

OPTION ANNOUNCES FIRST QUARTER RESULTS

For immediate release
Leuven, 21 May 2002

Option (NASDAQEUROPE: OPIN), the leading innovator in the wireless communications market, today announced its consolidated first quarter results for the three months ended March 31st, 2002. Our results are reported in EURO and are prepared in accordance with United States generally accepted accounting principles (US GAAP).

Highlights for the first quarter of 2002:

- Revenues for the first quarter of fiscal 2002 are EUR 4,4 million.
- 87% of the Q1 revenues came from the Compaq and Lucent OEM agreements.
- The gross margin further improved to 45,7% from 29,2% in the first quarter of 2001.
- The quarterly operating expenses, excluding depreciation expenses, are EUR 3,2 million, compared to EUR 3,5 million in the first quarter of 2001.
- The quarterly depreciation expenses are EUR 0,7 million compared to EUR 0,4 million in the first quarter of 2001
- The net loss under generally accepted accounting principles for the quarter amounts to EUR – 1,4 million or EUR –0,18 per share, compared to EUR –1,2 million or EUR –0,19 per share during the first quarter of 2001.

Commenting on the results, Mr Callewaert, President and Chief Executive Officer said:

The acceptance and the sell-through of the GSM/GPRS Wireless Pack to Compaq (now HP), the signature of an important new Development and OEM Partnership agreement with Lucent and the implementation of our manufacturing outsourcing agreement with Jabil Circuit marked Option's first quarter

This mix resulted for the first time since the IPO in achieving a gross margin of more than 40%.

HP made the GSM/GPRS Wireless Pack for the iPAQ Pocket PC available, by which it became the market's first handheld PC with tri-band GSM/GPRS capabilities. The new device is now selling across Europe, the Middle East, Africa and Asia, providing iPAQ Pocket PC users with a fast Internet connection, e-mail and mobile phone connectivity worldwide.

The project with Lucent for the development of the multi mode UMTS/GPRS wireless PC Cards is in the pipeline and we are on track to deliver the first working samples with speeds on a laptop reaching up to 384 Kbps.

On the operational side, thanks to our partnership with Jabil, we are reducing our financial exposure for our GPRS products significantly. The manufacturing relationship is really working well.

After a period of production ramp-up at Jabil, our tri-band GSM/GPRS PC Card, GlobeTrotter, is in volume production since the end of April. The card received formal regulatory certification for use on all GPRS/GSM networks.

The carriers however are going through a comprehensive and lengthy acceptance process to make sure the card is perfectly reliable and robust enough in various environments. Nevertheless we are confirming that GlobeTrotter is in the process of being accepted by several major carriers one after the other. . And we can demonstrate this today as Option can now officially announce the signature of a GPRS PC-Card preferred source agreement with the T-Mobile group (Deutsche Telekom) for the commercialisation of our GlobeTrotter card. GlobeTrotter is in strong demand. Following the repeated requests by a number of IT distributors to distribute the product, we are currently in the process of appointing Specialist Distribution Partners to promote, retail and sell the GlobeTrotter card.

Moreover since early May we have made the GlobeTrotter card available for the individual mobile user on our website (electronic shop) and the results are going beyond our expectations.

In summary, as a consistent innovator in the sector and thanks to our continued investments in Research and Development in wireless technology, our Company has put the fundamentals in place to target profitability during this fiscal year. With the entire team at Option I am convinced we can reach that goal.

Financial Review:

Income Statement

Revenues

Revenues for the quarter amount to EUR 4,4 million and decreased compared to EUR 6,5 million in the first quarter of 2001. OEM agreements generated 87% of the revenues compared to 93% in the first quarter of last year.

Gross Profit

Gross margins came in at EUR 2,0 million, or 45,7%. Revenue generated from the Lucent OEM agreement positively affected gross margins. Full absorption costing was implemented during 2001 in order to include production-supervising cost into the cost of sales. This change in accounting principle had a negative impact of EUR 0,4 million on gross profits during the first quarter of 2002. The Company was able to reverse possible losses of EUR 0,5 million on firm purchase commitments for inventory goods during quarter 1 of 2002.

Operating expenses

Operating expenses for the first quarter were EUR 3,9 million and equal to the operating expenses in the first quarter of 2001. Depreciation expenses were EUR 0,7 million in the first quarter, an increase of EUR 0,3 million compared to the first

quarter of last year. Additional depreciation expenses of EUR 0,2 million were accounted for in the first quarter of this year.

