OPTION REPORTS FIRST HALF YEAR 2010 RESULTS

Leuven, Belgium – August 31, 2010 – Option N.V. (EURONEXT Brussels: OPTI; OTC: OPNVY), the wireless technology company, today announced its results for the first half fiscal year ended June 30, 2010. The financial information reported in this release is presented in Euros and has been prepared in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union. The accounting policies and methods of computation followed in the attached financial statements are the same as those followed in the most recent annual financial statements. The company released its IAS 34 interim financial statements.

Business Overview

Option reported revenues of EUR 30.9 million in the first half of 2010. This number includes second quarter revenue of EUR 17.8 million which represents an improvement compared to the first quarter revenues of EUR 13.1 million. The market for Option remains challenging primarily due to the unfair trade practices of Chinese competitors and the uncertain economic outlook.

For the first time, there are signs that the pace of growth in the commodity USB segment in established markets might be slowing. In addition, continued pricing pressure from Chinese competitors has significantly impacted the Company's expected USB sales.

The Company believes that the selling practices of these Chinese competitors is and has been illegal under EU law. The European Commission has opened anti-dumping and safeguard investigations, with immediate registration on June 30, of WWAN modem imports from China.

In addition, in August, the Company filed an anti-subsidy claim at the European Commission. The European Commission is currently handling all claims. Option continues to believe it is very important for Europe to foster a competitive environment where fair market practices and respect for relevant legislation protect the interests of all parties active in the market.

Coping with these challenges the Company embarked on an industrial transformation in late 2009 that is continuing in 2010. The Company believes in the strategic pillars it identified at that time that utilize the Company's core strengths as it moves away from the highly commoditized parts of the market:

1. Mobile Security Solutions: 3G connected security USB modems and 3G connected security cameras for banking, government and enterprises. The Company will launch the mIDentity 3G in the fourth quarter as planned;
2. Embedded Solutions: 3G modules for automotive and industrial applications where the Company continues to see interest in our next generation 3G/4G embedded modules both in Asia and North America;
3. Software: Highly customizable Connection Manager and other connectivity software and middleware. Two new Managed Services software solutions will be launched with customers in the second half of the year;
4. Personalised USB modems with the Company's innovative *i*CON XY solution including hardware & software personalization and a customized supply chain. The *i*CON 461 with GPS continues its steady pace with leading US operator AT&T. The *i*CON XY is in test with several European operators and a new 21Mbps USB modem is to be launched in October.

While the Company is beginning to have a good sales pipeline and interesting opportunities in each of these pillars, they are not expected to provide meaningful revenue until early 2011. Therefore, the

Company believes that unless some of this pipeline is accelerated into the fourth quarter of 2010, it is uncertain that the Company will achieve growth in the second half of 2010 compared to the first half of the year.

Financial Highlights of the half fiscal year 2010

- Total revenues for the first half year of 2010 were EUR 30.9 million compared with EUR 92.0 million realized in the first half year of 2009.

- Gross margin for the first half year was 18.4% on total revenues compared with gross margin of 23.4% for the first half year 2009. In the first half of the year, extraordinary adjustments were made to the cost of goods sold without which the gross margin would have been 30.0%.

- Compared to the first half year 2009, operating expenses decreased with EUR 14 million from EUR 40.7 million (2009 excluding restructuring charges) to EUR 26.7 million. The reduced expenses are the result of the restructuring exercises, initiated in 2009, combined with lower sales related costs. The operating expenses for the first half year 2010 include impairments on capitalized development costs for an amount of EUR 6.1 million. Positively, Option reached a settlement regarding a patent dispute that allowed it to completely reverse a provision of EUR 3.9 million related to that dispute.

- The half year EBIT amounted to EUR –21.0 million or –68.2% on total revenues compared with EUR –20.4 million or –22.2% during the corresponding period in 2009.

- Net result for the first half year 2010 amounted to EUR –20.5 million, or EUR –0.25 per basic share. This compares with a net result of EUR –16.8 million, or EUR –0.41 per basic share in the first half of 2009. The first half year 2010 net result was positively impacted by taxes of EUR 1.4 million and negatively impacted by a financial result of EUR –0.9 million. EUR 0.7million of the negative financial result was due to the weakening of the US dollar against the Euro.

