingent consideration as consideration for the purchase of the business and no part as remuneration. The evaluation is based on the indicators outlined in IFRS 3.



Note 9 - Business Combinations (continued)

Fastmail

On April 30, 2010, Opera Software Australia PTY LTD entered into an Asset Purchase Agreement with the Fastmail Partnership whereby Opera Software Australia PTY LTD acquired the assets sustaining the operation of the email business developed by the Fastmail Partnership. The agreed acquisition price was approximately KUSD 2,163 in cash. The acquisition structure also envisages up to an additional KUSD 1,892 in cash consideration, conditional upon the retention of key employees transferred and paid only if certain technology development milestones are met within 2 years and certain targets in terms of numbers of new users are met within 5 years. The Fastmail Partnership provides email services to businesses, families, and individuals, by offering email addresses and storage space for incoming emails, as well as enabling its users to send and receive emails by connecting to the Internet with a Web-browser. The company was founded in 1999 and is based in Melbourne, Australia. Opera Software Australia PTY LTD currently employs 10 full-time equivalents. Opera expects that the purchase of the Fastmail business will help Opera to expand its current messaging product portfolio and deliver cross-platform messaging to a wide range of devices, including computers, mobile phones, TVs and gaming consoles. In 2009 and 2010, the Group incurred acquisition-related costs of KNOK 1,450 related to external legal fees and due diligence costs. In 2011 the Group has not incurred additional acquisition-related costs related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the consolidated statement of comprehensive income.

(Numbers in KNOK)

Identifiable assets acquired and liabilities assumed

Property, plant and equipment	275
Deferred tax assets	83
Other receivables*	50
Cash and cash equivalents	15
Deferred revenue	-7,648
Other short-term liabilities	-732
Total net identifiable assets	-7,956
Cash consideration	-12,771
Contingent consideration	-7,955
Excess value	-28,681
Related customer relationships	1,783
Trademark	594
Proprietary technology	4,748
Deferred tax on excess values	-2,138
Goodwill	23,694

* No provision for bad debt.

The assets and liabilities that were recognized by the Fastmail Partnership, immediately before the business combinations, equaled the carrying amount recognized by the Group on the acquisition date. In addition, the Group booked the excess price of the fair value of the total identifiable assets as related customer relationships, trademark, proprietary technology, deferred tax on excess values and goodwill since the excess price has been deemed to be related to these intangible assets. The substantial amount of goodwill in the acquisition of Fastmail can be related to synergies and to the assembled workforce.

Opera calculated the fair value on the acquisition day and booked a contingent consideration of KNOK 7,955 in the financial statements. The contingent consideration is revalued each quarter, and more information can be found in note 10.

The value of the related customer relationships is depreciated over a 10 year period, and the value of the proprietary technology is depreciated over a 6 year period.

The fair value of the net identifiable assets has been calculated by an external company, and is deemed to be an independent valuation. Opera has treated the whole contingent consideration as consideration for the purchase of the business and no part as remuneration. The evaluation is based on the indicators outlined in IFRS 3.



Note 9 - Business Combinations

Handster, Inc

On September 9, 2011, Opera Software International AS acquired 100% of the shares and voting interest of the privately held company Handster, Inc., a leading mobile application store platform company. The agreed acquisition price was approximately USD 6,844 in cash. The acquisition structure also envisages up to an additional KUSD 3,000 in cash consideration, paid only if specific financial, operational and product development performance targets are met.

Opera expects that Handster, Inc. will strengthen our mobile store offerings to consumers, mobile operators and handset manufacturers. The combination of the Handster platform, along with Opera's position in the market, will make a big impact on the mobile ecosystem, benefiting developers, publishers, operators and handset manufacturers around the world.

Handster, based in Northbrook, Illinois, with operations in Odessa, Ukraine, has assembled the world's largest independent Android content library and offers services to mobile operators, device manufacturers and application stores globally. The company's offerings include a white-label app store platform, content management, developer tools, content curation and financial settlement services. Handster, Inc. was founded in 2004 and is an application store solution company with operations in the U.S. and Ukraine. The Handster application store offers a scalable, highly flexible white-label application store solution for mobile operators, handset manufacturers and distributors. For more information, visit www.handster.com.

Handster, Inc., and the new Opera Software Ukraine operation, currently employs 11 full-time equivalents. In 2011, the Group incurred acquisition-related costs of KNOK 584 related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the consolidated statement of comprehensive income.

