

OPTION INTERNATIONAL REPORTS FOURTH QUARTER and FISCAL YEAR 2001
RESULTS

For immediate release
Leuven, 19 February 2002

Option International (NASDAQEUROPE: OPIN), the leading innovator in the wireless communications market, today announced its audited consolidated financial results for the fourth quarter and the fiscal year ending December 31,2001. Our results are reported in EURO and are prepared in accordance with United States generally accepted accounting principles (US GAAP).

Results for the fourth quarter of 2001:

- € 4 million of GPRS products were sold to a designated fulfillment and manufacturing partner. € 1,9 million of GPRS products, assembly materials and components were sold to a contractor. € 0,3 million of revenue was generated from sales of other products developed by the Company. In accordance with Statement of Position 81-1 Accounting for Performance of Construction-Type and Certain Production-Type contracts (US GAAP), the Company decided to take a conservative approach in the interpretation of US GAAP and not to recognize € 5,9 million of revenue in the Fourth Quarter despite the fact that these revenues are recognized as such under International Accounting Standards (IAS) and despite the fact that from a pure legal point of view the goods were sold and the ownership of the goods changed.
- The Company recognized additional possible losses on firm purchase commitments for inventory goods, which arise from the probable decline in the use of these components in the near future. The Company accrued additional extraordinary costs for an amount of € 0,9 million, although some of these inventory goods might be transferred to future projects or swapped against other inventory goods for such future products. The Company already accrued extraordinary costs for an amount of € 2,8 million in Q3 of 2001. In the event that such a transfer or swap would occur, the inventory goods will have a positive contribution for the gross margin of the Company. In accordance with US GAAP the accrued extraordinary costs are booked as Cost of Sales.
- The Company generated a gross margin of € 0,7 million in the fourth quarter of 2001.
- The quarterly operating expenses are € 3,9 million, compared to € 3.4 million in the fourth quarter of 2000. The increase is mainly due to one-time expenses of € 0,5 million related to the additional testing and granting regulatory equipment approval for the Tri-Band GPRS products and to additional depreciation of fixed assets for € 0,2 million.
- Operating loss came in at € -3,2 million and include one time expenses for an amount of € 1,6 million caused by € 0,9 million of additional extraordinary cost for inventory goods, € 0,5 million costs for regulatory equipment approval and € 0,2 million for additional depreciation of fixed assets.
- The net loss for the fourth quarter amounts to € -2,4 million compared to € -1,8 million in Q4, 2000.

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

The volume shipments of VisorPhone, the focus on GPRS product development and the strengthening of Option's management team marked 2001.

In anticipation of the GPRS network roll out, the Company has in the course of 2001, developed two key products for the mobile professional: the tri-band Wireless Pack for the iPAQ Pocket PC of Compaq and the tri-band GlobeTrotter PC Card.

With the recent obtaining of Type Approval for GlobeTrotter, both products are ready for volume commercialisation. Whereas the Wireless Pack for the iPaq Pocket PC is commercialised via the distribution channels of Compaq, the GlobeTrotter product will be commercialised under the Option brand name in the operator and IT distribution channels, as well as under the brand name of operators via their own distribution channels. Thanks to this approach, we will significantly increase our customer base, which will benefit to the financial stability of the Company.

We have been confronted with a slower than expected implementation of the GPRS technology in the global market and more extensive testing and debugging than anticipated. Thanks to this testing we have been able to establish excellent relationships with carriers throughout the world such as T-Mobil, Mobistar, Voicestream, and Vodafone.

On the financial side we have been able to secure additional funding with the entry of new investors into the Company's share capital.

Furthermore, thanks to our track record of product development, Lucent has chosen Option as its partner for the development of a 3G UMTS PC Card with R&D funding as well as technical and marketing support provided by Lucent.

In 2002 we want to turn the company into profitability.

Results for the 2001 fiscal year:

Income Statement

Revenue for the year ended December 31, 2001 amounted to € 22,1 million, an increase of 30,7% over 2000 (€16,9 million).

Gross margins came in at € 4,6 million, or 20,7%. Gross margins, excluding extraordinary inventory charges taken in the third and fourth quarters and deferred cost of sales in relation to SOP 81-1, amounts to € 7,7 million, or 34,8%, an improvement compared to the 27% achieved last year.

Operating expenses were € 17,4 million. The operating expenses, include one-time expenses of € 1,6 million related to the additional testing and granting regulatory equipment approval for the Compaq Pocket PC Tri-Band GPRS Wireless Pack and for the Tri-Band GPRS PC card, and include additional depreciation of fixed assets for € 0,2 million. Excluding these two items the operating expenses for 2001 amount to € 15,6 million compared to € 12 million in 2000.

Net loss for 2001 was €-9,6 million compared to €-5,0 million the year before.

