



OPTION REPORTS FIRST HALF YEAR 2012 RESULTS

Leuven, Belgium – August 31, 2012 – 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, 2012. 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 Update

Option transformed its business over the last 18 months and, as a result, the activity is now based on three strategic pillars: Connectivity, Security, Experience.

At the Mobile World Congress in Barcelona, Option showcased the XYfi, VIU2, Cloudkey and GlobeSurfer III+. Based on feedback of the market and potential customers, these products and solutions were further developed and are now being commercialized.

They are the proof that the Group has moved from basic products for mobile network operators (MNO's), towards End-to-End solutions for businesses and consumers. The offering is now positioned towards vertical markets such as automotive, financial services, security & surveillance.

After 18 months of development of these new products & services, the Group is now ready to start generating return on investment (ROI) from recurring sales.

Financial Highlights of the first half fiscal year 2012

- Total revenues for the first half year of 2012 were EUR 23.2 million compared with EUR 25.8 million realized in the first half of 2011. Product related revenues decreased from EUR 11.5 million to EUR 6.0 million, while software and license revenue increased from EUR 14.2 million to EUR 17.2 million. The recognized license revenue from Huawei was EUR 16.5 million, compared with EUR 13.5 million for the first half of 2011.
- Gross margin for the first half year 2012 was 75.6 % on total revenues, compared with a gross margin of 54.6 % for the comparable period in 2011. The gross margin was positively influenced by the increased license revenues.
- Compared to the first half year 2011, total operating expenses in the first half year 2012 decreased from EUR 17.5 million to EUR 14.0 million by reducing development and sales and marketing costs.
- The first half year 2012 EBIT and net profit amounted to respectively EUR 3.5 million and EUR 3.7 million compared with EUR -3.5 million and EUR -2.9 million during the corresponding period in 2011.

- The cash position decreased from EUR 25.2 million at the end of 2011 to EUR 13.0 million due to a negative cash flow from operating activities of EUR 9.1 million and from cash flow used in investing activities from EUR 3.1 million.

Non-financial highlights

Corporate

- On April 30 and May 21, 2012 the company has organized an extra-ordinary shareholder's meeting to modify the date of the annual meeting, to make amendments to the articles of association and to decide to issue naked warrants "2012" for a maximum number of 4.124.930.
- On May 29, 2012, the Group announced Olivier Lefebvre is stepping down as Chairman of the Board of Directors effective immediately. Jan Callewaert has been elected as Chairman of the Board and continues to serve as CEO of the Company.
Olivier Lefebvre, who has been an Option Board Member since July 2008 and was Chairman since February 2010, has decided to focus full time on his new responsibilities as CEO of Xylowatt. Mr. Lefebvre remains a member of the Board of Directors of Option.
- On August 3, 2012, it has been announced that David Hytha, Contributing Board Member has resigned from Option. Hytha's departure will see him focus on his role as Chief Strategy Officer at Quixey Inc, the search engine for applications.

Business

- In February 2012, the Group has been showcasing its portfolio of connected devices at the Mobile World Congress 2012 in Barcelona. Combining multi-band radio design expertise with connectivity management and application software, the Company enables purposeful broadband connectivity through its portfolio of innovative connected solutions.
Products on show at MWC 2012 included XYFI, the world's smallest personal hotspot; VIU2, a remote camera with dedicated apps for smartphones; Cloudkey, a mobile security solution that provides simple and secure access to cloud applications and data; and Globe Surfer III+, Option's newest mobile broadband router built on its trusted and proven router platform.
- On February 28th, 2012, the Group announced its new 4G LTE module, the GTM801 which is footprint compatible with the 3G LGA module, the GTM601. The embedded solutions of the Group provide flexible alternatives: manufacturers can design tablets or ultra-portable notebooks using the same layout to offer either 3G with the GTM601 or 4G LTE with the GTM801 to meet diverse market needs. Both modules are designed to support Windows 8 and the USB-IF Mobile Broadband Interface (MBIM) specification.
- On March 7th, 2012, collaboration with LetterGen NV is announced to gain a foothold in the digital document signature market by embedding LetterSigner in Cloudkey®. Cloudkey® is a mobile security solution that provides simple and secure access to cloud applications and data. This new and unique mobile solution offers world-class security combining VASCO's DIGIPASS authentication capability, Option's 3G USB modem and connection management software (uCAN® Connect) and LetterGen's LetterSigner power to legally validate documents and protect them with an electronic signature.
- On April 4th, 2012, the Group establishes its credentials as an LTE provider with the launch of Beemo, its new, ultrafast, quad-band 4G LTE USB modem.
Beemo brings best-in-class 4G. It sets itself apart through its stylish design, high quality and great performance. It has proven superior heat dissipation and delivers exceptionally fast quad-band (800/900/1800/2600 MHz) connectivity. Beemo comes with an external antenna connector that