(Numbers in KNOK)

Identifiable assets acquired and liabilities assumed

Property, plant and equipment	0
Accounts receivable*	454
Other receivables*	3
Cash and cash equivalents	1,450
Accounts payable	-5
Other short-term liabilities	-1,141
Total net identifiable assets	760
Cash consideration	-38,675
Contingent consideration	-9,768
Excess value	-47,682
Related customer relationships	4,486
Related developer relationships	4,486
Proprietary technology	2,243
Deferred tax on excess values	-4,486
Goodwill	40,954

* No provision for bad debt.

The assets and liabilities that were recognized by Handster immediately before the business combination equaled the carrying amount recognized by the Group on the acquisition date. In addition, the Group booked the excess price of the fair value of the total identifiable assets as related customer relationships, proprietary technology, deferred tax on excess values and goodwill, since the excess price has been deemed to be related to these intangible assets. The substantial amount of goodwill in the acquisition of Handster can be related to synergies. In addition, some of the goodwill can be related to the potential value of a future patent grant and the workforce.

Opera calculated the fair value on the acquisition date and booked a contingent consideration of KNOK 9,768 in the financial statements. The contingent consideration is revalued each quarter, and more information can be found in note 10.

The value of the related customer and related developer relationships is depreciated over a 5 year period, and the value of the proprietary technology is depreciated over a 4 year period.

The fair value of the net identifiable assets has not been calculated by an external company. Opera has treated the entire contingent consideration as consideration for the purchase of the business and no part as remuneration. The evaluation is based on the indicators outlined in IFRS 3.

Note 9 - Business Combinations (continued)*(Numbers in KNOK)***Information regarding goodwill**

Goodwill at acquisition cost for Hern Labs AB	7,857
Accumulated depreciation as of 12/31/04	6,287
Net book value as of 12/31/04	1,570
Reversed depreciation 2004	1,572
Net book value as of 1/1/04 and 12/31/08	3,142
Goodwill at acquisition cost for Opera Software Poland Sp. z o.o	13,274
Net book value as of 12/31/09	16,416
Goodwill at acquisition cost for AdMarvel	75,146
Goodwill at acquisition cost for Fastmail	23,694
Net book value as of 12/31/10	115,256
Goodwill at acquisition cost for Handster	40,954
FX adjustment to the goodwill acquisition cost	54
Net book value as of 12/31/11	156,263

The Group has performed a complete impairment test as of December 31, 2011 according to IAS 36. The Group considers it unnecessary to recognize an impairment loss concerning goodwill.



Note 10 - Contingent Liabilities and Provisions

Interest provision

KNOK 4,038 has been booked as a current provision for estimated interest on an VAT case in Opera Software International AS. The total paid amount to the tax office is KNOK 8,076.

AdMarvel - Earn out agreement

Valuation techniques and key model inputs used to measure the contingent consideration:

<i>Amounts in KUSD</i>	Probability	Earn out payments	Estimated earn out
Earn out FY 2010, Net revenue and EBIT target	75%	5,000	3,750
Earn out Tier 1, FY 2011, Net revenue and EBIT target	50%	4,000	2,000
Earn out Tier 2, FY 2011, Net revenue and EBIT target	30%	8,000	2,400
Earn out Tier 3, FY 2011, Net revenue and EBIT target	10%	10,000	1,000
Total estimated earn out before discounting			9,150
Total estimated earn out after discounting			6,875

Assumptions

WACC	20.0%
Tax rate	40.0%
FX rate	5.674

At the acquisition date, Opera engaged a third party to estimate the fair value of AdMarvel. Based on this estimate, Opera recorded a contingent consideration liability of KNOK 39,007 in the financial statements in 1Q 2010. The assumptions behind this fair value assessment can be found above.

For the 4Q 2010 financial results, Opera undertook a re-evaluation of the assumptions used since the acquisition date. The FY 2010 net revenue and EBIT target probability has been increased to 100%. This is because Opera has determined that AdMarvel exceeded the revenue and EBIT targets for FY 2010, as agreed in the AdMarvel purchase agreement, dated January 19, 2010. KNOK 7,377 has been expensed in 4Q 2010 due to the increased likelihood.