Balance Sheet

Accounts receivable decreased from € 8,7 million per December 31st, 2000 to € 5,3 million per December 31st, 2001.

Inventories have decreased from €12,9 million at the end of last year to € 6,3 million per 31st of December 2001. In line with the decision the Company has taken in relation to the revenue recognition of the fourth quarter, Statement of Position 81-1 (US GAAP) was applied for the inventories. Statement of Position 81-1 recommends to book deferred revenue as stock in consignment. Therefore, in application of this Statement of Position 81-1, the inventories per 31st of December 2001 include € 4 million of products in consignment with third parties. The third parties, who legally own the products, are nevertheless fully liable for the products reported as stock in consignment in accordance with the aforementioned Statement of Position.

Deferred tax assets increased from € 3,9 million per December 31st, 2000 to € 8 million per December 31st, 2001.

Fixed assets increased from € 4,6 million (net book value) by year-end 2000 to € 5,1 million (net book value) by year-end 2001. Throughout the year the company invested for an amount of € 2,2 million in software licenses for the GPRS products, test systems and lab and testing equipment.

Accounts payable decreased from € 11,5 million at the end of last year to € 6,8 million. Salary and payroll related liabilities are in line with the balance reported last year.

€ 2,8 million of debt outstanding to financial institutions at the end of last has been repaid during the year 2001. Two shareholders subscribed to 20 convertible bonds for a total value of € 6,3 million.

Retained earnings was negatively impacted by the full year loss of € -9,6 million. Towards the end of the fourth quarter, the company successfully closed a private placement thereby increasing its capital with € 4,5 million.

Financial guidance for the year 2002:

For the year ending December 31, 2002, we are providing the following guidance to reflect our current business indicators and expectations. Inherent in this guidance is higher than normal risk resulting from the uncertainty associated with the timing of completion, approval and volume shipment of a number of new products. We expect revenue to be between € 40 million and € 60 million. We expect operating expenses to remain relatively flat as a result of our expense management initiatives. We expect to generate a positive EBITDA margin between 5% and 10% of the estimated revenue.

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 International 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 December 31, 2001 and December 31, 2000

In 000 EUR	December 31, 2001 000 EUR	December 31, 2000 000 EUR
	AUDITED	AUDITED
Assets		
Cash & Cash Equivalents	4,609.9	1,169.8
Accounts receivable	5,295.6	8,655.9
Other receivables	717.0	419.2
Inventories	6,331.5	12,885.2
Deferred taxes	8,000.0	3,935.4
Tot. current assets	24,954.1	27,065.5
Property & equipment	3,754.7	3,983.5
Intangible assets	1,314.7	637.1
Total fixed assets	5,069.4	4,620.6
Total Assets	30,023.5	31,686.1
Liabilities & shareholders' equity		
Accounts payable	6,849.8	10,062.6
Salaries and payroll related liabilities	950.3	541.4
Short-term debt	182.0	3,185.9
Accrued expenses	802.1	338.0
Total current liabilities	8,784.1	14,127.9
Long-term debt	6,342.7	130.5
Provision for Risk & Charges	2,662.8	0.0
Common Stock (no par value)	4,488.1	3,890.6
Share premium	27,733	23,884.6
Translation and exchange rate differences	-0.3	-0.6
Retained earnings	-19,986.8	-10,346.9
Total Equity	12,233.9	17,427.6
Total liabilities + Equity	30,023.5	31,686.1

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US GAAP Consolidated Income Statement for Q4/2001, Q4/2000 and for the period
ending December 31, 2001 and December 31,2000

	Q4/2001 000 EUR	Q4/2000 000 EUR	December 2001 000 EUR	31, December 2000 000 EUR
	Audited	Audited	Audited	Audited
Net Sales	232.3	4,922.9	22,108.0	16,692.3
Cost of sales	448.0	-3,642.7	-17,532.4	-12,189.2
Gross Profit	680.3	1,280.1	4,575.6	4,503.1
Gross Margin %	292,9%	26,0%	20,7%	27.0%
Research & Development	-2,950.2	-2,097.8	-12,380.2	-6,926.8
Sales & Marketing	-414.5	-875.7	-3,073.7	-3,491.4
General & Administrative	-517.4	-474.9	-1,911.0	-1,608,2
Total Operating Expenses	-3,882.8	-3,448.4	-17,364.9	-12,026.4
Income/(Loss) from Operations	-3,201.8	-2,168.2	-12,789.3	-7,523.3
Exchange gain/(Loss)	82,7	196,5	-143.3	364.6
Extraordinary Item	0.0	0.0	-0,1	-13.5
Finance Income/(Expense)	-325,5	-65.0	-775,2	-76.2
Income/Loss before Taxes	-3,444.6	-2,037,2	-13,707.9	-7,248.4
Income tax	993,5	278.7	4,067.8	2,283.8
Net Result	-2,451.1	-1,758.5	-9,640.1	-4,964.6
Average Shares Outstanding	6,624,045	6,579,349	6,590,615	6,191,359
Net Result on ordinary activities in EUR (1)	-0.37	-0.27	-1.46	-0.52
USD/EUR rate per December 31,2000: 0.9280				
USD: EUR rate per December 31, 2001: 0.8844				

