ANNUAL REPORT 1997

OPTION
INTERNATIONAL
Mobile Data Communications

Contents

Option International is dedicated to developing state-of-the-art, miniaturised wireless modem products. The company has built an enviable reputation for creating exciting new products that enhance the performance and functionality of mobile data communications. Option International is today a leading vendor of PC Card modems and number one in GSM data connectivity solutions.

Our mission is to be a source of excellence in the design, development and marketing of mobile data communications solutions for global markets giving anywhere, anytime data access to the mobile professional. Through this focus on wireless mobile data communications, we will build value for our shareholders through sustained revenue and profit growth.

The Highlights of 1997 include

On the products side

- Announcement at CeBIT of FirstFone® combining the power of a GSM mobile phone and data card into one single PC Card.
- GSM Ready® PC Card supporting an increasing number of GSM handsets.
- Snap-On, the GSM-adapter for 3Com's PalmPilot connected organiser.

On the distribution side

- Opening of a representative office in the UK.
- Distribution network enlarged.

On the financial side

- Financing agreement in August for BEF 105 million.
- Through the IPO in November 1997, the company raised USD 16 million of new equity.

Recent developments since January 1, 1998

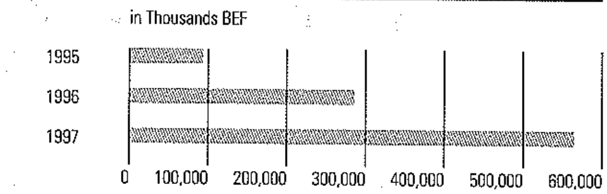
- Announcement of the GSM Ready® 56K-modem to be shipping in Q1.
- Resignation of M. O'Leary, CFO, due to private family reasons.
- Announcement to deploy production engineering and software development activities in Ireland.
- Commitment taken for an investment in Ireland in test equipment for USD 600,000.
- FirstFone® GSM Full Type Approval (FTA) and CE Compliance.

Financial Highlights (US GAAP) at December 31, 1997 - 1996 - 1995

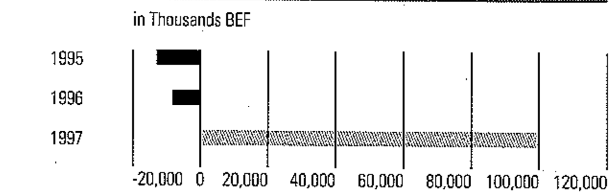
in Thousands BEF, Except Per Share Amounts

	1997	1996	1995	annual average growth
Turnover	564,509	286,314	94,040	+ 45 %
Gross Profit	219,549	77,335	33,083	+ 158 %
Gross Margin	*38.9 %*	*27.0 %*	*35.2 %*	
EBIT	100,410	-8,122	-12,852	
EBIT-margin	*17.8 %*	*-2.8 %*	*-13.7 %*	
Net Earnings After Tax	7,741	-1,816	-12,708	
Net Earnings on Ordinary Activities	61,246	-1,816	-12,708	
Total assets	848,604	184,482	65,901	
Long-term obligations (1)	8,246	21,258	9,280	
Shareholders' equity	747,095	15,142	-542	
Average shares outstanding	4,525,000	2,295,360 (2)	1,959,408 (2)	
Total number of shares outstanding	5,958,956	2,463,408(2)	1,959,408 (2)	
Net Earnings Per Share on Ordinary Activities (in BEF)	13.5	-0.8	-6.5	
Dividends (in BEF)	0	0	0	
Net Earnings Per Share On Ordinary Activities (in USD)	0.36	-0.02	-0.21	
Exchange rate USD-BEF	37.2	32.0	30.0	