In addition, for FY 2011, Opera and AdMarvel have agreed on a new set of earnout targets for FY 2011, replacing those agreed in the original purchase agreement. The tier 1, tier 2 and tier 3 FY 2011 net revenue and EBIT targets have been removed and replaced by new targets as outlined in the chart below. This is because Opera has asked the AdMarvel management team to take on expanded responsibilities as part of Opera, where the AdMarvel team responsibilities will include, in addition to AdMarvel's core business, the Open Mobile Ad Exchange, the Opera Mobile Store and other Opera mobile properties. Opera estimates the amount of expected contingent consideration related to the new earn out targets to be higher than compared to the original agreement. For 4Q 2010 Opera booked a one time charge of KNOK 7,272 related to the new FY 2011 targets.

Valuation techniques and key model inputs used to measure the contingent consideration:

<i>Amounts in KUSD</i>	Probability	Earn out payments	Estimated earn out
Earn out FY 2010, Net revenue and EBIT target	100%	5,000	0
Additional Consumer Mobile Team deliverables	100%	2,000	2,000
Net revenue and Consumer Mini/Mobile rev. target	100%	2,000	2,000
Add. net revenue and Cons. Mini/Mobile revenue target	100%	1,000	1,000
Add. net revenue and Cons. Mini/Mobile revenue target	56%	3,000	1,667
Total estimated earn out before discounting			6,667
Total estimated earn out after discounting			6,041

The contingent consideration is revalued each quarter. Above, please find the assumptions and earn out valuation performed on December 31, 2011 where Opera revalued the fair value and booked a current contingent consideration of KNOK 37,317 in the financial statements. KNOK 0 has been booked as a non-current provision as the FY 2010 target of MUSD 5 was paid in 2Q 2011.

Opera has also booked KNOK 1,731 (YTD: 6,483) as an interest expense. KNOK 674 (YTD:-1,445) as an FX expense and KNOK 0 (YTD: 3,491) as a cost reduction related to the reduced probability (from 78% to 56%) of reaching certain earn-out targets. Please also see note 9 for more details.



Note 10 - Contingent Liabilities and Provisions (continued)

Fastmail - Earn out agreement

Valuation techniques and key model inputs used to measure the contingent consideration:

Amounts in KUSD	% of earn out	Probability	Earn out payments	Estimated earn out
Retention of transferred employees	45.4%	100%	859	859
Technology development	27.2%	100%	514	514
Reaching users within 5 years	27.4%	100%	519	519
Total estimated earn out before discounting				1,892
Total estimated earn out after discounting				1,340

Assumptions

WACC	20.2%
Tax rate	30.0%
FX rate	5.936

Above, please find the assumptions and earn out valuation performed at the acquisition date where Opera calculated the fair value and booked a contingent consideration of KNOK 7,955 in the financial statements. The contingent consideration is revalued each quarter, and KNOK 4,930 has been booked as a current provision to cover the total contingent consideration as of December 31, 2011 where the same assumptions that were used on the acquisition date have been used. The technology development target of KUSD 514 has been paid in 1Q 2011. Opera has paid the user target of KUSD 519 in 4Q 2011. For 4Q 2011 Opera booked KNOK 31 (YTD: 1,601) as interest expense and KNOK 492 (YTD: 884) as FX expense. Please also see note 9 for more details.

Handster - Earn out agreement

Valuation techniques and key model inputs used to measure the contingent consideration:

Opera has estimated the total earn out value before discounting to be KUSD 2,538, at the acquisition date. The value after discounting was KUSD 1,728. Opera used a WACC at 20 %, tax rate at 40 % and foreign exchange rate at 5.651, when calculating the earn out. Based on these assumptions and the earn out valuation performed at the acquisition date, Opera calculated the fair value and booked a contingent consideration of KNOK 9,768 in the financial statements. The FY 2012 and FY 2013 earn out targets are both based on revenue and business targets. The maximum possible payment for both FY 2012 and FY 2013 is KUSD 1,500. At the acquisition date, Opera estimated the weighted probability of reaching the FY 2012 target to be 89%, and calculated the earn out value before discounting to be KUSD 1,338. The weighted probability of reaching the FY 2013 earn out target is calculated to be 80% and the earn out value before discounting calculated to be KUSD 1,200. The weighted probability rates are estimated to change +/- 10 %.

The contingent consideration is revalued each quarter, and KNOK 11,065 has been booked as a non-current provision as of December 31, 2011. Opera has re-evaluated the same assumptions that were used on the acquisition date. For 4Q 2011, Opera booked KNOK 506 (YTD 506) as an interest expense, KNOK 402 (YTD 623) as an FX expense and KNOK 167 (YTD 167) as a cost related to the changing probability of reaching certain earn out targets. The weighted probability of reaching the FY 2012 earn out target is calculated to be 92% and the weighted probability of reaching the FY 2013 earn out target is calculated to be 80%. Please also see note 9 for more details.



