



OPTION REPORTS SECOND QUARTER AND FIRST HALF YEAR 2008 RESULTS

Leuven, Belgium – July 24, 2008 - Option N.V. (EURONEXT Brussels: OPTI; OTC: OPNVY), the wireless technology company, today announced its results for the second quarter and the half fiscal year ended June 30, 2008. 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 will be releasing its IAS 34 financial statements before the end of August.

Financial Highlights of the second quarter 2008

- Total revenues for the second quarter of 2008 were EUR 60.8 million compared with EUR 82.1 million realized in the second quarter of 2007.
- Gross margin in Q2 2008 was 24.7% on total revenues, compared with gross margin of 33.6% of Q2 2007. Gross margin would have been 29.2% excluding a provision against inventories of EUR 2.7 million, primarily the result of a significantly higher than expected shift from data cards to USB devices during the quarter.
- The quarterly EBIT amounted to EUR -6.6 million or -10.9% on total revenues compared with EUR 8.9 million or 10.8% during the corresponding period in 2007.
- Net result for the second quarter of fiscal year 2008 amounted to EUR -5.6 million, or EUR -0.14 per basic share. This compares with a net profit of EUR 6.3 million, or EUR 0.15 per basic share. The Q2 2008 net result was positively impacted by taxes of EUR 2.6 million.
- The Group's balance sheet remained strong with EUR 31 million in cash and reduced inventory levels to EUR 32.1 million. Receivables are an average of 68 days outstanding, net of subcontracting parties.

Financial Highlights of the half fiscal year 2008

- First half year revenues were EUR 137.6 million, a decrease of 9.0% compared with EUR 151.2 million revenues realized during the first half year 2007.
- Gross profit for the first half year was EUR 41.6 million, a decrease of 18.1% compared with EUR 50.8 million in 2007. Gross margin in the first half year 2008 was 30.3%, compared with a gross margin of 33.6% in 2007.
- EBIT decreased to EUR -3.5 million or -2.6% on total revenues during the first half year 2008 compared with EUR 17.2 million in 2007.
- Net result decreased to EUR -2.8 million, or EUR -0.07 per basic share. This compares with a net profit of EUR 14.4 million, or EUR 0.35 per basic share in 2007. The 2008 net result was positively impacted by taxes of EUR 2.7 million resulting from the adjustments posted.

Additional Financial Highlights

- Operating expenses for the company have been reduced by 11% versus Q4 2007 (excluding non recurring items) from EUR 24.2 million to EUR 21.6 million reflecting a continued focus on cost reductions and process optimization.
- During the quarter, Option sold more devices than in any prior quarter in its history. USB devices accounted for 77% of devices sold and 69% of revenue versus 56% and 49% respectively in Q1 2008.
- During the quarter, the Company has arranged a EUR 10 million credit facility. This facility, in combination with its current strong cash position, provides the Company with additional financial flexibility.

CONSOLIDATED PERFORMANCE

For the period ended 30 June Million EUR (except per share figures)	Q2 2008	Q2 2007	YTD 2008	YTD 2007
Revenues.....	60.8	82.1	137.6	151.2
Gross profit.....	15.0	27.6	41.6	50.8
Operating expenses	21.6	18.7	45.1	33.6
EBIT.....	(6.6)	8.9	(3.5)	17.1
Net profit.....	(5.6)	6.3	(2.8)	14.4
Weighted average number of ordinary shares ..	41 249 296	41 249 296	41 249 296	41 249 296
Earnings per share after the stock split (EUR) ..	(0.14)	0.15	(0.07)	0.35

Non financial highlights of the second quarter included

- Pioneer Corporation selected the iCON 225 wireless USB modems to add broadband connectivity to its latest car navigation systems for the Japanese market.
- On 5 June 2008 Option announced the GlobeTrotter Connect for Linux, the connection management software for Mobile Internet Devices (MIDs) based on the Intel® Centrino® Atom™ processor technology.
- A major contract with a MID device manufacturer is on schedule for a Q3 announcement, confirming the value of the investment Option continues to make in this market.
- Revenue generating headcount has been broadened with a new VP North America and strengthened staff, enhanced capabilities in Australia and the South Pacific, and a new VP Distribution which will give access to numerous new and emerging markets without the need for dedicated staff.
- In June 2008 the board of directors resolved to convene an extraordinary general meeting of shareholders for 29 July 2008 (and 26 August 2008, should the statutory attendance quorum for amendments to the bylaws not be reached at the above meeting) in order to deliberate on – amongst others – (1) the full replacement of the warrant plan “U” by a new warrant plan “V” with a possible issuance of maximum 2,500,000 warrants in favour of the directors, the employees and self-employed persons, (2) several amendments to the Company’s bylaws including the modification of the date of the annual meeting shareholders, and (3) the remuneration and the replacement/nomination of directors.
- Option nominated 2 new board members: Mr. Olivier Lefebvre and Mr. Patrick De Smedt. Mr. Lefebvre was, until recently, a member of the NYSE Euronext Inc. management committee and CEO of the Brussels Stock Exchange. Prior to that, he was advisor and Chief of Staff to the Belgian Minister of Finance in charge of the reform of the Belgian financial markets. Mr. De Smedt spent 23 years at Microsoft and has been Chairman of Microsoft EMEA since 2003. Final appointment of the new directors will be subject to vote at the Extraordinary General Meeting of Shareholders on July 29, 2008. If elected, both will act as independent Board members, expanding the Option Board of Directors to eight members.