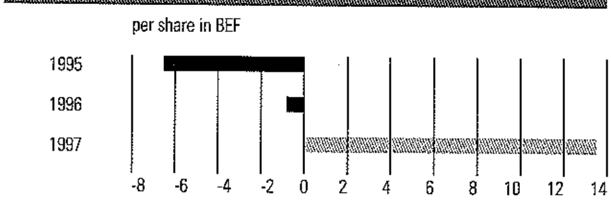
Turnover growth



EBIT

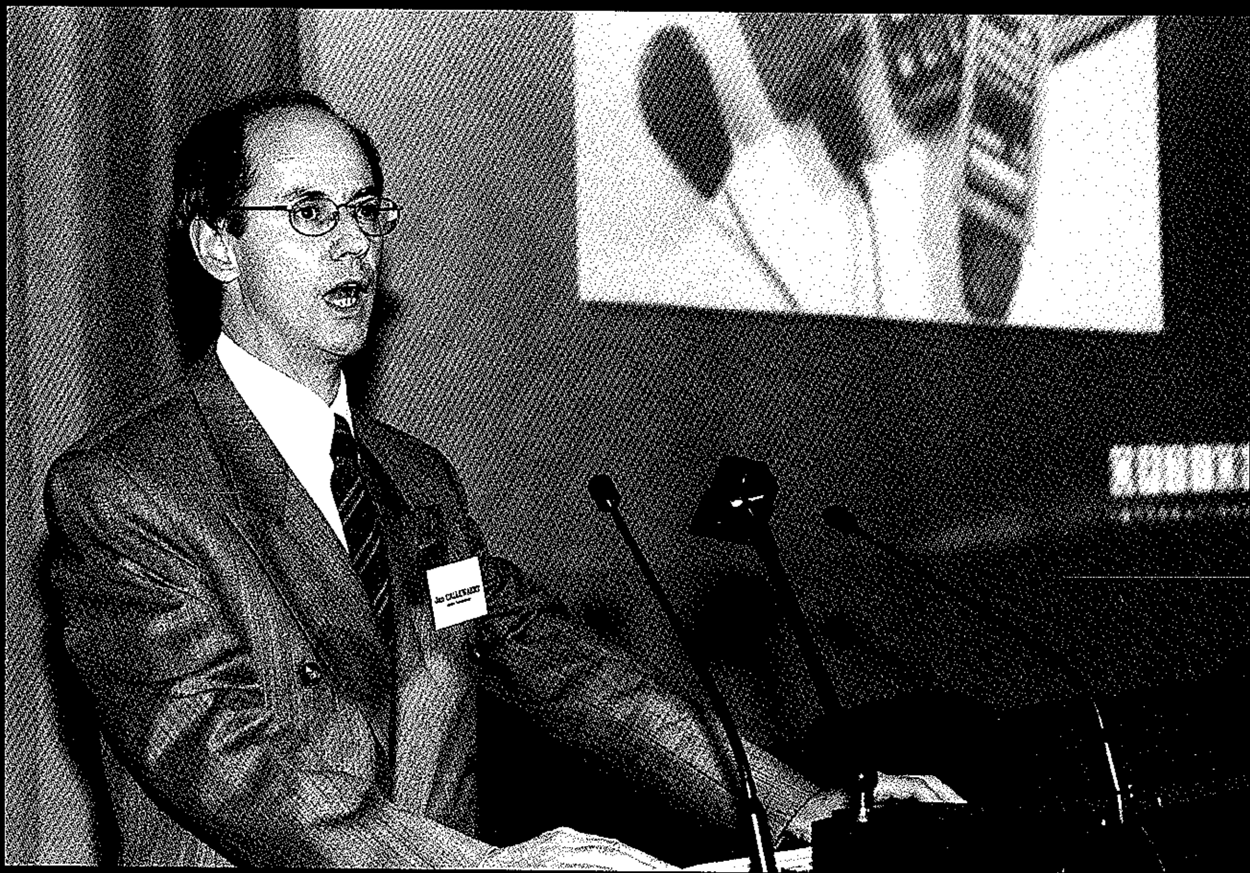


Net result on ordinary activities



[1] including long-term debt, capital leases and redeemable preferred stock

[2] After stock split by 144



Chairman's Statement

It is with great pleasure and satisfaction that I present this Annual Report to you, our shareholders.

The year 1997 will stand out in my mind as a milestone year in the history of our company.

Not only has the business developed well in 1997 and has the company built up a track record of a strong and focussed player in the market of Mobile Data Communications, we have also been able successfully to go through the process of an Initial Public Offering (IPO), floating the 26th of November on EASDAQ, the pan-European stock market for high-growth companies. Through the capital increase we have today a strong balance sheet and the necessary oxygen to finance the growth of the company.

During the past year we became a more than BEF 500 million company. Our net sales increased by 96 % to BEF 564,5 m and our Earnings Before Tax and Interest (EBIT) was BEF 100,4 m. Our present and future shareholders can be pleased and feel confidence in us as we have achieved the targets which we outlined at the time of the IPO. Without the dedication, enthusiasm and hard work of all the staff at Option, these results achieved would simply not have been possible. I wish to thank them for their support in this historic year.

The market for mobile data communications is growing at a very fast pace. Particularly the shift from wireline to wireless data is rising, driven by the ever-growing importance of e-mail and by demand for Internet and company Intranet access, anywhere and anytime. The globalisation of GSM, the digital cellular standard, and the Internet as a global information resource, are setting wireless data for growth.

The demand for information on the move is developing exponentionally. The Mobile Data Initiative (MDI) has predicted that by the end of the Millennium, more than 20% of GSM traffic will be data only compared to 2% today. Today, GSM data offers 9.6 Kbps. Tomorrow, GSM data at 14.4 Kbps will be implemented which will increase the user data throughput per traffic channel. Further enhancements will be introduced as High Speed Circuit Switched Data (HSCSD) and General Packet Radio Services (GPRS), enabling data speeds of up to 100 Kbps over a GSM network, giving a further boost to the wireless data market.

Our ability to grow is driven by the availability of new products at the right time for these global markets.

In the past year we have announced FirstFone® that will be shipping in Q2 of the coming year. FirstFone® is an exciting development which will combine the features of a GSM mobile phone and a data card on one single PC Card. Further we have announced and shipped the Snap-On Adaptor for 3Com's PalmPilot connected organiser.

This year we will see new products in the product families GSM-Ready®, Snap-On, and FirstFone®.

Our customers want GSM data and we are proud in delivering them competitive, qualified and easy-to-use products. In order to better serve our customers and being able to address the corporate market, we are actually expanding our Option Distribution Partners (ODP) network and we are building local presence in UK, Germany, France, Asia-Pacific and the USA.

For the coming year, we at Option International are confident to position the company further as a global and leading player in the wireless data market, a market set for bright future.

Jan Callewaert
Chairman
31 March 1998


GSM-Ready®
56K & GSM
PC Card modem
GSM
OPTION
INTERNATIONAL
GSM-Ready®

Product Review - New Products

Option International's products can be categorized in three product lines, i.e. GSM-Ready® PC Cards, Snap-On and FirstFone® that will be shipping in Q2 1998. This positioning of the three product lines, has resulted in some minor changes in product names, making it easier for the customer to understand what the product's features and benefits are. This is one more step into enhancing the company's philosophy: Plenty of people make mobile data communications possible, nobody else makes it this easy!

GSM-Ready®

Introduced in late 1995, this PC Card modem was the first of its kind combining a land line modem with a seamless connection to a range of GSM mobile phones. Recently Option announced the latest member of this family, the 56K & GSM PC Card modem. This card completes the range of Option's GSM-Ready® PC Cards, thanks to the 56K technology it is a perfect fit for the mobile worker seeking fast Internet access over land lines but with a fall back to GSM connectivity for use on the move. This new 56K & GSM PC Card modem is internationally approved on the land line part, covering most of Europe today. More countries are to follow over the next few months. On the GSM side, the card is compatible with a range of mobile phones from Nokia, Ericsson, Siemens, NEC, AEG, Matra, Nortel, Panasonic and many more.

The existing 33.6 & GSM PC Card modem is positioned as the true ally of the road warrior, a GSM card with land line fall back. Also the Cellular-Only PC Card modem (previously GSM-Only PC Card) represents a big part of sales figure.

Snap-On

End of 1997, Option introduced the Snap-On GSM Adapter for 3Com's PalmPilot and IBM's WorkPad. With a world wide market share of 66% (source: 3Com) the PalmPilot and its OEM twin version from IBM, called WorkPad, are today's standard for PDA (Personal Digital Assistant).