- The Group’s balance sheet includes EUR 7.7 million in cash, EUR 2.1 million in restricted cash (mainly guarantees to third parties) and reduced inventory levels to EUR 15.5 million. Per June 2010 an amount of EUR 6.7 million has been drawn from the existing credit lines. The accounts payable position decreased with EUR 6.2 million compared to year end 2009.

Financial Discussion

It is important to understand the cash movements of the Company from the fundraising in December 2009. Referring to the cash flow statement Option reported a decrease of EUR 23.3 million in cash equivalents in the first half of the year, which includes the following exceptional items: EUR 4.3 million has been paid for the restructuring initiated in Q4 2009; EUR 1.7 million was paid in fees for the fundraising; EUR 1.5 million was used to fund development projects and EUR 2.0 million was reported as restricted cash. As a result, the cash burn for the normal operations of the Company in H1 2010 was approximately EUR 13.7 million. In addition, the Company reduced its borrowing under its credit lines by EUR 1.7 million compared to year-end 2009.

In 2007, Option embarked on a project with Intel to create a new module specifically designed for the emerging MID market. The MID market never materialized. Although Option was successful in having the module (GTM501) designed into a number of projects, including two high profile e-book readers, the planned volumes were not realized. As a result, Option has taken the decision to impair the capitalized R&D associated with this project resulting in an extraordinary loss of EUR6.1 million in the first half results. The positive result of this project is that the Company’s investment in the form factor of these modules has enabled the Company to develop a strong pipeline, across a number of customers, for its next generation of modules, to be launched in the fourth quarter of 2010, that leverage the know-how from the GTM501.

The Company established a commercial agreement for the licensing of the *u*CAN software platform and agreed a settlement for a patent dispute with one company. This agreement had a positive effect on the Sales, Marketing and Royalty Expenses of EUR 3.9 million.

The Company will continue its efforts to secure additional liquidity in order to strengthen the Company's working capital position. The Board of Directors has decided on a plan to dispose of certain of the Group's assets that are expected to have a lesser impact on the Group's strategic plan for the mid to long term. The Group is actively seeking buyers for these assets.

In addition, the Company is in constant discussions with ING and Dexia, its current lending banks, as well as other institutions that could help with this exercise. The existing credit lines from ING and Dexia have a number of covenants. However, because of the incurred losses the Group's net equity has fallen below the threshold and thus the Group is at present in breach of the equity covenant. The banks have granted waivers for this breach in the past and the Company is currently discussing a possible temporary waiver or other solution for this covenant breach with ING and Dexia, however there is no assurance that ING and Dexia will continue to grant such a waiver.

Prior Announcements

Corporate

- Option files anti-dumping complaint with European Commission. The Commission opens investigation into WWAN modem imports from China.
- Option announces changes to the Board of Directors: Olivier Lefebvre is elected as new Chairman while Patrick Desmedt and Jan Loeber resign from the Board

Software

- Option launched its *u*CAN 3.0 software. The software provides unique flexibility in the market through a modular design approach that allows Smart Skinning, multi-OS support from a single code and the addition of feature packs without changing the certified software.
- Option announced that is working with Telenor Norway to develop the network operator's new connection manager based upon the *u*CAN Connect platform. The new version allows operators to reduce data traffic on their 3G networks by off-loading it onto available Wi-Fi networks.

USB Modems

- Australian network operator Optus selects Option for series of personalized USB modems for the football tournament in South Africa
- Pioneer's new car navigation system adds *i*CON USB modem
- Further expanding its history of innovation, AT&T launched USBConnect Velocity, the premier mobile broadband USB modem offered by AT&T today with built-in GPS
- Option announced a North American distribution agreement with GetWireless
- Option announced its agreement with Skinit for the customizable covers for the *i*CON XY (Express Yourself) USB modem

Embedded Modules

- Option announces collaboration with Qualcomm to provide new Gobi embedded solutions
- Option implements Gobi embedded solutions in connected netbooks for Asian groups

Integrated Hardware and Services Solutions

- A new Option fully integrated hardware, application and services solution was announced in which Kobil Systems GmbH, a market-leading trendsetter of mobile IT solutions in the area of digital identities, is collaborating on the development and combined selling of a new strategic security product, the mIDentity 3G. The mIDentity 3G will be unique in combining wireless broadband 3G technology and digital security of data and identities.