Comments on the results

Commenting on the results, Jan Callewaert, CEO of Option, said: “The wireless broadband device market continues to evolve at break-neck speed.

USB modems accounted for more than three quarters of our shipments in the second quarter – a milestone we hadn’t expected to reach until the end of the year. The success of our iCON 225 USB modem was the foundation for the highest quarterly shipments ever achieved by Option.

We have also seen demand for embedded modules grow by more than 30% as laptop manufacturers add wireless broadband capability to an ever broader proportion of the products.

Operators have taken full advantage of a highly competitive supplier community and margins have been squeezed across the sector. Prices of wireless broadband devices have seen quarter-on-quarter price reductions that are typical of the year-on-year reductions witnessed in other consumer electronic product categories. We expect a more even balance between operators and suppliers going forward.

Against this background, we continue to scrutinise our own cost base, supply chain and operations with a relentless intensity to achieve the efficiency required to succeed in a high volume mass market. While this is still a work in progress, Q2 operating expenses were 11% lower than Q4 2007.

Challenges remain, but we retain our confidence in the wireless broadband opportunity. As a source of secondary subscriptions and new revenue streams, it remains the top priority for mobile operators worldwide. Embedded wireless broadband is becoming an essential feature for laptop manufactures while consumer electronic OEMs are employing embedded modules in a whole new category of mass market

mobile internet devices (MID). Option made an early commitment to embedded modules for these devices and will begin to reap the rewards of that investment during the fourth quarter.

In the meantime, the fine-tuning of our organisation will continue and new distribution options are being explored to extend routes to market and drive up volume and revenue.

We also look forward to further broadening the insight and experience of our company with the proposal to elect two new independent board members at the forthcoming shareholder meeting”.

- OPTION N.V. -

Financial report prepared in accordance with IFRS measurement and recognition principles

CONSOLIDATED INCOME STATEMENT

For the 3 and 6 month period ended 30 June Thousands EUR (except per share figures)	Q2/2008	Q2/2007	June 30, 2008	June 30, 2007
Revenues	60 811	82 109	137 600	151 211
Cost of products sold	(45 789)	(54 504)	(95 971)	(100 383)
Gross profit	15 022	27 605	41 629	50 828
Gross margin/Total revenues %	24.7%	33.6%	30.3%	33.6%
Research and development expenses	(7 301)	(6 660)	(15 543)	(11 782)
Sales, marketing and royalties expenses	(9 591)	(8 056)	(19 810)	(14 077)
General and administrative expenses	(4 750)	(4 027)	(9 790)	(7 780)
Total operating expenses	(21 643)	(18 743)	(45 143)	(33 639)
Profit from operations (EBIT)	(6 621)	8 863	(3 514)	17 189
EBIT/Total revenues %	(10.9%)	10.8%	(2.6%)	11.4%
Depreciation and amortization	4 910	4 209	9 682	7 249
EBITDA	(1 711)	13 071	6 168	24 438
EBITDA/Total revenues %	(2.8%)	15.9%	4.5%	16.2%
Exchange gain/(loss)	(1 914)	57	(264)	199
Interest income/(expense) and other financial income/(expense)	247	(2)	(1 793)	(2)
Finance result	(1 667)	55	(2 058)	197
Profit before taxes	(8 288)	8 918	(5 572)	17 386
Tax expense	2 639	(2 595)	2 726	(2 921)
Net profit	(5 649)	6 323	(2 846)	14 465
Weighted average number of ordinary shares	41 249 296	41 249 296	41 249 296	41 249 296
Diluted average number of ordinary shares	41 249 296	41 249 296	41 249 296	41 249 296
Earnings per share (in EUR)	(0.14)	0.15	(0.07)	0.35
Diluted earnings per share (in EUR)	(0.14)	0.15	(0.07)	0.35

