

OPTION ANNOUNCES SECOND QUARTER RESULTS

For immediate release
Leuven, 20 August 2002

Option (NASDAQEUROPE: OPIN), the leading innovator in the wireless communications market, today announced its consolidated second quarter results for the three months ended June 30th, 2002. Our results are reported in EURO and are prepared in accordance with United States generally accepted accounting principles (US GAAP).

Highlights for the second quarter of 2002:

- Revenues for the second quarter of the fiscal year 2002 are EUR 7.1 million. This is a 35% increase over the EUR 5.3 million generated in the second quarter of 2001. Year-to-date revenues are EUR 11.6 million, in line with the turnover over the first half of 2001.
- 55% of the Q2 revenues were derived from the Compaq and Lucent OEM agreements, 42% from the Globetrotter GPRS PC Card.
- The gross margin improved to 46.7% from 33.3% in the second quarter of 2001. Year-to-date gross margin is at 46.3% compared to 31% for the first half of 2001.
- The quarterly operating expenses, excluding depreciation charges, are EUR 5.4 million, compared to EUR 3.8 million in the second quarter of 2001.

Sales & Marketing expenses increased significantly due to a write off of EUR 1.5 million on a Xoceco receivable outstanding since 2000.

General & Administrative expenses contain EUR 0.4 million of once off costs related to legal and advisory expenses incurred during this quarter. The Company incurred these expenses in relation to possible strategic alliances.

Excluding these costs on Xoceco and legal & advisory, operating expenses would have been EUR 3.5 million in the second quarter of 2002 compared to EUR 3.8 million in the second quarter of 2001.

- The quarterly depreciation charges are EUR 0,7 million compared to EUR 0,4 million in the second quarter of 2001
- The net loss under generally accepted accounting principles for the quarter amounts to EUR - 2.2 million or EUR -0.29 per share, compared to EUR -1,8 million or EUR -0,28 per share during the second quarter of 2001. Excluding the costs on Xoceco and legal & advisory, the net loss would have been EUR -1.1 million or EUR -0.14 per share.

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

During the second quarter, we continued to ship the GSM/GPRS Wireless Pack for the iPAQ Pocket PC to HP. In addition our Company was fully focused on bringing the tri-band GSM/GPRS PC Card, GlobeTrotter, to market.

GlobeTrotter is now shipping to carriers and specialist distribution partners across Europe as well as in the Asia Pac region. At present GlobeTrotter is commercialised under the T-Mobile-, Orange- and Panda China house styles, as well as under the Option brandname.

Collectively we have shipped some 25,000 GPRS terminals during the second quarter.

The second quarter marked the start of commercial deployment of GPRS services by some important network operators. This was illustrated by an emerging range of business solutions based on GPRS technology aimed at the mobile professional. I am therefore pleased to mention that our Company has identified and is involved in volume projects for the current year. Going forward, we expect the GlobeTrotter to become the Company's flagship product.

In relation to the 3G development project, Lucent and Option remain committed to accelerate the commercial introduction of UMTS technology. Consequently, we recently completed a series of successful 3G data calls thereby achieving a major milestone in our joint development.

On the financial side we secured additional funding with the entry of two new investors into the Company's share capital. Furthermore the Company's principal shareholders have created the new holding company Pepper nv to perpetuate the control over Option in a more institutionalized manner. Finally, our Company has prepared itself to enter into possible strategic alliances that should further strengthen the Company in the global marketplace of today.

In summary, although the telecom market as a whole is experiencing difficult times, our Company, operating in a niche market, should be able to be successful with a product such as GlobeTrotter.

Financial Review:

Income Statement

Revenues

Revenues for the quarter amount to EUR 7.1 million, an increase from the previous quarter, representing a 35% increase over the EUR 5.3 million generated in the second quarter of 2001. OEM agreements generated 67% of the revenues compared to 95% in the first half of last year.

Gross Profit

Gross margins came in at EUR 3.3 million, or 46,7%. 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 0,8 million on gross profits during the first half of 2002.

Operating expenses

Operating expenses, excluding depreciation charges, for the second quarter were EUR 5.4 million, compared to EUR 3.2 million in the previous quarter. A write off of EUR 1.5 million on a Xoceco receivable and a once off cost of EUR 0.4 million for legal and advisory expenses negatively affected operating expenses. Excluding the EUR 1.9 million once off expenses, normal operating expenses -excluding depreciation charges - are EUR 6,8 compared to EUR 7,4 for the first half of 2001.

Depreciation charges were EUR 0,7 million in the second quarter, an increase of EUR 0,3 million compared to the second quarter of last year.

Depreciation charges were EUR 1.4 million in the first half of the year compared to EUR 0.8 million in the first half of 2001. Additional depreciation charges of EUR 0,2 million were accounted for in the first quarter of this year.