CONSOLIDATED PERFORMANCE

For the period ended 30 June Million EUR (except per share figures)	YTD 2010	YTD 2009
Revenues	30.9	92.0
Gross profit	5.7	21.5
Operating expenses	26.7	41.9
EBIT	(21.0)	(20.4)
Net result	(20.5)	(16.8)
Weighted average number of ordinary shares	82 498 592	41 249 296
Basic earnings / (loss) per share (EUR)	(0.25)	(0.41)

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Financial report prepared in accordance with International Financial Reporting Standards (IFRSs)

CONSOLIDATED INCOME STATEMENT

For the half year period ended 30 June Thousands EUR (except per share figures)	June 30, 2010	June 30, 2009
Revenues	**30 873**	**92 043**
Cost of products sold [1]	(25 182)	(70 132)
Gross margin excl restructuring charges	**5 691**	**21 912**
Gross margin excluding restructuring charges %	18.4%	23.8%
Restructuring charges	-	*(385)*
Gross margin	**5 691**	**21 527**
Gross margin %	18.4%	23.4%
Restructuring charges	-	*(1 282)*
Research and development expenses[1]	(16 692)	(15 299)
Sales, marketing and royalties expenses[1]	(3 666)	(16 905)
General and administrative expenses [1]	(6 380)	(8 464)
Total operating expenses	**(26 738)**	**(41 950)**
Profit from operations (EBIT)	**(21 047)**	**(20 423)**
EBIT/Total revenues %	(68.2%)	(22.2%)
Depreciation and amortization	14 536	9 456
EBITDA	(6 511)	(10 967)
EBITDA/Total revenues %	(21.1%)	(11.9%)
Exchange gain/(loss)	(677)	(2 631)
Interest income/(expense) and other financial income/(expense)	(213)	(1 305)
Finance result	**(890)**	**(3 936)**
Result before taxes	**(21 937)**	**(24 359)**
Tax benefits / (expense)	1 428	7 548
Net result	**(20 509)**	**(16 811)**
Weighted average number of ordinary shares	82 498 592	41 249 296
Diluted average number of ordinary shares	82 498 592	41 249 296
Basic earnings / (loss) per share (in EUR)	(0.25)	(0.41)
Diluted earnings / (loss) per share (in EUR)	(0.25)	(0.41)

[1] These amounts for 2009 are excluding restructuring charges

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CONSOLIDATED BALANCE SHEET PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

Thousands EUR For the period ended	30 June 2010	31 December 2009
ASSETS		
Current assets		
Cash and cash equivalents	7 653	30 664
Cash restricted in use	2 092	-
Trade and other receivables	16 048	16 254
Other financial assets	-	-
Income tax receivable	66	97
Inventories	15 517	17 336
	41 375	**64 351**
Non-current assets		
Property, plant and equipment	6 413	9 157
Intangible assets	13 894	21 385
Deferred tax assets	29 782	30 050
Other non-current assets	53	328
	50 143	**60 921**
Total assets	**91 518**	**125 272**
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	36 332	42 595
Income tax payable	177	268
Other financial liabilities	6 963	8 648
Provisions (current)	3 231	7 529
	46 703	**59 040**
Non-current liabilities		
Other non current liabilities	-	-
Deferred tax liabilities	57	1 893
	57	**1 893**
Equity		
Issued capital	12 232	12 232
Share premium	57 961	57 961
Reserves	7	(921)
Retained earnings	(25 442)	(4 933)
Shareholders' equity	**44 758**	**64 339**
Total liabilities and shareholders' equity	**91 518**	**125 272**

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CONSOLIDATED CASH FLOW STATEMENT

Prepared in accordance with International Financial Reporting Standards (IFRSs)