(1) (Inc/Loss before Taxes + Extraordinary Costs) * (1- Tax Rate)

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US GAAP Consolidated Cash Flows at December 31, 2001 and December 31, 2000

Cash Flows from Operating Activities	December 31, 2001 000 EUR	December 31, 2000 000 EUR
	AUDITED	AUDITED
Net earnings (A)	-9,554.8	-4,964.6
Non Cash adjustments		
Depreciation & amort.	1,774.4	1,192.2
Translation differences	0.4	0.0
Deferred taxes	-4,055.1	-2,283.8
Other non-cash adjustm.	2,886.4	389.0
Total non cash adjustments (B)	606.1	-702.6
Change in assets and liabilities		
Accounts receivable	-470.7	-4,767.3
Inventories	10,478.3	-5,982.0
Other assets	-297.9	-194.9
Accounts payable	-3,624.9	6,868.7
Sal. and payroll rel. liabil.	408.9	-160.4
Accrued expenses	464.1	223.6
Total change in assets & liabilities (C)	6,957.8	-4,012.2
Cash Flows from Operating Activities	-1,990.9	-9,679.4
Cash Flows from Investing Activities		
Intangible fixed assets	-1,285.1	-723.5
Purchases of plant equipment	-938.2	-3,551.6
Investments	0.0	0.0
Total cash flow from investing activities (D)	-2,223.3	-4,275.1
Cash Flows from Financing Activities		
Proceeds from shareholders' convertible bond	6,331.0	0.0
Proceeds (payments) on notes payable	0.0	2,736.6
Proceeds from long and short term debt	0.0	172.8
Repayments from long and short term debt	-3,122.8	-80.6
Capital increase/IPO	4,446.0	8,593.7
Net cash provided by financing activities (E)	7,654.2	11,422.5
Net Cash Flow (A)+(B)+(C)+(D)+(E)	3,440.0	-2,532.0
Net Increase / Decrease in Cash and Cash Equivalents		
Cash at beginning of period	1,169.8	3,701.8
Cash at end of period	4,609.9	1,169.8
Difference	3,440.1	-2,532.0

Company Profile
Option International

February 19, 2002

Market Capitalization : USD 21.7 million

Share Price : USD 2.975 (Mid Price February 19, 2002)

Market Makers : Artesia Securities SA,, Bank Degroof, Bank Brussel Lambert SA, Beeson Gregory Limited, Credit Lyonnais Securities, Delta Lloyd Securities, Fortis Bank NV, KBC Securities NV, Knight Securities International Ltd, Petercam SA, Puilaetco.

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.

The agreement with Compaq to develop a GSM/GPRS module for the iPAQ PDA is an example of Option's strengths in OEM integration. This ergonomic GSM/GPRS tri-band solution adds the advanced voice and high-speed data capabilities found in high-tier mobile phones, including web-browsing and user-friendly SMS, to the powerful contact management facilities of the PDA.

Option does not limit itself to OEM integration: it has a proven track record in tailor-making communications devices to a customer's brief. Xiamen Overseas Chinese Electronic Co Ltd (China) wanted a lightweight, attractively –styled, small and user-friendly GSM mobile phone. Incorporating custom SMS templates, special speed-dial buttons for accessing customer support and pre-programmed phone-numbers, the phone's software, developed entirely in-house, illustrates how Option assists its OEM partners in offering differentiated services to their customers.

Developments by the Company are now focused on GPRS, the enabling technology for mobile data communication making the Internet wireless.

Jan Callewaert, CEO: "The take off in wireless data communication has been a long time coming, but we have taken all necessary steps to create and maintain our competitive advantage. We have invested heavily in R&D in order to remain at the forefront of GPRS technology. Our production engineering facility in Cork underwent expansion and volume production is now a reality. Recent results are most encouraging and promise a bright future.

The new generation of our FirstFone card, called Globetrotter, a triple band GSM/GPRS PC-Radio-card, created a great deal of excitement at the 3GSM World Congress in Cannes. Option was the first and only company to unveil such a revolutionary product. With this product, the Company wants to address the telecom operators. Partnerships with several GPRS/GSM network operators have already been announced such as T-Mobil (Germany), BT CellNet (UK) and Omnitel (Italy) and for the Belgian market with Mobistar.