The PalmPilot, together with the Snap-On GSM Adapter, connects the palm of your hand to the world! Now you have the possibility to surf the Internet, send and receive those important e-mails, synchronize with the corporate database and schedule and transmit a fax, all from the palm of your hand. You now can take 3Com's revolutionary HotSync™ Technology on the road, synchronizing still is as easy as pressing a button.

Since the Snap-On GSM Adapter runs from its own set of batteries, it does not reduce the operation time from your PalmPilot or WorkPad, giving full mobility and autonomy to the people on the move. To ensure transparency to the user, the Snap-On GSM Adapter is compatible with the same range of mobile phones as the GSM-Ready® range.

To enable instant usage of the Snap-On GSM Adapter, free trial versions of a web browser, fax software and an e-mail package are included.

FirstFone®

Undoubtedly, this is Option's most exciting product. Scheduled to hit the market in the second quarter of 1998, FirstFone® promises to be a success. Despite a today low perceived market share for this type of products, key players such as major IT vendors and system integrators have shown a huge interest in this product, since it combines the power of mobile wireless data and a mobile phone onto one single PC Card.

FirstFone® is a 2W radio type PC Card for GSM 900 networks in a type II PC Card format.

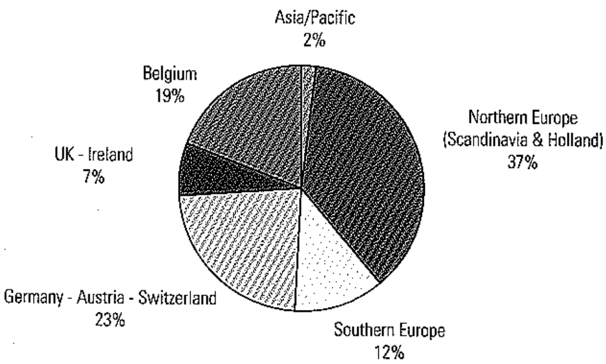
Positioned as a tool for the mobile work force, FirstFone® eliminates the need for a mobile phone, opening a lot of applications for large corporates. On the other side FirstFone® is targeted at the vertical market for integration into vending machines, telemetry, navigation systems, etc...

Product Review - New Products

Distribution Markets

Today Europe is still the biggest market for GSM-data products. Scandinavia represents the largest part of the Option sales figure. This can be explained by the high penetration of mobile phones in this region. Germany and UK stand for a large potential market, even bigger than covered today. This is why Option has opened an UK office in Basingstoke and will open a new office in Germany, in order to better service this market.

Sales breakdown 1997



In 1997 81 % of Option's sales were distributed through dealers. OEMs accounted for the remaining 19 %.

Research and Development

The Company has invested more than BEF 50 million in the development of its current product range and intends to invest more than 6% of sales revenue in R&D – more than BEF 350 million – over the next three years. The Company aims to maintain its position as an innovator in product design and quality.

15 engineers are employed in project-based teams in the Company's Leuven head office, organised in competencies groups. This allows for greater flexibility in the development of new products. Product management works closely with the Chief Executive to formulate product development plans. The R&D department is organised in teams based on current and future product lines with a separate department focusing on quality, type approvals and compliance issues. The in-house development, testing and continuing hardware quality control is, in the opinion of management, a major competitive advantage. It allows the Company to adapt its products swiftly to market needs and retain a tight control of costs.

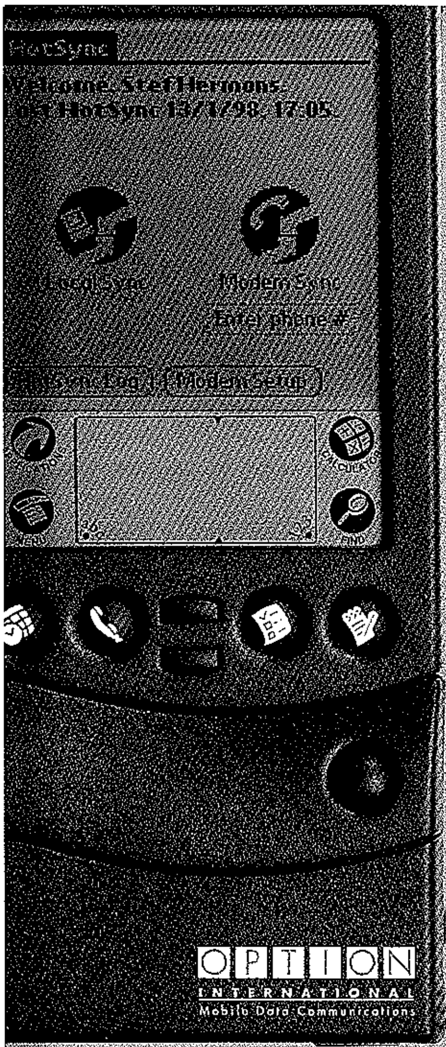
In addition the Company has developed a network of strategic alliances with key industry players. These act as an advisory group to reinforce the Company's in-house resources. In the future the Company intends to establish further centres of engineering proficiencies in other parts of the world.

Facts about Option International

- IBM ThinkPad™ Proven Partner
- Member of the Mobile Data Initiative program
- A Compaq PC Card Solutions Program Partner
- The GSM Ready® PC Card is approved by Fujitsu ICL
- The GSM Ready® PC Card has been tested and approved by the major GSM-900 and DCS-1800 network operators in Europe, Middle East and South Africa.
- Member of the Mobile Data Association.

*Tested, warranted and supported by manufacturer to ThinkPad Compatibility Standards.


