

3Q05 Results

November 21, 2005



OPERA
software

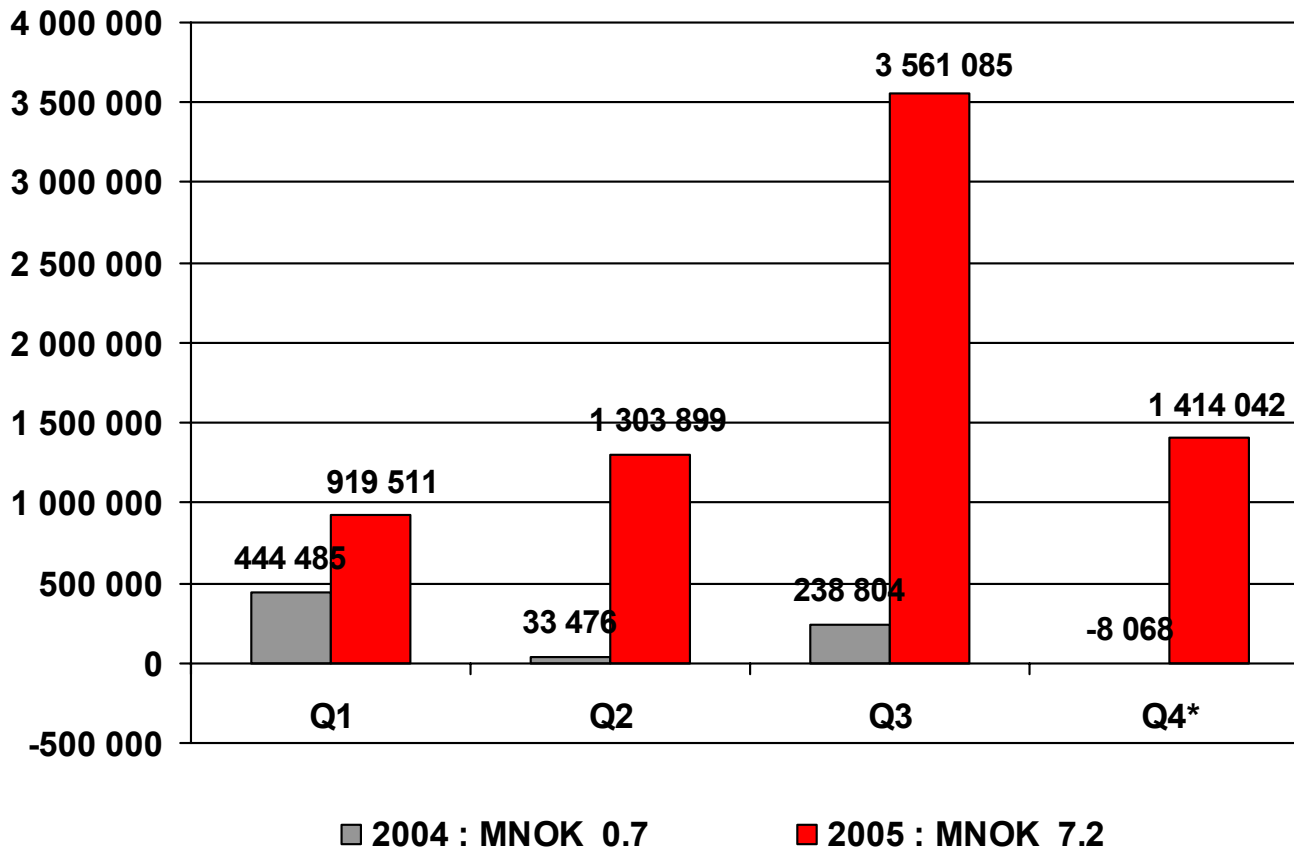
Highlights – Third Quarter 2005

- ❑ Opera Mini rolls out in the Nordics
 - Early user statistics show high daily usage
 - Roll-out continued in Germany in November
- ❑ Nine new handsets announced since last quarterly presentation
 - Nokia: N70, N90 and 6630 (in T-Mobile's network)
 - Kyocera AH-K3002V, WX300K, WX310K
 - Toshiba W32T
 - T-Mobile SDA II
 - Sony-Ericsson P990
- ❑ Opera attacks the Desktop market
 - Removed integrated ad-banner and licensing fee
 - Average download rates doubled
 - Change in business model made possible by revised contract with Google and paving the ground for other revenue partnerships