Note 11 - Investment in associates

In 1Q 2011, Opera and China's Telling Telecom announced that they planned on establishing a company in Greater China with the goal of becoming the most popular consumer mobile web browser and web services platform in China. Opera will provide its browser technology and Telling Telecom will contribute a local operations team and strong distribution capabilities. Telling Telecom is the leading mobile phone distributor in China, with an 18% market share and 40,000 retail outlets.

nHorizon Innovation (Beijing) Software Ltd was co-founded by Opera Software ASA and Telling Telecom in August 2011. nHorizon is committed to developing and marketing the Oupeng mobile browser, to providing users with a simple, fast and smooth mobile Internet experience and to help people to enjoy a comfortable mobile Internet life. To learn more, please visit <http://www.oupeng.com>.

The total initial investment in the associate company is planned to be 135 million RMB over three years. Opera will own 25 to 40% of the associate company, depending on Opera's capital contribution over this period. In addition, Opera is guaranteed a minimum amount of revenue from the company corresponding to Opera's initial capital contribution over the three year period from the establishment of the company.

The focus of the company will be on the massive consumer mobile Internet market and revenue opportunity in China. Opera China will continue to target the operator, mobile OEM, device OEM and desktop markets independent from the company.

(Numbers in KNOK)

Information regarding nHorizon Innovation

nHorizon Innovation had the following numbers as of December 31, 2011:

Revenue	471
EBIT	-16,049
Net profit	-16,089
Assets	59,031
Short term liabilities	11,604
Equity	47,427

(Numbers in KNOK)

Investment in associate

The investment in nHorizon Innovation are accounted for using the equity method. As of December 31, 2011, Opera owned 25% of nHorizon Innovation, and Opera has booked the following fair value on the accounting line "Other investments and deposits":

Investment	13,053
Share of the profit/loss	-4,022
Booked value	9,031

Note 12 - Unusual Transactions

Opera Software ASA noted no unusual transactions during the reporting period.

Note 13 - Subsequent Events

No subsequent events have occurred after the reporting date that would require the consolidated financial statements to be adjusted.

For announcements of new contracts, please see announcements published on the Oslo Stock Exchange website (www.oslobors.no).

Note 14 - Costs for restructuring the business

During 4Q 2011, Opera Software ASA recorded restructuring charges related to a strategic cost reduction that will better align costs with revenues, legal fees related to business combinations and termination cost for switching to a new hosting provider.

During 3Q 2011, Opera Software ASA recorded a one-time restructuring charge related to a strategic cost reduction that will better align costs with revenues, legal fees related to business combinations, termination cost for switching to a new hosting provider and impairment costs for our hosting servers. Opera has currently changed the hosting business strategy and we are now looking for hosting providers that are a better fit to our future hosting strategy. For this purpose, we have booked an estimated termination cost related to moving part of our hosting servers to a new hosting provider. We will also start selling our servers after 3 years, and for a higher sales price, compared to our current strategy where we sold our servers after 4 year. The difference between the reassessed fair value, less costs to sell (based on the new strategy) and the current fair value has been booked as an impairment cost.

During 2010, Opera Software ASA recorded a one-time restructuring charge related primarily to a cost reduction program that will better align costs with revenues, closing of our Czech office, moving our mini server park from Norway to Iceland, impairment costs related to the restructuring of our email business and legal fees related to business combinations. These costs are included in the YTD 2010 numbers itemized below.

(Numbers in KNOK)

RESTRUCTURING COSTS	4Q 2011 (Unaudited)	4Q 2010 (Unaudited)	YTD 2011 (Unaudited)	YTD 2010 (Audited)
Salary restructuring cost	2,959	1,700	4,799	28,428
Option restructuring cost	0	0	-4,401	-898
Office restructuring cost	0	100	0	1,700
Termination cost - hosting center	599	1,052	3,514	1,052
Impairment cost	0	1,716	4,898	1,716
Legal fees related to business combinations	232	968	1,131	2,633
Costs for restructuring the business	3,790	5,535	9,941	34,630

Note 15 - Forward Looking Statements/Risk Factors

This Quarterly Report 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 2010 Annual Report on page 14, 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.