Flug
Flight
nach
to
über
via
planm.
scheduled
verspätet
delayed
Flugsteig
Gate
1441 PARIS CH. DE GAULLE 12.10 13.45 D
014 SANKT PETERSBURG 12.10 E
058 WARSCHAU 12.10 E24
128 ANTALYA 12.10 B54
020 ATHEN 12.15 11.45 E
016 MUSCAT-DOHA 12.15 C 7
564 LAGOS-ACCRA 12.20
1596 MUENSTER OSNABRUECK 12.25
6203 SALZBURG 12.25
893 PHILADELPHIA 12.25 13.15
BERLIN-TEGEL 12.30
LUMPUR 12.30


Modem Sync
Enter phone #
Modem Setup
OPTION
INTERNATIONAL
Mobile Data Communications

Snap-On

Report of the Board of Directors

Dear Sirs,

In accordance with article 77 of the Company Law, we have the honor to present this report on the activities of the business for the year ending on the 31st December 1997.

Discussion of Annual Accounts

The Company's objective is to increase shareholder value through revenue and sustained profit growth. Our strategies to achieve this and the progress made in 1997 are discussed below. The highlights of the accounts were as follows:

- Option International became in 1997 a more than BEF 500m Company.
- Forecasts for Net Sales of BEF 560m and Earnings Before Interest and Taxation ('EBIT') of BEF 100m made at the Initial Public Offering ('IPO')and confirmed at the announcement of the 3rd quarter results were achieved.
- Net Sales for 1997 were BEF 564.5m, an increase of 97% over 1996 (BEF 286m).
- The growth in units sold increased by a factor of three over units sold in 1996.
- The majority of the Revenue (97%) was from the PC Card modem supporting a variety of the most popular mobile phones.
- Net sales were primarily in Europe.
- The OEM channel accounted for BEF 107m representing 19% of total business.
- The Snap-On GSM Adapter for 3COM's PalmPilot accounted for 4.5k units shipped in December.
- The gross margin for the year was 39% which was a significant improvement on the 27% achieved in 1996.
- The Company continued with its investment in building the structure and competencies necessary to support a growing business. Expenses increased overall by 46% over 1996 with the major investments going into Research and Development (+51%) and Sales and Marketing (+203%).The expense to net sales ratio was 21% compared to 28.5% in 1996 reflecting increased volume and improved spending management.
- Net Finance costs for the year were BEF 5.2m arising from the variety of financing mechanisms including bank finance, factoring and the convertible bond with Generale Bank and Take Off Fonds.
- The Company adopts a conservative approach in the investment of its cash. In order to obtain a reasonable protection against potential exchange rate fluctuations, cash holdings are kept in currencies corresponding to the major needs expected. As at 31st December the Company has registered realized gains on conversion of part of the amount raised at the IPO to Belgian Francs and an unrealized exchange gain of BEF 4.76m (according to US GAAP) arising from the revaluation of the US dollar against the Belgium Franc was included according to US GAAP.
- Extraordinary costs include BEF 86.1m relating to the costs of the IPO.
- EBIT was BEF 100.4m (17.8% of Net Sales) as forecast at the time of the IPO. Net Earnings reached BEF 7.7m after extraordinary activities with net earnings on ordinary activities being BEF 61.2m.
- Taxation represents a reduction of deferred taxation, arising from utilization of tax losses of prior years trading.
- The Company has a strong balance sheet which includes liquid assets of BEF 587m. Investments are in SICAV'S and in short and medium deposits. Inventory was carefully managed in the last quarter which had implications for accounts payable. Receivables includes a provision for BEF 1.8m. All other provisions and the accounts to which they relate (1996 and before) were written off in 1997. Longer term debt relates primarily to longer term leases relating to fixed assets.
- In 1996 the Company dismissed an employee for improper conduct and subsequently pursued a competitor through the Belgian and US Courts for the hiring of this former employee. The latter action was dismissed and there now exists no dispute between Option and the competitor on this matter. An accrual of BEF 12m was provided in the accounts. The Board considers it prudent to provide BEF 0.5m for any further claims though the likelihood remains in their view remote. The accrual for the most part was consumed by legal fees.

Report of the Board of Directors

Distribution of Profits

As indicated at the time of the IPO the Company does not propose to pay a dividend for 1997. Any longer term determination to pay dividends will depend on the Financial situation of the Company and other factors deemed relevant by the Board of Directors and/or the general shareholders meeting. Whilst the longer term aim is to adequately compensate the shareholders, the Company believes that at this stage of its development it expects to retain earnings, if any, in the next few years for the continuing development of its activities. For 1997, we propose to reduce the carry forward losses by the profit and to carry the balance of the carried forward losses forward to next year.

The proposed situation would look as follows (US GAAP):

Loss Brought forward from prior years	(33,588)
Profit for the year after taxes	7,741
Loss carried forward	(25,847)

Strategy Evolution

The key elements were outlined at the time of the public offering. Whilst the time which has elapsed since that date is short it is appropriate to summarize the key developments in 1997.

Shift Towards a Market Driven Culture

Spending on Sales and Marketing expenses grew to BEF 52m (+203%) in 1997 representing 9% of Net Sales with a significant portion of this expense item incurred in the second half of the year. A feature was the appointment of an international marketing organization specializing in this sector and the commencement of media campaigns in the strategically important countries of UK and Germany. Further over the year we have doubled the number of people in this important area of the business.

Pursue International Markets

In 1997, we have moved from a strategy of having exclusive partners in each of the countries we operate in, to one with multiple partners particularly in the UK, Germany and France. We have opened a representative office in Basingstoke near London and engaged our first UK employee. We intend to set up similar operations in Germany and France in the current year.

Report of the Board of Directors

Gain and Maintain Leadership in Mobile Data Solutions

During the year we have increased our spending in Research & Development by 51% which represents 7% of Net Sales. That amount is in line with the longer term financial structure of our spending priorities. We have hired additional engineers with the result that this department now accounts for 35% of total personnel.

On the product side we introduced PC Card Modems supporting Ericsson, Nokia, Siemens and Panasonic phones. A 56k version of this product family will be shipped during the first quarter. Further we introduced and shipped the Snap-On GSM Adapter for the highly successful 3COM's PalmPilot connecting organiser.

We continued development of our FirstFone® product which incorporates a modem and a radio on one card, which we announced at the prestigious Hannover fair in March 1997 and are in line for introduction of this product in the 2nd quarter.