Net results

The net loss for Quarter 2, 2002 amounts to EUR - 2.2 million, compared to a net loss of EUR - 1.8 million in the previous quarter and a net loss of EUR -1,8 in the second quarter of 2001. Not taking into account the (non recurring) costs on Xoceco (EUR 1.5 million) and legal & advisory fees (EUR 0.4 million), the net loss for this second quarter of 2002 would have amounted to EUR -1.1 million.

Balance Sheet

Cash decreased from EUR 4,6 million at year-end 2001 to EUR 2.4 million in the second quarter of 2002.

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.

Accounts receivable were EUR 3.2 million at the end of the second quarter, a decrease of EUR 2.1 million compared to the accounts receivable of EUR 5,3 million at December 31st, 2001.

Other receivables were EUR 1.6 million at the end of the second quarter, an increase of EUR 0.9 million compared to EUR 0.7 million at December 31st, 2001. The increase is due to unbilled services for an OEM contract.

Inventories have decreased from EUR 6,3 million at the end of last year to EUR 4.9 million at June 30th 2002. The decision to outsource material procurement and manufacturing services to Jabil Circuit has already had a positive effect on the working capital management.

Deferred tax assets increased from EUR 8 million at December 31st, 2001 to EUR 9.2 million at June 30th, 2002. The company accounts for income taxes in accordance with SFAS No 109, "Accounting for Income Taxes" which requires the use of the liability method of accounting for deferred income taxes. Currently, the company evaluates the deferred tax assets and intend, if needed, to set up a valuation allowance in the second half of 2002.

Fixed assets were EUR 5,1 million (net book value) as at 30 June 2002 and in line with the net book value at year-end 2001. During the first half of 2002 the Company

invested an amount of EUR 1,7 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 6,0 million at the end of quarter 2. Salary and payroll related liabilities increased compared with the balance reported last year.

Accrued expenses and deferred income increased from EUR 0,8 million at December 31st, 2001 to EUR 1.6 million at June 30th, 2002.

The increase is mainly due to the accrual set up for interest payable on the convertible shareholders loan (EUR 0,2 million) and licence costs for the Globetrotter GPRS PC Card.

Provision for risk and charges decreased from EUR 2,7 million at the end of last year to EUR 0.7 million at the end of quarter 2, 2002.

The decrease of EUR 2.0 million is due to the settlement with suppliers on firm purchase commitments for inventory goods.

Negative Cash flow for the first half of the year was EUR 2,2 million, mainly the result of EUR -2,5 million of cash outflow from operating activities, EUR - 1,7 million investments and cash inflow from financing activities of EUR 2.0 million mainly from a capital increase of EUR 2.1 million.

Financial Outlook for 2002.

The company expects that sales will be between EUR 30 and EUR 40 million for the year 2002. Inherent in the guidance is higher than normal risk resulting from the uncertainty associated with the timing of signing contracts and volume shipments related to these contracts. The company should be able to generate a positive EBITDA during the second half of the year.

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.

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US GAAP Consolidated Balance Sheet at June 30, 2002 and December 31, 2001

in 000 EUR	June 30, 2002 000 EUR	December 31, 2001 000 EUR
	LIMITED REVIEW	AUDITED
Assets		
Cash & Cash equivalents	2,441.3	4,609.9
Restricted Assets	503.6	0.0
Accounts receivable	3,212.5	5,295.6
Other receivables	1,579.4	717.0
Inventories	4,852.8	6,331.6
Tot.current assets	12,589.6	16,954.1
Deferred taxes	9,217.5	8,000.0
Property & equipment	3,280.3	3,754.7
Intangible assets	1,826.5	1,314.7
Total fixed assets	5,106.8	5,069.4
Total Assets	26,913.9	30,023.5
 Liabilities & shareholders' equity		
Accounts payable	5,951.1	6,849.8
Salaries and payroll related liabilities	1,474.1	950.3
Short-term debt	48.1	182.0
Accrued expenses & Deferred Income	1,636.3	802.1
Total current liabilities	9,109.6	8,784.1
Long-term debt	6,342.7	6,342.7
Provision for risks & charges	715.6	2,662.8
Common Stock (no par value)	4,848.7	4,488.1
Share premium	29,478.9	27,733.0
Translation and exchange rate differences	-0.5	-0.3
Retained earnings	-23,581.1	-19,986.9
Total Equity	10,746.0	12,233.9
Total liabilities + Equity	26,913.9	30,023.5

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US GAAP Consolidated Income Statement for Q2/2002 and Q2/2001