- OPTION N.V. -

**CONSOLIDATED BALANCE SHEET PREPARED IN ACCORDANCE WITH IFRS
MEASUREMENT AND RECOGNITION PRINCIPLES.**

Thousands EUR For the period ended	30 June 2008	31 December 2007
ASSETS		
Current assets		
Cash and cash equivalents	31 059	36 299
Trade and other receivables	67 517	55 464
Income tax receivable.....	415	2 958
Inventories	32 194	39 251
	131 185	133 972
Non-current assets		
Property, plant and equipment.....	18 593	20 139
Intangible assets.....	25 131	20 462
Deferred tax assets	13 260	11 333
Other receivables	312	82
	57 298	52 016
Total assets.....	188 483	185 988
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables.....	69 096	59 505
Income tax payable	481	1 573
Current portion of long-term debt.....	69	75
Provisions (current)	2 881	5 976
	72 527	67 129
Non-current liabilities		
Trade and other payables	-	-
Non-current portion of long-term debt.....	74	74
Deferred tax liabilities	665	691
	739	765
Equity		
Issued capital.....	6 116	6 116
Share premium	43 865	43 865
Reserves	332	363
Retained earnings	64 904	67 750
Shareholders' equity	115 217	118 094
Total liabilities and shareholders' equity	188 483	185 988

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CONSOLIDATED CASH FLOW STATEMENT

Prepared in accordance IFRS measurement and recognition principles

Thousands EUR For the period ended	30 June 2008	30 June 2007
OPERATING ACTIVITIES		
Net profit (A)	(2 848)	14 465
Depreciation and amortization	9 682	7 249
Write-offs on inventories	4 619	246
Unrealized foreign exchange losses/(gains)	72	473
Interest income	(434)	(534)
Interest expense	68	60
Tax expense / (income)	(2 726)	2 921
Total (B)	11 281	10 415
Cash flow from operating activities before changes in working capital		
(C)=(A)+(B)	8 433	24 880
Decrease/(increase) in trade and other receivables	(28 889)	(16 599)
Decrease/(increase) in inventories	14 947	(36)
Increase/(decrease) in trade and other payables	10 174	15 674
Total changes in working capital (D)	(3 768)	(961)
Cash generated from operations (E)=(C)+(D)	4 665	23 919
Interests (paid) (F)	-	34
Interests received (G)	-	528
Income tax (paid)/received (H)	2 928	(4 092)
CASH FLOW FROM OPERATING ACTIVITIES (I)=(E)+(F)+(G)+(H)	7 593	20 389
INVESTING ACTIVITIES		
Proceeds from sale of plant & equipment	-	1
Proceeds from sale of intangible assets	6	-
Acquisition of property, plant and equipment	(1 691)	(3 444)
Acquisition of intangible assets	(660)	(616)
Development expenditures	(10 458)	(8 448)
CASH FLOW FROM INVESTING ACTIVITIES (J)	(12 802)	(12 507)
FINANCING ACTIVITIES		
Repayment of borrowings	(1)	(37)
CASH FLOW FROM FINANCING ACTIVITIES (K)	(1)	(37)
Net increase/(decrease) in cash and cash equivalents (I)+(J)+(K)	(5 211)	7 845
Cash and cash equivalents at beginning of period	36 299	36 062
Effect of exchange rate fluctuations on cash held	(29)	(14)
Cash and cash equivalents at end of period	31 059	43 893
Difference	0	0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Thousands EUR For the period ended 30 June 2008	Shareholders' equity					Total equity
	Issued capital	Share premium	Share- based payment reserves	Translation reserves	Retained earnings	
As per 1 January 2008.....	6 116	43 865	360	3	67 750	118 094
Net result	-	-	-	-	(2 846)	(2 846)
Conversion Translation adjustment	-	-	-	(31)	-	(31)
As per 30 June 2008	6 116	43 865	360	(28)	64 904	115 216

Statement from Deloitte Bedrijfsrevisoren BV o.v.v.e CVBA, represented by Mr. Leo Van Steenberge

The auditor has confirmed that his limited review procedures, which are substantially completed, have not revealed any material corrections which are required to be made to the financial information included in this press release.

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 2007 of the Board of Directors which can be found in the Annual Report 2007 page 39-40. 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 built up an enviable reputation for creating exciting products that enhance the performance and functionality of wireless communications. Option's headquarters are in Belgium (Leuven). The company has Research & Development in Belgium (Leuven) and Germany (Düsseldorf and Adelsried), and an ISO 9001 production engineering and logistics facility in Ireland (Cork). Option maintains offices in Europe, US, Asia, Japan and Australia. For more information please visit www.option.com.