Profit and loss account – 3Q05

PROFIT AND LOSS ACCOUNT <i>(Figures in TNOK)</i>	Third Quarter		Full year
	2004	2005	2004
Revenues, PC/Desktop	9 446	6 069	33 439
Revenues, Internet Devices	15 121	31 437	65 886
Other income	0	0	87 689
Total Operating Revenues	24 567	37 506	187 014
Payroll and related expenses	19 443	32 099	75 441
Depreciation and amortization	305	675	1 185
Other operating expenses	7 832	9 869	29 098
Total operating expenses	27 580	42 643	105 724
Earnings Before Interest and Tax (“EBIT”)	-3 013	-5 137	81 291
Net financial items	251	1 144	2 653
Earnings Before Tax (“EBT”)	-2 762	-3 993	83 944
Taxes	503	1 094	-24 930
Earnings After Tax (“EAT”)	-2 259	-2 989	59 014
Earnings per share	-0,03	-0,03	0.62
Earnings per share fully diluted	-0,03	-0,03	0.54

Costs related to option program per quarter (NOK)



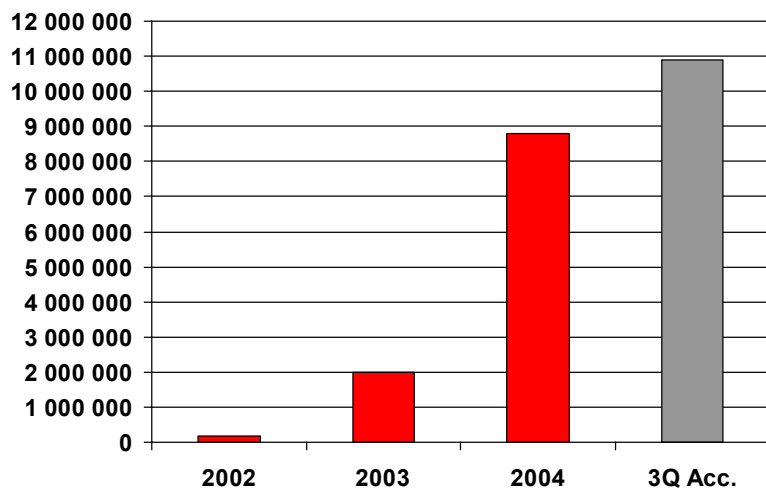
*: 2005 estimated at shareprice NOK 16

Profit and loss account – accumulated 2005

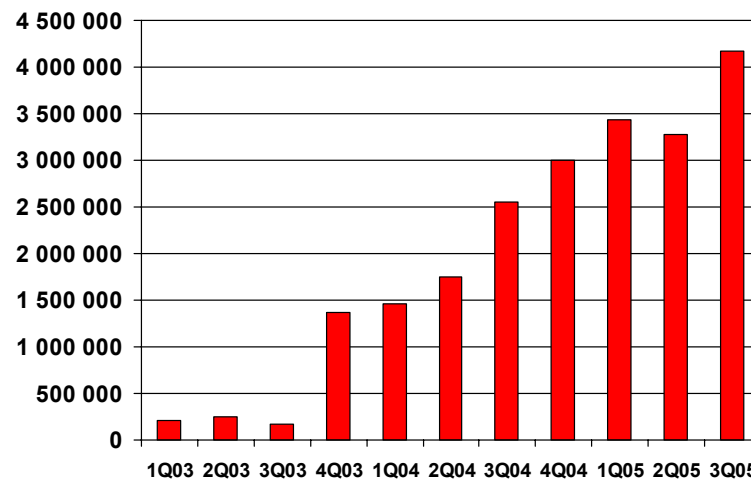
PROFIT AND LOSS ACCOUNT	Accumulated		Full year
	2004	2005	2004
<i>(Figures in TNOK)</i>			
Revenues, PC/Desktop	23 682	19 430	33 439
Revenues, Internet Devices	45 808	86 459	65 886
Other income	87 565	0	87 689
Total Operating Revenues	157 055	105 889	187 014
Payroll and related expenses	52 039	79 191	75 441
Depreciation and amortization	895	1 461	1 185
Other operating expenses	21 419	28 149	29 098
Total operating expenses	74 353	108 801	105 724
Earnings Before Interest and Tax (“EBIT”)	82 702	-2 912	81 291
Net financial items	1 167	2 521	2 653
Earnings Before Tax (“EBT”)	83 869	-391	83 944
Taxes	-24 657	86	-24 930
Earnings After Tax (“EAT”)	59 212	-305	59 014
Earnings per share	0,62	0,00	0.62
Earnings per share fully diluted	0,57	0,00	0.54