Thousands EUR For the period ended	30 June 2010	30 June 2009
OPERATING ACTIVITIES		
Net result (A)	(20 509)	(16 814)
Depreciation and amortization	8 401	9 456
(Reversal of) / write-offs on current and non current assets	(1 726)	1 519
Impairment losses on intangible assets	6 135	-
Increase/(decrease) in provisions	(30)	347
Loss / (gain) on sale of property & plant and equipment	(48)	-
Loss / (gain) on sale of intangible assets	14	-
Unrealized foreign exchange losses/(gains)	163	1 635
(Gains)/Losses on hedging contracts	-	2 709
Interest income	(12)	(56)
Interest expense	177	174
Equity settled share based payment expense	118	484
Tax (benefit) / expense	(1 428)	(7 548)
Total (B)	**11 764**	**8 720**
Cash flow from operating activities before changes in working capital (C)=(A)+(B)	**(8 746)**	**(8 091)**
Decrease/(increase) in trade and other receivables	571	11 784
Decrease/(increase) in inventories	3 551	11 296
Increase/(decrease) in trade and other payables	(6 213)	(16 673)
Use in provisions	(4 268)	-
Total changes in working capital (D)	**(6 359)**	**6 407**
Cash generated from operations (E)=(C)+(D)	**(15 105)**	**(1 684)**
Interests (paid) (F)	(209)	(60)
Interests received (G)	40	73
Income tax (paid)/received (H)	31	(56)
CASH FLOW FROM OPERATING ACTIVITIES (I)=(E)+(F)+(G)+(H)	**(15 244)**	**(1 726)**
INVESTING ACTIVITIES		
Proceeds from sale of plant & equipment	362	-
Proceeds from sale of intangible assets	-	-
Acquisition of property, plant and equipment	(33)	(813)
Acquisition of intangible assets	(50)	(141)
Development expenditures	(4 544)	(9 225)
CASH FLOW FROM INVESTING ACTIVITIES (J)	**(4 265)**	**(10 180)**
FINANCING ACTIVITIES		
Proceeds from borrowings	-	7 334
Repayment of borrowings	(1 661)	(37)
Proceeds from finance leases	-	23
Payment of finance lease liabilities	(23)	-
Cash restricted in use	(2 092))	-
CASH FLOW FROM FINANCING ACTIVITIES (K)	**(3 776)**	**7 320**
Net increase/(decrease) in cash and cash equivalents (I)+(J)+(K)	**(23 285)**	**(4 586)**
Cash and cash equivalents at beginning of period	30 665	33 328
Effect of exchange rate fluctuations on cash held	273	(517)
Cash and cash equivalents at end of period	7 653	28 224
Difference	**0**	**0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year period ended 30 June 2010 in Thousands Euro	Shareholder's Equity						
	Issued capital	Share premium	Share-based payment reserves	Translation reserves	Share issue costs	Retained earnings	Total equity
As per 31 December 2009	**12 232**	**57 961**	**1 176**	**(399)**	**(1 698)**	**(4 933)**	**64 339**
Net result	-	-	-	-	-	(20 509)	(20 509)
Share based payments	-	-	118	-	-	-	118
Translation adjustment	-	-	-	810	-	-	910
Share issue costs	-	-	-	-	-	-	-
As per 30 June 2010	**12 232**	**57 961**	**1 294**	**411**	**(1 698)**	**(25 442)**	**44 758**

This press release contains forward-looking information that involves risks and uncertainties, including statements about the company's plans, objectives, expectations and intentions. Such statements include, without limitation, discussions concerning the company's strategic direction and new product introductions and developments. Readers are cautioned that such forward-looking statements involve known and unknown risks and uncertainties that may cause actual results to differ materially than those set forth in the forward looking statements. The risks and uncertainties include, without limitation, the early stage of the market for connectivity and integrated wireless products and solutions for portable and handheld computers and mobile telephones, the management of growth, the ability of the company to develop and successfully market new products, rapid technological change and competition. Some of these risk factors were highlighted in the Consolidated and Statutory Report 2009 of the Board of Directors which can be found in the Annual Report 2009 page 32-35. The forward-looking statements contained herein speak only as of the date of this press release. The company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statement to reflect any change in the company's expectations or any change in events, conditions or circumstance on which any such statement is based.

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About Option
Option, the wireless technology company, is a leading innovator in the design, development and manufacture of 3G HSUPA, HSDPA, UMTS, EDGE, and WLAN technology products for wireless connectivity solutions. Option has established an impressive reputation for creating exciting products that enhance the performance and functionality of wireless communications. Option is headquartered in Leuven, Belgium. The company also has Research & Development in Belgium (Leuven), Germany (Augsburg) and an ISO 9001 production engineering and logistics facility in Ireland (Cork). Option maintains offices in Europe, US, Greater China, Japan and Australia. For more information please visit www.option.com.