Reduce Manufacturing by International Sourcing

In line with the stated aim of reducing costs of manufacturing by establishing high volume manufacturing sources in low cost regions to maximize gross margins we began negotiations with the Irish Development Authority(IDA) and with global subcontractors based in Ireland in the last quarter. We anticipate announcing the results of these talks in early 1998 and expect to commence manufacturing of our FirstFone® product in Ireland in the second quarter of the current year.

Financing Activities

The year 1997 was without doubt a historical milestone in the financial history of the Company. Not only did several capital increases take place, underwritten by existing shareholders, but Option successfully raised funds in the public marketplace. There were two financing activities needing greater elaboration.

Convertible Bonds

At an extraordinary shareholders' meeting of August 6, convertible bonds were issued and subscribed to by Generale Bank and Take Off Fonds. Shares acquired were offered on a preferential basis in the subsequent public offering. This resulted from an agreement of July 4th entered into by the Shareholders and these entities. The objective was to provide working capital to the Company. Upon conversion Generale Bank obtained and subsequently sold 217,804 shares in the IPO. Take Off Fonds obtained 349,920 shares subsequently selling 450,000 in the IPO.

Easdaq Listing

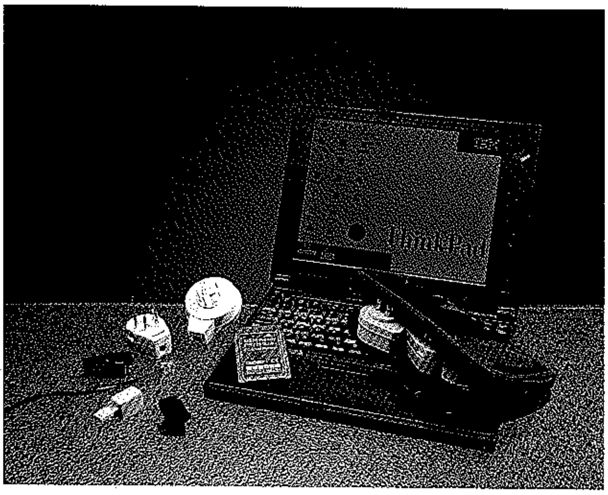
On November 26, 1997, after an intensive preparation and a succesful combined offering, the Company's shares, after their admittance, started trading on Easdaq. Prior to this, a prospectus, approved by The Belgian Commission for Banking and Finance (Commissie voor Bank- en Financiewezen) and mutually recognized by The Competent Authority of The Netherlands (Stichting Toezicht Effectenverkeer) was made available to the public. The combined offering, which was public in Belgium and The Netherlands and private outside those countries, was a breakthrough in the financing of the Company and resulted in the offering of 2,567,804 shares. The offer price of the shares was $10. The net inflow to the Company, taking into account the total cost of the offering as explained below, was $13.7m.

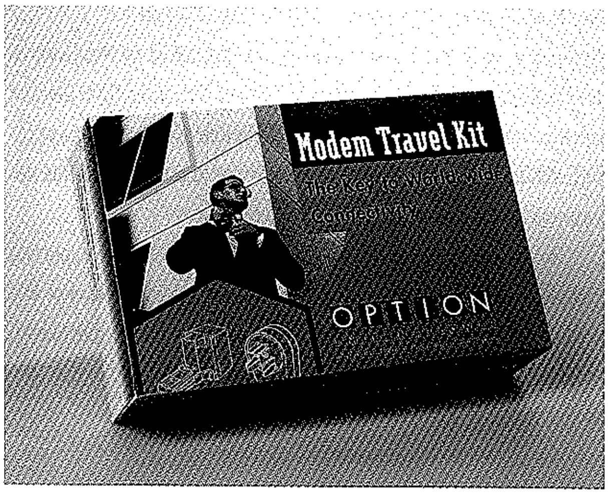
The total capital at the end of 1997 was BEF 142,752,283 represented by 5.958,956 shares.

The introduction on the EASDAQ stock market resulted in important expenses totaling BEF 86.1m which are charged to the 1997 results. An amount of BEF 55.2m has been booked as underwriting management fees. The balance of BEF 30.9m consists of fees paid to notaries, lawyers, auditors, translators, publicity expenses and other costs associated with the IPO.

Prior to the offering and in order to comply with EASDAQ rules, the Company considered it appropriate to adopt the accounts to an international accounting standard. We have chosen the US GAAP standards with the Belgium franc as currency. Any differences resulting from different valuation principles were booked in the 1996 accounts.

Report of the Board of Directors





We have provided the accounts according to US GAAP and Belgium Accounting Standards and a reconciliation between the two. In view of the above the differences are for the most part presentational, with the difference to reported profit relating to the treatment of Deferred Taxation and the recognition of unrealized exchange gains in the US GAAP accounts.

Social Report

As at 31 December the number of full time employees in the Company was 36, an increase of 13 over the prior year. Prior to the public offering, the Company set up a Management Stock Option Plan and an Employee Stock Option Plan. The key elements of these plans which are designed to attract and retain key employees are as follows.

Management Stock Option Plan

1650 warrants were created with the entitlement to the holder of 144 shares for each warrant held. 880 of these warrants were acquired by four key managers. The balance is held by Park-W N.V., a Belgian special purpose company controlled by the Company and Take Off Fonds. The 880 warrants held by management were exercised in September 1997, creating 126,720 registered shares. The exercise period is 5 years.

Employee Stock Option Plan

In accordance with article 45 of the Belgian act of December 27, 1984, a stock option plan was created, under which all employees of one year seniority have the possibility to enter into a stock option plan. Our plan provides that each employee shall receive 1440 warrants and an additional 144 warrants for each year service in the Company. Each warrant will entitle the holder to one share and is exercisable one year at the earliest after the date of entering into the plan and at the latest 6 years thereafter. The shares so acquired cannot be transferred for 2 years following exercise. Pursuant to the provisions of the plan and subject to compliance with certain provisions to be determined by the remuneration committee a total of 75,456 warrants will be allocated within a period of 12 months to the employees whose name appears on a notarial deed decided upon at the creation of the warrants.