Number of phones sold to end-users

Per year

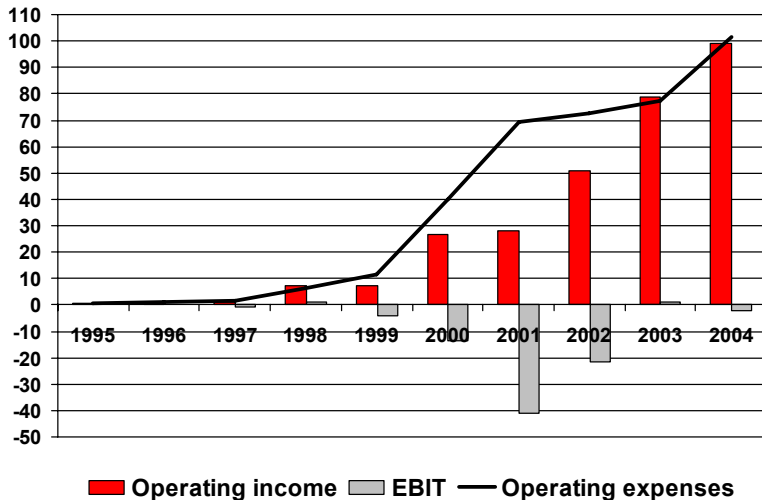


Per quarter

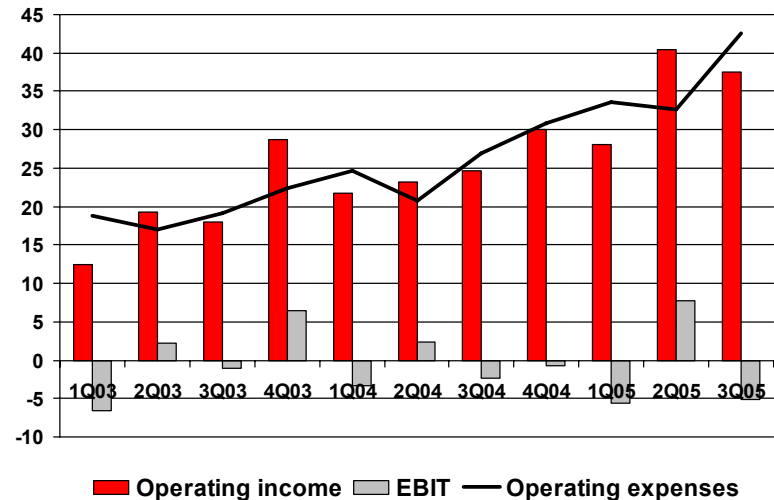


Growth trend confirmed

Per year*



Per quarter*



*: Excluding income and cost related to settlement of MNOK 87.6 in 2Q04

Balance sheet – 3Q05

BALANCE SHEET	30. September		31. Dec
	2004	2005	2004
<i>(Figures in TNOK)</i>			
Assets			
Deferred taxes	1 091	1 455	1 055
Goodwill	3 143	3 143	3 143
Tangible assets	1 993	6 671	2 338
Other current assets	31 062	76 637	33 404
Cash and cash equivalents	234 307	205 893	241 275
Total assets	271 596	293 799	281 215
Liabilities & equity			
Paid in capital	198 998	208 467	200 846
Retained earnings	62 289	66 022	63 058
Short-term liabilities	10 309	19 310	17 311
Total liabilities & equity	271 596	293 799	281 215

