



FIRST QUARTER - 2003

**Opera Software ASA
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FINANCIAL STATEMENT* – FIRST QUARTER 2003

PROFIT AND LOSS ACCOUNT <i>(Figures in TNOK)</i>	First Quarter		Accumulated		Full year
	2002	2003	2002	2003	2002
Revenues, PC/Desktop	5 473	5 463	5 473	5 463	17 499
Revenues, Internet Devices	6 146	6 976	6 146	6 976	33 561
Total Operating Revenues	11 619	12 439	11 619	12 439	51 060
Payroll and related expenses	11 110	13 213	11 110	13 213	47 016
Depreciation and amortization	800	770	800	770	3 118
Other operating expenses	4 287	4 807	4 287	4 807	22 307
Total operating expenses	16 197	18 790	16 197	18 790	72 441
Operating result	-4 577	-6 351	-4 577	-6 351	-21 380
Net financial items	-50	-5	-50	-5	857
Result before taxes	-4 527	-6 345	-4 527	-6 345	-22 237
Taxes	1 161	1 666	1 161	1 666	6 035
Ordinary result	-3 365	-4 678	-3 365	-4 678	-16 202

BALANCE SHEET <i>(Figures in TNOK)</i>	31-March		31-Dec
	2002	2003	2002
ASSETS			
Intangible assets	21 484	26 043	26 394
Tangible assets	2 938	1 699	2 041
Other current assets	17 659	10 259	11 473
Cash and cash equivalents	2 038	3 414	9 016
Total assets	44 119	41 415	48 924
LIABILITIES & EQUITY			
Equity	35 477	22 010	26 506
Long-term liabilities	0	0	0
Short-term liabilities	8 642	19 405	22 418
Total liabilities & equity	44 119	41 415	48 924

CASH FLOW STATEMENT <i>(Figures in TNOK)</i>	First Quarter		Accumulated		Full year
	2002	2003	2002	2003	2002
Ordinary profit before taxes	-4 526	-6 345	-4 526	-6 345	-22 237
Net cash flow from operating activities	-8 840	-5 602	-8 840	-5 602	-23 195
Net cash flow from investment activities	-39	0	-39	0	-548
Net cash flow from financing activities	0	0	0	0	15 850
Net change in cash and cash equivalents	-8 879	-5 602	-8 879	-5 602	-7 893

INTERIM RESULTS <i>(Figures in TNOK)</i>	Q4	Q1	Q2	Q3	Q4	Q1
	2001	2002	2002	2002	2002	2003
Total operating revenues	8 937	11 619	13 663	11 984	13 794	12 439
Operating result	-6 744	-4 576	-2 490	-7 934	-6 381	-6 351
Sales growth quarter by quarter (%)	19,8%	30,0%	17,6 %	-12,3%	15,1%	-9,8%

*) The figures are un-audited

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ASA – FIRST QUARTER 2003

Highlights

- Revenues of MNOK 12,4, up from MNOK 11,6 in 2002, a growth of 7,1%
- Loss before tax of MNOK 6,3 compared to loss of MNOK 4,6 in 2002
- Opera experienced the first commercial breakthrough for its Small-Screen Rendering (“SSR”) technology on Sony Ericsson’s P800
- Opera signed an agreement with Kyocera, the first major Asian mobile handset manufacturer to choose Opera
- The Company raised MNOK 38.1 in a private placement in the end of March, issuing 15 250 000 shares at NOK 2,50 per share

Financials

Operating revenues in the first quarter of 2003 (“1Q03”) increased from MNOK 11,6 in 2002 to MNOK 12,4 in 2003. The turnover increased by 7,1% on a year-to-year basis. The operating loss was MNOK 6,3, compared to MNOK 4,6 last year.

Licensing and development income from embedded products was MNOK 7,0 up from MNOK 6,1 in 1Q02. Income from PC/Desktop was at the same level as last year at MNOK 5,5.

The operating costs went up from MNOK 16,2 in 1Q02 to MNOK 18,8 in 1Q03.

The Company raised MNOK 38.1 in a private placement in March, issuing 15 250 000 shares at NOK 2,50 per share. Cash and cash equivalents was MNOK 3,4 at the end of 1Q03.

Embedded

Opera experienced the first commercial breakthrough for its SSR technology in February, when Sony Ericsson announced that P800 phone users could upgrade their phones for free with the Opera for Symbian OS mobile browser from the Sony Ericsson Web site. The feedback from the press and end users was positive. Opera gets paid per unit/phone sold independent of whether the user downloads Opera or not.

In January, Opera signed an agreement with Kyocera, a major Japanese mobile handset manufacturer. Kyocera is scheduled to launch the R32 Browser Phone with the Opera browser in May. Since Opera also supports cHTML and XHTML in addition to full HTML rendering, Japanese mobile users will be able to access the full Internet, their old favourite i-Mode sites at home, or WAP sites when travelling abroad from their R32 Browser Phone. Kyocera is the first major Asian mobile handset manufacturer to choose Opera.

In the iTV segment, Opera announced its first entry into the IPTV market in Japan at end of March. The Japanese company Plat’C2 will include Opera for iTV on its Broadband Terminal Box (BT Box), where all applications and menus are presented with the use of HTML, Java, and CSS in Opera’s presentation engine.

The income during 1Q03 from embedded products grew by 13,5% compared to the same period last year - that is an increase from MNOK 6,1 in 1Q02 to MNOK 7,0 in 1Q03.

PC/Desktop

In January, Opera Software released the final Opera 7 for Windows. Opera 7 is both faster and smaller than previous versions, with code rewritten from the rendering engine and up. Opera 7 includes several new features such as the password manager and the new e-mail client M2.

The income from PC/Desktop in 1Q03 was at the same level as last year at MNOK 5,5. After the launch of Opera 7 in the end of January, the PC/Desktop income in February and March more than doubled compare to January. 1Q02 was a particular good quarter as Opera 6 was launched in December 2001.

Organization

As of 31. March, the company had 120 employees (110 man-labour years).

As a result of a reorganization and cost reducing efforts during Q103, the number of employees has been reduced by ten since December 31, 2002.

Outlook

Although the difficult market conditions within the IT and telecom sectors continue, Opera sees more mobile phone projects that includes a browser solution as the 2.5G phones are gaining market share and the 3G market gets closer.

Opera is dependent on being included in new mobile phones to see its license revenue increase. Although the company expects to have its browser included in several new phones to be launched in 2003, most of the income on Internet Devices is expected to be R&D related this year. We do not expect a substantial growth in license income before 2004.

The low level of activity in the digital television industry is continuing. This will continue to influence Opera’s short to medium-term income potential. However, Opera sees

several good opportunities within the industry and is positive to the long-term prospects.

The launch of Opera 7.0 in the end of January has further strengthened Opera's reputation as the fastest browser on earth. We believe the PC/Desktop related revenue will continue to grow in 2003.

Opera foresees further revenue growth in 2003. With only a moderate increase in costs, the goal is to break even for the full year 2003.

Shareholder and equity related issues

In March, the company raised NOK 38 125 000 in a private placement, issuing 15 250 000 new shares at NOK 2.50 per share.

As of March 31, the total number of outstanding shares totalled 76 891 420.

Oslo, April 25, 2003

The Board of Directors
Opera Software ASA

Christian H. Thommessen
Chairman
(sign.)

Jon S. von Tetzchner
CEO
(sign.)

Sony Ericsson P800. The picture shows an example on how Opera's small screen rendering solution allows a mobile phone user to read a web page by scrolling only horizontally.