Corporate Governance

Personal Interest of Directors

In accordance with article 60 of the Belgian Company Law, Mr. Callewaert, Mr. Vermeulen and NV Mondo, at the Board meeting of October 10, 1997, informed the Board that they had a conflict of interest with respect to the decision of the Company whether or not to enter in an indemnification agreement and an insurance agreement with respect to the liability of the Directors of the Company.

Report of the Board of Directors

The Directors justified the conflict of interest on the ground of the enhanced liability risk they will incur after the IPO. The IPO will result in extended activities and will entail more responsibility for the Directors. The IPO will result in institutional and individual investors holding almost 50% of the share capital and closely observing and evaluating the pursued policy. Further an indemnification and insurance agreement are justified because of the voluminous set of rules to which an Easdaq-listed company is subject to and which enhances also the Directors' liability. The indemnification agreement has no immediate financial effect. Only when a Director validly appeals to it will the Company have to hold him/her harmless. The insurance agreement will be entered into at an annual cost of BEF 400,000.

Statutory Auditor

Since the mandate of Deloitte and Touche Bedrijfsrevisoren of Statutory Auditor of the Company will expire at the end of the Shareholders Meeting of 1998, we propose to reappoint Deloitte and Touche Bedrijfsrevisoren, represented by Mr. L. Van Steenberge as Statutory Auditor of the Company.

Due to the burden of work associated with the public offering, the total remuneration paid to them for work performed in 1997 was BEF 3.2m.

Formation of Committees

At the Board meeting of October 25th 1997 the Board formed a Remuneration Committee consisting of Mr. Vermeulen, Mr. De Meyer and Mr. Hauspie. The mission of the Remuneration Committee, consisting of independent Directors only, is to provide for a fair policy of remuneration of the employees of the Company and to see to it that best international practices are respected when determining the remuneration and incentives of Directors and Officers.

At the same Board meeting, an Audit Committee was formed consisting of Mr. Vermeulen, Mr. Hauspie and Mr. Callewaert. The Audit Committee will support the bookkeeping and the financial reporting of the Company.

Post Balance Sheet Events

Changes in Management

Option has learned that M. O'Leary, Chief Financial Officer of the Company, will as of March 1, 1998 resign from his position, due to private family reasons. M. O'Leary will temporarily be replaced by M. Paul Vets who has been financial advisor of the Company for more than five years and who is highly familiar with the Company's business and its financial aspects. Meanwhile, the board of directors is taking all necessary measures to attract a new Chief Financial Officer.

GSM-Ready® 56K-modem

In addition to the GSM Ready® 33.6K-modem, the Company developed the GSM Ready® 56K-modem. The PC Card has a wide range of applications such as fax, e-mail, voicemail, data and file transfer, Internet access and remote access. Shipments of this new product will start during the first quarter of 1998.

February 12, 1998


FirstFone®
Radio Card
for GSM-900


FirstFone®
Radio Card
for GSM-900
GSM
OPTION
INTERNATIONAL
Mobile Data Communications

FirstFone®

Key figures (Longer term - US GAAP)

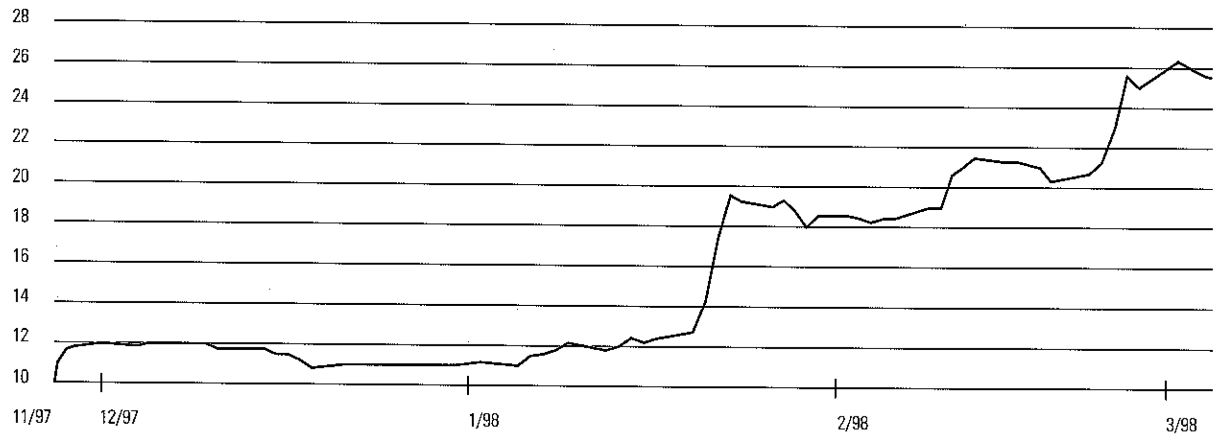
Profit & Loss Account (000 BEF) December 31	1997	1996	1995	1994
Net Sales	**564,509**	**286,314**	**94,040**	**65,558**
EBIT	100,410	-8,122	-12,852	-8,543
Profit on Ordinary activities after tax [1]	**61,246**	**-1,816**	**-12,708**	**-12,688**
Profit after tax	7,741	-1,816	-12,708	-12,688
Per Share (in BEF)				
Profit on Ordinary activities after tax	13.5	-0.8	-6.5	-6.5
Equity	165	6.6	0.3	6.2
Number of shares				
average	4,525,000	2,295,360	1,959,408	1,959,408
total at 31/12	5,958,956	2,463,408	1,959,408	1,959,408
Balance sheet (000 BEF)				
Equity	747,095	15,142	-542	12,166
Net Financial Debt	-579,186	6,798	8,913	4,461
Balance sheet total	848,604	184,482	65,901	50,463

[1] (Earnings Before Income Taxes + Extraordinary Costs)*(1-Tax Rate)

The Option International Share on EASDAQ

Option International ([1]) is listed on Easdaq since November 26, 1997. At the IPO 2,567,804 shares were sold, 1,600,000 resulting from a capital increase. The shares were offered at USD 10.