Historical Summary - Last 6 Quarters

(Numbers in KNOK, except per share amounts)

	4Q 2011 (Unaudited)	3Q 2011 (Unaudited)	2Q 2011 (Unaudited)	1Q 2011 (Unaudited)	4Q 2010 (Unaudited)	3Q 2010 (Unaudited)
Revenue (KNOK)						
Desktop	87,507	73,552	70,085	70,923	70,866	60,302
Internet devices	165,638	148,551	144,711	136,411	122,716	118,015
Total revenue	253,145	222,104	214,796	207,334	193,581	178,317
Revenue (% Growth)						
Desktop	19%	5%	-1%	0%	18%	2%
Internet devices	12%	3%	6%	11%	4%	7%
Total revenue	14%	3%	4%	7%	9%	6%
Revenue (% of total revenue)						
Desktop	35%	33%	33%	34%	37%	34%
Internet devices	65%	67%	67%	66%	63%	66%
EBIT*						
	67,612	62,264	44,549	41,377	34,647	34,761
EBIT, excluding stock option costs*						
	71,776	66,979	48,643	46,049	38,944	39,821
EBITDA*						
	78,756	71,457	51,990	48,298	41,148	40,692
EBITDA, excluding stock option costs*						
	82,921	76,172	56,084	52,969	45,444	45,752
EPS						
	0.340	0.432	0.240	0.182	(0.005)	0.169
EPS, fully diluted						
	0.335	0.424	0.235	0.179	(0.005)	0.166

* excluding costs for restructuring the business



Supplemental information

<i>(Numbers in MNOK)</i>		
REVENUE TYPE	YTD 2011	YTD 2010
YTD numbers	(Unaudited)	(Audited)
Desktop	302	242
Internet devices	595	450
Total	897	692

<i>(Numbers in MNOK)</i>					
REVENUE TYPE	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010
QTR numbers	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Desktop	88	74	70	71	71
Internet devices	166	149	145	136	123
Total	253	222	215	207	194

<i>In million users</i>					
Monthly Desktop users (last month of quarter)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total	57	54	55	54	51

<i>(Numbers in MNOK)</i>		
Internet devices	YTD 2011	YTD 2010
YTD numbers	(Unaudited)	(Unaudited)
NRE	68	100
M&S	39	45
Total Opera Mini*	253	145

<i>(Numbers in MNOK)</i>					
Internet devices	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010
QTR numbers	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NRE	12	16	21	20	18
M&S	9	10	10	9	13
Total Opera Mini*	67	63	63	60	48

*Includes all revenue types and revenue from all versions of Opera Mini (Operator branded, Operator-Opera co-branded, and Opera branded).



Supplemental information (continued)

(Numbers in MNOK)

Revenue Customer Type	YTD 2011 (Unaudited)	YTD 2010 (Audited)
YTD numbers		
Operators	265	203
Desktop Consumers	302	242
Mobile OEMs	67	83
Device OEMs	155	129
Mobile Consumers, Publishers and Advertisers	96	31
Other	12	5
Total	897	692

(Numbers in MNOK)

Revenue Customer Type	4Q 2011 (Unaudited)	3Q 2011 (Unaudited)	2Q 2011 (Unaudited)	1Q 2011 (Unaudited)	4Q 2010 (Unaudited)
QTR numbers					
Operators	58	65	75	68	61
Desktop Consumers	88	74	70	71	71
Mobile OEMs	14	23	12	18	13
Device OEMs	52	35	35	33	36
Mobile Consumers, Publishers and Advertisers	37	24	21	15	11
Other	4	2	3	3	2
Total	253	222	215	207	194

Operators: The Company currently offers an operator-branded hosted solution to operators around Opera Mini and Opera Mobile with Turbo. Opera Mini is a hosted solution for mass-market phones, offering server-side content compression and fast Internet download speeds. A similar cloud-based content compression technology is also offered for Opera Mobile for smartphones, which is packaged for distribution to Operators and OEMs as Opera Turbo. Opera Mini and Opera Mobile with Turbo offer up to 90% content compression, all increasing an operator's implied throughput capacity of their mobile network. Opera's revenue sources from this hosted solution include active user fees, data fees, NRE/development fees, hosting services, advertising and maintenance and support.

Global mobile Original Equipment Manufacturers (OEMs): Opera currently offers Opera Mobile to mobile OEMs, with widgets and Turbo capabilities as optional pre-installations. Opera Mobile offers mobile OEMs, and ultimately operator subscribers, a desktop-capable browser on a mobile device, enabling the use of rich Web applications. Opera also offers Opera Mini to mobile OEMs. Opera Mini enables operator customers the ability to offer a high-quality and consistent Web experience across a range of handsets, while using Opera Mini's compression technology to solve bandwidth and network bottleneck issues. Opera currently has license agreements with a wide range of mobile OEMs, including, HTC, HP, Motorola, Samsung, Sharp and MTK.