Net results

The net loss for Quarter 1, 2002 amounts to EUR – 1,4 million, compared to a net loss of EUR – 2,4 million in the previous quarter and a net loss of EUR –1,2 in the first quarter of 2001.

Balance Sheet

Cash decreased from EUR 4,6 million at year-end 2001 to EUR 1,8 million in the first quarter of 2001.

During the first quarter Option agreed to provide a bank guarantee of USD 1 million to one of its suppliers. USD 0,5 million of the bank guarantee was made in cash and booked as restricted assets. The duration of the bank guarantee will be eight months maximum.

Accounts receivable were EUR 6,7 million at the end of the first quarter, an increase of EUR 1,4 million compared to the outstanding accounts receivable of EUR 5,3 million per December 31st, 2001. Option and Xoceco Ltd (China) signed an agreement for the recovery of the outstanding receivable whereby Xoceco agreed to pay Option a total amount of USD 1,5 million in March 2002 and Option to keep production test systems for a total value of USD 0,45 million. Xoceco only fulfilled its contractual obligations during the months of April and May. Option still has an outstanding receivable of USD 1,3 million on Xoceco which is actually not collectable anymore.

Inventories have decreased from EUR 6,3 million at the end of last year to € 3,9 million per 31st of March 2002. The decision to outsource material procurement and manufacturing services to Jabil Circuit has already a positive effect on the working capital management.

Deferred tax assets increased from EUR 8 million per December 31st, 2001 to EUR 8,5 million per March 31st, 2002.

Fixed assets increased from EUR 5,1 million (net book value) by year-end 2001 to EUR 5,5 million (net book value) by the end of the first quarter 2002. During the first quarter of 2002 the Company invested for an amount of EUR 1,2 million in software licenses for the GPRS products, production test systems and lab and testing equipment for UMTS.

Accounts payable decreased from EUR 6,8 million at the end of last year to EUR 5,0 million at the end of quarter 1. Salary and payroll related liabilities increased compared with the balance reported last year.

Accrued expenses and deferred income increased from EUR 0,8 million per December 31st, 2001 to EUR 2,4 million per march 31st, 2002. The increase is mainly due to the accrual set up for interest payable on the convertible shareholders loan (EUR 0,1 million) and the deferral of income on OEM contracts for an amount of EUR 1,0 million.

Provision for risk and charges decreased from EUR 2,7 million at the end of last year to EUR 1,3 million at the end of quarter 1, 2002. The decrease of EUR 1,4 million is due to the settlement with suppliers on firm purchase commitments for inventory goods.

Cash flow for the quarter was negative for EUR 2,9 million, mainly the result of EUR – 1,5 million of cash outflow from operating activities and EUR – 1,2 million investments.

Forward-Looking Statements

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. 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.

Option and Option International are trademarks of Option N.V. All other product names mentioned herein may be trademarks of the companies with which they are associated.

For further information please contact:

Jan Callewaert, CEO
Johan De Lille, CFO
Kolonel Begaultlaan 45
B-3012 Leuven, Belgium
TEL : +32 (0)16/31.74.11
FAX +32 (0)16/20.71.64
e-mail : a.broos@option.com

OPTION

US GAAP Consolidated Balance Sheet at March 31, 2002 and December 31, 2001

in 000 EUR	March 31, 2002 000 EUR	December 31, 2001 000 EUR
	LIMITED REVIEW	AUDITED
Assets		
Cash & Cash equivalents	1.751,3	4.609,9
Restricted Assets	572,9	0,0
Accounts receivable	6.657,4	5.295,6
Other receivables	838,6	717,0
Inventories	3.903,7	6.331,6
Deferred taxes	8.472,6	8.000,0
Tot.current assets	22.196,5	24.954,1
Property & equipment	3.753,8	3.754,7
Intangible assets	1.719,9	1.314,7
Total fixed assets	5.473,8	5.069,4
Total Assets	27.670,3	30.023,5
 Liabilities & shareholders' equity		
Accounts payable	5.004,3	6.849,8
Salaries and payroll related liabilities	1.599,1	950,3
Shareholders' Convertible Bond	0,0	0,0
Short-term debt	101,2	182,0
Accrued expenses & Deferred Income	2.460,4	802,1
Total current liabilities	9.165,0	8.784,1
Long-term debt	6.342,7	6.342,7
Provision for risks & charges	1.286,6	2.662,8
Common Stock (no par value)	4.488,1	4.488,1
Share premium	27.733,0	27.733,0
Translation and exchange rate differences	-0,3	-0,3
Retained earnings	-21.344,9	-19.986,9
Total Equity	10.875,9	12.233,9
Total liabilities + Equity	27.670,2	30.023,5