Stock price evolution



Closing price	Nov 26 to Dec 31, 1997	Jan 1 to Mar 4, 1998
High	12.00	26.25
Low	10.78	11.00
End of period	11.00	25.75

At the end of 1997, total equity was represented by 5,958,956 shares. On March 4, 1998 total market capitalisation amounted to BEF 5.7 billion.

Shareholders' structure (At December 31, 1997)

Identity of person or group	*Number*	*Percentage*
	of ordinary shares held	
J. Callewaert	1,860,000	31.2 %
Take Off Fonds (Venture capital - depending from Gimv)	1,404,432	23.6 %
Management	126,720	2.13 %
Public	2,567,804	43.1 %

At the IPO, a lock-up period has been agreed during which no director of the company may dispose of any share which he holds during a term of six months as of the first day of admission to trading of the shares on EASDAQ, except in a public offering, and that no shareholder who holds more than 10 % of the shares may dispose of more than 20 % of his shareholding during the aforementioned six month's period.

In addition, the controlling shareholders have agreed, in their shareholders'agreement of October 14, 1997, not to sell any of their shares during the same six month's period contemplated in the preceding paragraph and the controlling shareholders agreed in the Underwriting Agreement not to dispose of any share during said six months period.

OPTION INTERNATIONAL Mobile Data Communications

The Option International Share on EASDAQ

Dividend policy

The Company has never declared or paid any dividends on its shares since its incorporation.

Any longer term determination to declare dividends will depend on the Company's operating results, financial condition, capital requirements and other factors deemed relevant by the Board of Directors and/or the general shareholders' meeting. While the aim of the Company is to compensate its shareholders in an adequate way as soon as the Company's results and growth perspectives make this possible, the Company expects to retain earnings, if any, in the next years for the development of its activities.

The distribution of dividends is ultimately decided by the general shareholders' meeting upon proposal of the Board of Directors.

[1] Ticker on Bloomberg 'OPIN ES' ; on Reuters 'OPIN.ED'

Management and Supervision

Members of the Board of Directors

Name	*Age*	*Position*
Jan Callewaert	41	Member of the Board of Directors
Philip Vermeulen	41	Member of the Board of Directors
Tom Lawrence	62	Member of the Board of Directors
Pol Hauspie	46	Member of the Board of Directors
Lucien De Schamphelaere[1]	66	Member of the Board of Directors
Alex Brabers	32	Member of the Board of Directors
Arnoud De Meyer	43	Member of the Board of Directors
Dirk Beeusaert	33	Member of the Board of Directors

Statutory auditor

DELOITTE & TOUCHE Bedrijfsrevisoren B.C.V.

Represented by

Leo Van Steenberge

Statutory Auditor

Executive Officers

Name		*Position*
Jan Callewaert	41	Chief Executive Officer
Ernest O' Leary [2]	47	Chief Financial Officer
Eddy Cormon	39	Vice President of Operations
Jan Vercruysse	39	Vice President of Research & Development
Bruno Spaas	30	Vice President of Sales

---

[1] Represents Triakon N.V.

[2] Ernest O'Leary resigned as of March 1,1998 due to private family reasons. Paul Vets will (temporarily) replace Ernest O'Leary.

Contents of the Financial Report

Balance Sheet at December 31, 1997 - 1996 - 1995 | US GAAP

Amounts in Thousands BEF

	1997	1996	1995
Assets			
Cash	33,599	14,460	367
Investments	553,833	-	-
Accounts receivable	93,071	51,052	29,213
Other receivables	12,251	12,607	1,249
Inventories (Note H)	116,579	76,574	21,476
Deferred taxes (Note I)	17,336	21,026	6,132
Total current assets	*826,669*	*175,719*	*58,437*
Property & equipment (Note G)	*21,935*	*8,763*	*7,464*
Total Assets	***848,604***	***184,482***	***65,901***
Liabilities and Shareholders' Equity			
Accounts payable	73,305	126,133	49,887
Salaries and payroll related liabilities	19,206	5,187	7,276
Accrued expenses	252	4,762	-
Total current liabilities	92,763	136,082	57,163
Long-term debt (Note J)	8,246	21,258	9,280
Other long-term liabilities (Note D)	500	12,000	-
Common Stock (no par value)	142,752	48,730	31,230
Share premium	630,190		
Retained earnings	-25,847	-33,588	-31,772
Total Equity	747,095	15,142	-542
Total Liabilities + Equity	***848,604***	***184,482***	***65,901***

Income Statements at December 31, 1997 - 1996 - 1995 I US GAAP

Amounts in Thousands BEF

	1997	1996	1995
Net Sales	564,509	286,314	94,040
Cost of Sales	-344,960	-208,979	-60,957
Gross Profit	***219,549***	***77,335***	***33,083***
Research & Development	-40,499	-26,835	-11,296
Sales & Marketing	-52,277	-17,247	-13,750
General & Administrative	-26,363	-41,375	-20,889
Total Operating Expenses	***-119,139***	***-85,457***	***-45,935***
Income/(Loss) from Operations (EBIT)	***100,410***	***-8,122***	***-12,852***
Finance Income/(Expense)	-5,240	-7,476	-5,189
Exchange Gain/(Loss)	7,196	-1,112	899
Extraordinary Items	-90,935		
Other Income/(Expense)	***-88,979***	***-8,588***	***-4,290***
Result Before Income Tax Expense/Benefit	***11,431***	***-16,710***	***-17,142***
Income tax (see Note I)	***-3,690***	***14,894***	***4,434***
Net Result	***7,741***	***-1,816***	***-12,708***
Net Result on Ordinary Activities [1]	***61,246***	***-1,816***	***-12,708***
Average Shares outstanding	4,525,000	2,295,360[2]	1,959,408 [2]
Net Result on Ordinary Activities per share in BEF	13.5	-0.8	-6.5
Net Result on Ordinary Activities per Share in USD [3]	0.36	-0.02	-0.21

---

[1] (Earnings Before Income Taxes + Extraordinary Costs)*(1-Tax Rate)