IN 000 EUR	Q2 / 2002 000 EUR	Q2 / 2001 000 EUR	June 30, 2002 000 EUR	June 30, 2001 000 EUR
	LIMITED REVIEW	LIMITED REVIEW	LIMITED REVIEW	LIMITED REVIEW
Net Sales	7,140.2	5,280.7	11,576.0	11,786.2
Cost of sales	-3,805.4	-3,523.2	-6,213.0	-8,131.1
Gross Profit	3,334.9	1,757.6	5,363.0	3,655.2
Gross Margin %	46.7%	33.3%	46.3%	31.0%
Research & Development	-1,789.5	-2,330.0	-3,714.6	-4,467.5
Sales & Marketing	-2,281.1	-959.8	-2,649.5	-1,866.1
General & Administrative	-1,307.9	-529.3	-2,214.0	-1,016.0
Depreciation Expenses	-656.4	-404.6	-1,398.6	-791.6
Total Operating Expenses	-6,034.9	-4,223.7	-9,976.8	-8,141.2
Income/(Loss) from Operations	-2,700.0	-2,466.1	-4,613.8	-4,486.0
Exchange gain/(Loss)	-80.6	45.0	-1.6	131.9
Extraordinary Item	0.0	0.0	0.0	0.0
Finance Income/(Expense)	-197.5	-156.5	-191.2	-314.5
Income/Loss before Taxes	-2,978.1	-2,577.6	-4,806.7	-4,668.6
Income tax	741.9	760.9	1,212.4	1,615.2
Net Result	-2,236.2	-1,816.6	-3,594.2	-3,053.3
Average # shares Outstanding	7,782,114	6,579,349	7,695,222	6,579,349
Net Result per Share in EUR	-0.29	-0.28	-0.47	-0.46
Net Result per Share in USD	-0.29	-0.23	-0.47	-0.39
USD:EUR rate per June 30, 2001 : 0.8470				
USD:EUR rate per June 30, 2002 : 0.9964				

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US GAAP Consolidated Cash Flows at June 30, 2002 and June 30, 2001

in 000 EUR	June 30, 2002 000 EUR	June 30, 2001 000 EUR
	LIMITED REVIEW	LIMITED REVIEW
Cash Flows from Operating Activities		
Net earnings (A)	-3,594.2	-3,053.4
Non Cash adjustments		
Depreciation & amort.	1,632.0	787.5
Translation differences	-0.2	0.4
Deferred taxes	-1,217.5	-1,615.2
Other non cash adjustm.	974.8	146.3
Total non cash adjustments (B)	1,389.1	-681.0
Change in assets and liabilities		
Accounts receivable	521.8	2,213.5
Inventories	1,478.7	4,868.4
Restricted Assets	-503.6	0.0
Other assets	-862.3	-61.9
Accounts payable	-898.7	-3,964.0
Sal. and payroll rel. liabil.	523.8	270.3
Provision for Risk & charges	-1,360.7	0.0
Accrued expenses & Deferred Income	834.2	-76.2
Total change in assets & liabilities (C)	-266.8	3,250.1
Cash Flows from Operating Activities	-2,471.9	-484.3
Cash Flows from Investing Activities		
Intangible fixed assets	-910.1	-169.4
Purchases of plant equipment	-759.3	-414.7
Total cash flow from investing activities (D)	-1,669.4	-584.1
Cash Flows from Financing Activities		
Proceeds from Shareholders' convertible bond	0.0	0.0
Proceeds (payments) on notes payable	0.0	4,473.2
Proceeds from long and short term debt	0.0	0.0
Repayments from long and short term debt	-133.8	-363.2
Capital increase/IPO	2,106.5	0.0
Net cash provided by financing activities (E)	1,972.7	4,110.0
Net Cash Flow (A)+(B)+(C)+(D)+(E)	-2,168.6	3,041.6
Net Increase / Decrease in Cash and Cash Equivalents		
Cash at beginning of period	4,609.9	1,169.8
Cash at end of period	2,441.3	4,211.4
Difference	-2,168.6	3,041.6

About Option - "Wireless Technology" - Nasdaq Europe: OPIN

"Wireless Technology" - NASDAQ Europe: OPIN -- Option is the leading innovator in wireless communications. The company designs, develops and manufactures a family of products for wireless solutions. Option has built up an enviable reputation for creating exciting new products that enhance the performance and functionality of wireless communications.

Option's headquarters are in Leuven, Belgium. The company has R&D centers in Leuven, Cambridge (UK) and Adelsried (Germany) and a production engineering facility in Cork, Ireland.

For more information about Option, please visit www.option.com

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Market Capitalization : USD 13,7 million

Share Price : USD 1,675 (Mid Price August 19, 2002)

Market Makers : Bank Degroof, Banque Bruxelles Lambert SA, Evolution Beeson Gregory Limited, Fortis Bank NV, KBC Securities NV, Madoff Securities International Limited.