Financial outlook

- ❑ The development for the full year 2005 will be positive
 - supporting previous outlook of positive earnings and earnings growth
- ❑ Revenue growth to continue in 2006 and onwards
- ❑ Mobile Phones will be the main value driver in 2006
 - Investment in additional OS' and UI's, will pay off in 2006
 - Royalty income will keep increasing
- ❑ Home media market expected to become increasingly important
 - Several mass market devices expected launched in 2006



Kyocera WX300K

Financial outlook, cont'd

- Operating cost expected to continue to grow in 2006, but at a somewhat lower phase than in 2005
 - Opera Mini requires significant investments in new infrastructure
 - Revenue potential for Opera Mini is however very strong

- Opera sees a greater demand for bigger projects
 - Will require additional engineering resources

- Consequently, the company expects to show solid earnings and earnings growth going forward











































Kyocera WX300K

Mobile business unit



Nine new models announces since the 2Q05 presentation

*: Only in Cingular's network
 **: Only in T-mobile's network

				Toshiba W32T		
				Sony Ericsson P990		
				Nokia 6630**		
				Kyocera WX 300K		
				Kyocera WX 310K		
				Kyocera AH-K3002V		
				Nokia N70		
				Nokia N90		
			Nokia 7710		T-Mobile SDA II	
			Casio W21CA		Motorola E895	
			Nokia 6620*		Motorola E680i	
			Nokia 9300		Hitachi W32H	
			Motorola A780		Nokia 6682	
			Sony Ericsson P910		Nokia 6681	
			Motorola A1000		Nokia 6680	
	Sendo X		Nokia 7610		Toshiba W31T	
	Nokia 6600		Nokia 9500		Casio W31CA	
	Sony Ericsson P900		BenQ P30		Casio W21CA II	
Sharp Zaurus	Motorola A920		Nokia 7700		ZTE e3	
Pision Revo	Sharp Zaurus		Kyocera PS 900		Motorola M1000	
Nokia 9210	Sony Ericsson P800		Sharp SL-6000		Motorola A1010	
2000-2002	2003	2004	2005	→		

Mobile phones – strengthened market position in Q3

- ❑ Expanded relationship with Motorola
 - Opera makes browser available on major OS' supported by Motorola
 - Contract expected to significantly increase Opera's market share

- ❑ Opera Mini launched
 - Server based product allowing expanded customer base
 - Revenue model includes revenue sharing
 - Can run on a majority of all mobile phones

- ❑ Nine handsets launched since Q2 presentation

- ❑ T-Mobile launched “Internet in your pocket” using the Opera browser

Opera Mini™ ensures solutions for entire value chain

Opera Mobile browser

- ❑ Full Web browser for OEM integration

Opera Mini

- ❑ Light weight Web browser

Opera Platform

- ❑ Device independent platform for mobile Web applications



Opera Platform



Opera Mobile Browser



Opera Mini

Opera Mini

Targets low- and mid-tier phones

- ❑ A fast and easy alternative to Opera's mobile browser
- ❑ Mobile surfing is no longer limited to advanced phones

Provides 'top-tier' functionality

- ❑ Speed and usability
- ❑ Superior rendering of content (using Small Screen Rendering)
- ❑ Access to the full Internet