Global device Original Equipment Manufacturers (OEMs): With the Opera Devices SDK, device manufacturers are able to use their own (and third-party) developers to create user interfaces and menu systems using Web technology, such as HTML and CSS, quickly and easily. Moreover, Opera's SDK enables device manufacturers to offer not only Web-browsing capabilities and full internet access to their operator and consumer end-customers, but also customized Web applications or widgets which are accessible from the home screen of the device. Opera currently has license agreements with a wide range of consumer electronic device OEMs, including Nintendo, Philips, Sony and Loewe.

Mobile Consumers, Publishers and Advertisers: Revenue generated from Opera's mobile consumers emanates primarily from mobile search, the Opera Mobile Store and content partnerships and is run by the newly established Consumer Mobile team, which has a primary responsibility to drive ARPU for Opera's consumer mobile users. Revenue generated from Opera's mobile publishers and advertising customers emanates from the AdMarvel platform, a broad mobile advertising solution to publishers and their partners. AdMarvel's revenue among mobile publishers stems from two major sources: (i) Ad Serving capabilities (powerful rich media ad serving, targeting and analytics) and (ii) Ad Mediation capabilities (transparency and control over ad network traffic from over 80 ad sources from around the world). Both these capabilities have helped AdMarvel publisher customers drive higher fill rates and CPMs and ultimately higher revenue.



Supplemental information (continued)

<i>(Numbers in MNOK)</i>						
Operator revenue		YTD 2011		YTD 2010		
YTD numbers		(Unaudited)		(Unaudited)		
NRE and M&S		49		73		
Licenses, active-user fees and hosting		217		130		
Total		265		203		
<i>(Numbers in MNOK)</i>						
Operators		4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010
QTR numbers		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NRE and M&S		4	13	19	13	19
Licenses, active-user fees and hosting		53	52	56	55	42
Total		58	65	75	68	61
<i>(Numbers in MNOK)</i>						
Mobile OEMs		YTD 2011				
YTD numbers		(Unaudited)				
NRE and M&S		28				
Licenses and active-user fees		40				
Total		67				
<i>(Numbers in MNOK)</i>						
Mobile OEMs		4Q 2011	3Q 2011	2Q 2011	1Q 2011	
QTR numbers		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
NRE and M&S		7	8	6	7	
Licenses and active-user fees		7	15	6	12	
Total		14	23	12	18	
<i>(Numbers in MNOK)</i>						
Device OEMs		YTD 2011				
YTD numbers		(Unaudited)				
NRE and M&S		30				
Licenses and active-user fees		125				
Total		155				
<i>(Numbers in MNOK)</i>						
Device OEMs		4Q 2011	3Q 2011	2Q 2011	1Q 2011	
QTR numbers		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
NRE and M&S		9	6	5	9	
Licenses and active-user fees		43	29	29	24	
Total		52	35	35	33	



Supplemental information (continued)

In million subscribers

Opera Mini subscribers Operator and co-branded (Unaudited)

January 2010	2.1
February 2010	2.2
March 2010	2.5
April 2010	3.5
May 2010	3.9
June 2010	4.5
July 2010	5.2
August 2010	6.0
September 2010	6.7
October 2010	7.5
November 2010	9.0
December 2010	10.6
January 2011	11.5
February 2011	12.0
March 2011	13.6
April 2011	15.0
May 2011	16.1
June 2011	16.2
July 2011	16.8
August 2011	18.0
September 2011	19.7
October 2011	21.5
November 2011	23.9
December 2011	26.7

In million subscribers

Opera Mini subscribers State of the Mobile Web* (Unaudited)

January 2010	49.8
February 2010	50.6
March 2010	55.3
April 2010	59.0
May 2010	61.4
June 2010	59.5
July 2010	62.3
August 2010	66.5
September 2010	71.3
October 2010	76.3
November 2010	80.1
December 2010	85.5
January 2011	90.4
February 2011	89.8
March 2011	102.5
April 2011	107.2
May 2011	113.5
June 2011	115.1
July 2011	122.0
August 2011	128.0
September 2011	131.3
October 2011	140.0
November 2011	144.6
December 2011	152.7

*These numbers include Opera branded and co-branded subscribers. Please also see: <http://www.opera.com/smw/>.