enables users to improve the signal in areas with low signal strength. The product is made available through Option distribution network.

- On May 8th, 2012, the Group confirms its strategy to supply more than mobile network operators and focus on vertical markets. As a first deliverable, Option extends its wireless expertise into the burgeoning Connected Car market. Bringing together connectivity experience, UX expertise and automotive sector understanding, the company is designing, developing and delivering in-car connectivity solutions.

According to the GSMA, the market for connected car applications will be worth \$600 billion by 2020, representing 13% of the \$4.5 trillion global connected devices business. Option's entry in the in-car connectivity market follows the company's investment in Autonet in 2011, supporting the delivery of the 1st IP Based Telematics Control Unit for the Auto Industry.

CONSOLIDATED PERFORMANCE

For the period ended 30 June Million EUR (except per share figures)	YTD 2012	YTD 2011
Revenues.....	23.3	25.8
Gross profit	17.6	14.1
Operating expenses	14.1	17.6
EBIT	3.5	(3.5)
Net result	3.7	(2.9)
Weighted average number of ordinary shares ..	82 498 592	82 498 592
Basic earnings / (loss) per share (EUR)	0.04	(0.03)

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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, 2012	June 30, 2011
Revenues	23 276	25 834
<i>Product Revenue</i>	6 029	11 569
<i>Software and License Revenue</i>	17 247	14 265
Cost of products sold.....	(5 684)	(11 735)
Gross profit	17 592	14 099
Gross margin/Total revenues %	75.6%	54.6%
Research and development expenses	(5 344)	(6 726)
Sales, marketing and royalties expenses	(3 373)	(5 390)
General and administrative expenses	(5 342)	(5 436)
Total operating expenses	(14 059)	(17 552)
Profit / (loss) from operations (EBIT)	3 533	(3 453)
EBIT/Total revenues %.....	15.2%	(13.4%)
Depreciation, amortization and impairment losses	3 027	4 574
EBITDA.....	6 560	1 121
EBITDA/Total revenues %.....	28.2%	4.3%
Exchange gain/(loss)	27	83
Interest income/(expense) and other financial income/(expense).....	57	404
Finance result	84	487
Profit / (loss) before income taxes	3 617	(2 966)
Tax income / (expense)	49	93
Net profit / (loss)	3 667	(2 873)
Weighted average number of ordinary shares.....	82 498	82 498
	592	592
Diluted average number of ordinary shares.....	82 498	82 498
	592	592
Earnings / (loss) per share (in EUR).....	0.04	(0.03)
Diluted earnings / (loss) per share (in EUR)	0.04	(0.03)

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

Thousands EUR	At 30 June 2012	At 31 Dec 2011
ASSETS		
Current assets		
Cash and cash equivalents.....	13 029	25 216
Trade and other receivables.....	2 799	3 924
Income tax receivable.....	73	32
Inventories.....	8 711	6 792
	24 612	35 964
Non-current assets		
Property, plant and equipment.....	1 239	1 603
Intangible assets.....	9 145	8 812
Other receivables (non current)	127	130
Other financial assets.....	1 195	1 043
	11 706	11 588
Total assets.....	36 318	47 552
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables.....	20 153	18 125
Deferred revenue.....	10 669	27 128
Income tax payable.....	25	69
Other financial liabilities.....	14	14
Provisions (current).....	529	948
	31 390	46 285
Non-current liabilities		
Other non-current liabilities.....	15	22
	15	22
Equity		
Issued capital.....	12 232	12 232
Share premium.....	57 961	57 961
Reserves.....	(113)	(115)
Retained earnings.....	(65 167)	(68 834)
Shareholders' equity.....	4 913	1 245
Total liabilities and shareholders' equity.....	36 318	47 552