OPTION

US GAAP Consolidated Income Statement for Q1/2002 and Q1/2001

IN 000 EUR	Q1 / 2002 000 EUR	Q1 / 2001 000 EUR
	LIMITED REVIEW	LIMITED REVIEW
Net Sales	4.435,7	6.505,5
Cost of sales	-2.407,6	-4.607,9
Gross Profit	2.028,1	1.897,6
Gross Margin %	45,7%	29,2%
Research & Development	-1.925,1	-2.137,5
Sales & Marketing	-368,4	-906,3
General & Administrative	-906,2	-486,7
Depreciation Expenses	-742,3	-387,0
Total Operating Expenses	-3.941,9	-3.917,5
Income/(Loss) from Operations	-1.913,8	-2.019,9
Exchange gain/(Loss)	79,0	86,9
Extraordinary Item	0,0	0,0
Finance Income/(Expense)	6,3	-158,0
Income/Loss before Taxes	-1.828,6	-2.091,0
Income tax	470,5	854,3
Net Result	-1.358,1	-1.236,7
Average # shares Outstanding	7.607.365	6.579.349
Net Result per Share in EUR	-0,18	-0,19
Net Result per Share in USD	-0,16	-0,17

USD:EUR rate per March 31, 2001 : 0.8814

USD:EUR rate per March 31, 2002 : 0.8728

OPTION

in 000 EUR	March 31, 2002 000 EUR	March 31.2001 000 EUR
	LIMITED REVIEW	LIMITED REVIEW
Cash Flows from Operating Activities		
Net earnings (A)	-1.358,0	-1.236,7
Non Cash adjustments		
Depreciation & amort.	837,5	385,5
Translation differences	0,0	0,2
Deferred taxes	-472,6	-854,3
Other non cash adjustm.	-531,0	155,1
Total non cash adjustments (B)	-166,1	-313,6
Change in assets and liabilities		
Accounts receivable	-1.351,7	874,3
Inventories	2.427,9	1.811,1
Restricted Assets	-572,9	
Other assets	-121,5	108,6
Accounts payable	-1.845,5	-459,4
Sal. and payroll rel. liabil.	648,8	268,2
Provision for Risk & charges	-855,4	
Accrued expenses & Deferred Income	1.658,3	-0,1
Total change in assets & liabilities (C)	-12,1	2.602,7
Cash Flows from Operating Activities (A)+(B)+(C)	-1.536,2	1.052,5
Cash Flows from Investing Activities		
Intangible fixed assets	-583,2	1,0
Purchases of plant equipment	-658,6	-299,5
Total cash flow from investing activities (D)	-1.241,8	-298,5
Cash Flows from Financing Activities		
Repayments from long and short term debt	-80,7	-206,8
Net cash provided by financing activities (E)	-80,7	-206,8
Net Cash Flow (A)+(B)+(C)+(D)+(E)	-2.858,7	547,2
Net Increase / Decrease in Cash and Cash Equivalents		
Cash at beginning of period	4.609,9	1.169,8
Cash at end of period	1.751,3	1.717,0
Difference	-2.858,6	547,2
US GAAP Consolidated Cash Flows at December 31, 2001 and December 31, 2000		

Company Profile
Option

May 21, 2002

Market Capitalization : USD 25,3 million

Share Price : USD 3,325 (Mid Price May 21, 2002)

Market Makers : Bank Degroof, Banque Bruxelles Lambert SA, Beeson Gregory Limited, Dexia Securities Belgium SA/NV , Fortis Bank NV, KBC Securities NV, Madoff Securities International Limited, Petercam SA,

Company Profile
Option

Option's mission is to be the source of excellence in the design, development, production and marketing of wireless communication solutions for global markets giving anywhere, anytime access to the mobile user.

Option's original business model based on selling products under its own name through traditional distribution channels has given way to a strategy focused on an OEM (Original Equipment Manufacturer) business model.

Option's world-class expertise in radio transmission, hardware and software design enables it to integrate GSM and GPRS technology into a multitude of third-party devices ranging from laptop PC's to mobile tablets and mobile phones to PDA's. Starting from scratch, Option has all the in-house resources for the design, development and manufacture of GSM/GPRS modules to add wireless connectivity to any third-party device. Compliant with the latest industry standards, the devices offer world-class quality at the cutting-edge of technology.