Features

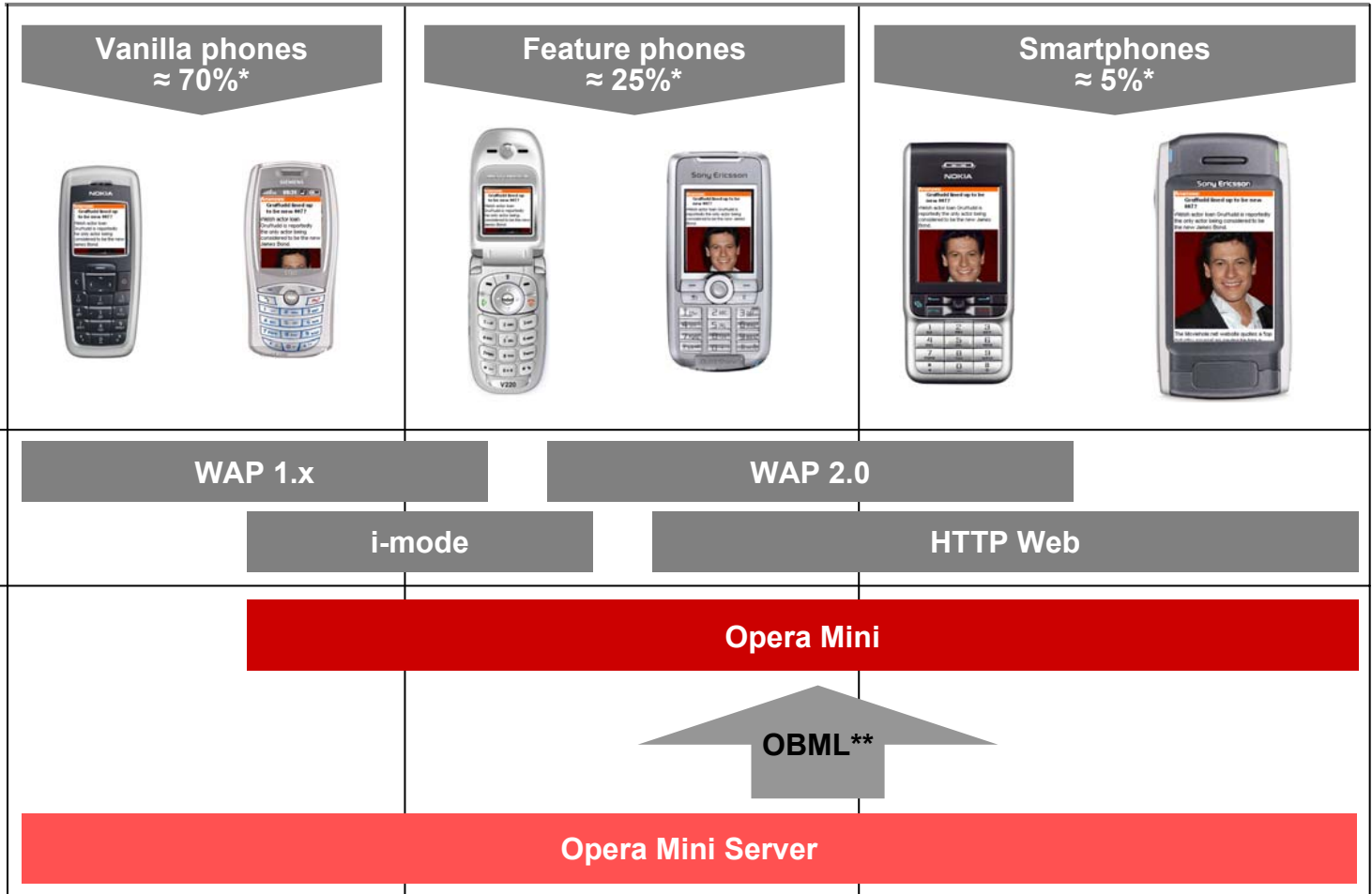
- ❑ Bookmarks, history, language configuration
- ❑ Intuitive menu-based user interface
- ❑ Full screen browsing (MIDP 2.0)

Supports a wide array of devices

- ❑ Devices with limited resources
- ❑ Devices with low bandwidth connections
- ❑ Runs on **most phones** supporting Java and GPRS



Superior browser experience on all terminals



* Approximate global market share
 ** OBML: Opera Binary Markup Language

Opera Mini launched in the Nordics and Germany – more regions to come

- ❑ Opera starts tapping into 700+ million handset market
 - Opera aggressively pursues dominant brand leadership in the mobile browser market with Opera Mini
 - Opera Mini receives great press reviews in Finland, Denmark and Sweden
 - Ambitious roll-out plan to commence in Q4 and Q106

- ❑ Users embrace browsing with Opera Mini
 - 450,000+ installments downloads since August 2005
 - 1,000,000 page views per day



”Det er tæt på at være genialt, det lille program, som nordmændene i firmaet Opera har udviklet til mobiltelefonen”

Claus Cancel, Politiken (Denmark)

Web'n'walk - Operators moving towards HTML

1020:672 - T-Mobile SDA II webnwalk edition - Highlights - Opera

File Edit View Bookmarks Feeds Mail Chat Tools Developer Help

New page Compose message T-Mobile SDA II webnwal...