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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 2012	30 June 2011
OPERATING ACTIVITIES		
Net profit / (loss) (A)	3 667	(2 873)
Depreciation and amortization	2 911	4 574
(Reversal of) write-offs non cur. & current assets	(439)	(789)
Impairment losses on intangible assets	116	-
Increase/(decrease) in provisions	(2)	(275)
Loss/(gain) on sale of property & plant and equipment	(3)	(16)
Unrealized Foreign exchange losses/(gains)	(15)	(125)
Interest income	(103)	(225)
Interest expense	17	127
Equity settled share based payment expense	(10)	43
Tax benefit	(49)	(93)
Total (B)	2 422	3 221
Cash flow from operating activities before changes in working capital (C)=(A)+(B)	6 089	348
Decrease/(increase) in trade and other receivables	1 224	6 545
Decrease/(increase) in inventories	(1 588)	2 573
Increase/(decrease) in trade and other payables	2 028	(10 862)
Increase/(decrease) in deferred revenue	(16 459)	19 035
Use in provisions	(417)	(207)
Total changes in working capital (D)	(15 212)	17 084
Cash generated from / (used in) operations (E)=(C)+(D)	(9 123)	17 432
Interests (paid) (F)	(39)	(339)
Interests received (G)	68	140
Income tax (paid)/received (H)	15	(8)
CASH FLOW FROM OPERATING ACTIVITIES (I)=(E)+(F)+(G)+(H)	(9 079)	17 225
INVESTING ACTIVITIES		
Proceeds from sale of plant & equipment	85	32
Investment in non-consolidated companies	(152)	-
Acquisition of property, plant and equipment	(497)	(59)
Acquisition of intangible assets	-	(8)
Development expenditures	(2 578)	(3 299)
CASH FLOW USED IN INVESTING ACTIVITIES (J)	(3 142)	(3 334)
FINANCING ACTIVITIES		
Repayment of borrowings	(7)	(3 500)
CASH FLOW (USED IN)/ FROM FINANCING ACTIVITIES (K) ..	(7)	(3 500)
Net increase/ (decrease) in cash and cash equivalents (l)=(J)+(K)	(12 226)	10 391
Cash and cash equivalents at beginning of period	25 216	30 930
Effect of exchange rate fluctuations on cash held	39	(22)
Cash and cash equivalents at end of period	13 029	41 299
Difference	0	0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Thousands EUR	Issued capital	Share premium	Share- based payment reserve	Foreign currency translation reserves	Share Issue costs	Retained earnings / (losses)	Total
As per 31 December 2011	12 232	57 961	1 444	76	(1 635)	(68 837)	1 245
Net result	-	-	-	-	-	3 667	3 667
Share based payments	-	-	(10)	-	-	-	(10)
Translation adjustment.....	-	-	-	11	-	-	11
As per 30 June 2012	12 232	57 961	1 434	87	(1 635)	(65 170)	4 913

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 2011 of the Board of Directors which can be found in the Annual Report 2011 page 42-44. 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.

For further information please contact:

Jan Callewaert, Founder & CEO

Jan Smits, CFO

Gaston Geenslaan 14

B-3001 Leuven, Belgium

TEL: +32 (0) 16 31 74 11

FAX: +32 (0) 16 31 74 90

E-mail: investor@option.com

About Option

Option is a global leader in wireless connectivity, security and experience. Option enhances the performance, functionality and usability of wireless communications through a portfolio of 3G, 4G HSPA/LTE and WLAN connectivity solutions. The company works with mobile operators, OEMs, retailers and enterprise customers to create compelling products that enable new connected and secure services. Option is headquartered in Belgium, with further R&D facilities in Germany and an ISO 9001 production engineering and logistics facility in Ireland. Option maintains offices in Europe, the US, Greater China, Japan and Australia. More at www.option.com.

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