http://www.t-mobile-businessworld.de/ek/2ek_uhtj45thn48gKK/default.asp?1

T-Mobile SDA II web'n'walk edition

Highlights

- Übersicht
- Mobile Office - E-Mail
- Mobile Office - Outlook®
- Bluetooth
- web'n'walk
- Foto- und Video-MMS
- Mobiletelefon
- MP3- und Video-Player
- Zubehör
- Mobile Games
- Mobile Jukebox

MMS


Mobile Internet

Web'n'walk Simulator

Mobile E-Mail

ActiveSync®

Der neue SDA II



Designed for
Windows Mobile™

Highlights



Übersicht

- Der SDA II von T-Mobile bietet elegantes Design und viele praktische Funktionen in der gewohnten Windows®-Umgebung zu einem erstaunlich günstigen Preis.
- Der SDA II (Smart Digital Assistant) läuft mit einem Microsoft Windows®-Betriebssystem. Nun können Sie Ihre Geschäfte mit Outlook, Word, Excel, PowerPoint und dem PDF Viewer auch von unterwegs erledigen.
- Zusätzlich bietet der SDA II diverse Multimedia-Anwendungen wie z.B. Foto- und Video-MMS, ein E-Mail-Programm oder den integrierten MP3-Player, und wird so zum idealen und vielseitigen Multimedia-Begleiter.
- Und im Gegensatz zu anderen Smartphones ist der SDA II von T-Mobile kompakt und leicht.

Klicken Sie bitte auf ein Symbol.

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PC/Desktop Business Unit



Opera Desktop – Business model revised

- ❑ Average daily download rate doubled to 80 000 - 100,000
 - 5.5 million downloads since Sept. 20
 - Opera prepares marketing campaign towards mass market
- ❑ Search agreement with Google running smoothly
 - Partner agreement with Answers.com signed in Q3
- ❑ First preview of Opera 9 made public, with great user feedback
 - Significant expectations towards Opera's new core rendering engine
- ❑ New My Opera Community site showcases the integration possibilities between Desktop and Mobile
 - Makes mobile blogging a hot topic



Home Media Business Unit



Increased number of opportunities in Home Media

- ❑ Contract signed with a global home media player
 - Expected to be a high volume product
 - Available for the customer's proprietary operating system

- ❑ Increased interest in including browsers on all kind of devices, such as;
 - Web pads, TVs, set-top-boxes, gaming, cars, in-flight entertainment, etc, etc

- ❑ Opera senses a shift in type of home media partners
 - From small early movers to also include large global players

- ❑ Browser solution has become a key selection criteria



Nokia 770

Opera Traditional Target Device Types



Network TVs



Network DVD/BlueRay/HD-DVD,
DVRs & Media Servers



Game Consoles



Portable Media Players



Set-top Boxes



IP Screen Phones

New Target Device Categories based on Opera's SDK



Remote Controls



Printers & Copiers



Car Navigation
& Entertainment



In-flight and
Transportation



Vertical Applications



Other Networked
Devices w/Screens

The Opera SDK – example of successful implementation

- ❑ **Airline passengers to enjoy a full Internet**
- ❑ **The Opera Bi-Directional scripts - right to left**
 - **global deployments in multiple languages**
- ❑ **Thales product is based on Opera's SDK**
 - **requires limited work from Opera's**
 - **demonstrates the value of the SDK strategy**



The Opera Advantage - Reformatting Technologies



176x208

320x240

700x512

SSR

MSR

TVR

Extensible Rendering Architecture (ERA)

“[Opera's] new software will help transform the wireless Web from a misnomer into a reality.”

The Economist

Organizing for future growth

- ❑ Strong focus on commercialisation
- ❑ Increasing focus on business units
 - Scott Hedrick new Executive Vice President Home Media Business Unit
 - Desktop VP still pending
- ❑ 252 highly talented employees as of 30. September
 - “Probably the best browser team in the world”



Summary – positioned for growth

- ❑ Number of Web enabled mobile phones expected to grow significantly
 - Opera Mini™ expected to escalate growth of Web enabled phones
- ❑ Large opportunities inside home media segment with more and more devices utilising Web technology
- ❑ Desktop market offers significant growth opportunities with new distribution models and expanded partner agreements