[2] After stock split by 144

[3] USD 31/12/97 = BEF 37.2 ; USD 31/12/96 = BEF 32.0 ; USD 31/12/95 = BEF 30

Statement of Shareholder's Equity at December 31, 1997 - 1996 - 1995 I US GAAP

	Common stock: number of shares	Common stock: amount in 000 BEF	Net Result in 000 BEF	Total Retained Earnings in 000 BEF	Total Share-holders' equity in 000 BEF
Balance at December 31, 1993	7,200	7,200			824
Increase of capital on Dec. 21, 1994	*+6,407*	*+26,030*			
Balance at December 31, 1994	13,607	31,230	-12,688	-6,371	12,166
Balance at December 31, 1995	13,607	31,230	-12,708	19,064	-542
Increase of capital on May 9, 1996	*+3,500*	*+17,500*			
Balance at December 31, 1996	17,107	48,730	-1,816	-31,772	15,142
Increase of capital on August 6, 1997	*+8,341*	*+20,109*			
Increase of capital on October 10, 1997	*+880*	*+21,983*			
Balance at October 14, 1997	26,328	90,822			
Stock split by 1/144	***3,791,232***				
Increase of capital on October 24, 1997					
• Conversion of bonds	567,724	13,600			
• IPO	1,600,000	38,329			
Balance at December 31, 1997	***5,958,956***	***142,752***	***7,741***	***-33,588***	***747,095***
Balance at December 31, 1997	***5,958,956***	***142,752***		***-25,847***	***747,095***

Statements of Cash Flows at December 31, 1997 - 1996 - 1995 I US GAAP

Amounts in Thousands BEF

	1997	1996	1995
Cash Flows from Operating Activities			
Net earnings (A)	***7,741***	***-1,816***	***-12,708***
Non cash adjustments			
Depreciation	3,994	20,920	23,280
Accrual 1996/93	-	-4,050	-
Accrual 1996/95	-	-1,676	1,676
Deferred taxes	3,690	-14,894	-4,434
Other non cash adjustments/provisions	-11,500	12,000	-
Total non cash adjustments (B)	***-3,816***	***12,300***	***20,531***
Change in assets and liabilities			
Accounts receivable	-42,019	-25,953	-17,242
Inventories	-40,005	-55,097	-602
Prepaid expenses and other	-435	798	78
Other assets	-550	214	66
Account payable	-16,490	71,557	4,307
Sal. and payroll related liabilities	14,019	-5,633	2,496
VAT payable/receivable	5,799	-12,369	1,742
Accrued expenses	-4,510	480	20
Prepaid taxes	-4,458	-	-
Total change in assets & liabilities (C)	***-88,649***	***-26,003***	***9,135***
Cash Flows from Operating Activities	**-84,724**	**-15,519**	**16,958**

Statements of Cash Flows at December 31, 1997 - 1996 - 1995 | US GAAP

Amounts in Thousands BEF

	1997	1996	1995
Cash Flows from Investing Activities			
Purchases of plant equipment	-17,165	-18,106	-20,105
Investments	-553,833		
Total cash flow from investing activities (D)	***-570,998***	***-18,106***	***-20,105***
Cash Flows from Financing Activities			
Net proceeds (payments) on notes payable	-36,338	18,240	16,974
Proceeds from long term debt	3,671	15,000	2,931
Repayments long term debt	-16,683	-3,022	-2,000
Capital increase	724,212	17,500	-
Net cash provided by financing activities (E)	***674,862***	***47,718***	***17,905***
Net Cash Flow (A)+(B)+(C)+(D)+(E)	**19,139**	**14,093**	**-3,512**
Net Increase / Decrease in Cash and Cash Equivalents			
Cash at beginning of period	14,460	367	3,879
Cash at end of period	33,599	14,460	367
Difference	***+19,139***	***+14,093***	***-3,512***

Note A: Significant Accounting Policies

The financial statements in this section have been prepared in accordance with US GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

The significant accounting policies can be summarized as follows:

Revenue recognition

The company generates revenues from the sales of its products. These sales are recognized as revenues when shipped.

Cash and cash equivalents

Highly liquid investments with a maturity of three months or less at date of purchase are considered cash equivalents.

Research and development

Research and development are expensed as incurred. Under Belgian GAAP, they were capitalised untill the end of 1995. From 1996 on, Belgian valuation rules are in line with US GAAP prescriptions, stating that all these expenses are charged to the Profit & Loss account in the year when incurred.

Accounts receivable

The company grants credit to customers in the normal course of business. Generally they do not require collateral or any other security to support amounts due. Management performs ongoing credit evaluations of its customers. All receivables are fully collectible except those doubtful accounts for which a 100 % allowance is accounted for.

Guarantee

A lifetime guarantee is provided on all Option-products. However, no provision is set up to cover possible losses for this guarantee, as no considerable extra charges are expected from it.

Inventories

Raw materials are stated at the lower of costs (FIFO method) or market.

The company reviews inventories for slow-moving or obsolete items on an ongoing basis and establishes allowances if needed.

Work in progress and finished goods are valued at full cost.

Property and equipment

The company's property and equipment is recorded at purchase price. Depreciation is computed using the straight line method over the estimated useful lives of the assets which are as follows:

Leasehold improvements	9 years
Office furniture & equipment	5 to 10 years
Research equipment & machinery	3 to 10 years
Automobiles	5 years

Income taxes

Deferred income tax assets and liabilities are computed annually for differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes using enacted tax rates in effect for the year in which the differences are expected to reverse.

Note B: Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note C: Subsequent events

No material events took place after December 31, 1997, which might have a material impact on the annual accounts reported on in this section.

Note D: Litigation

In 1996 the Company dismissed an employee for improper conduct and subsequently pursued a competitor through the Belgian and US Courts for the hiring of this former employee. The latter action was dismissed and there now exists no dispute between Option and the competitor on this matter. An accrual of BEF 12m was provided in the accounts. The Board considers it prudent to provide BEF 0.5m for any further claims though the likelihood remains, in their view, remote. The accrual was, for the most part, consumed by legal fees.

Note E: Commitments

The Company leases its facilities under an operating lease which expires after 9 years in April 1999. Future minimum lease payments (of BEF 0.3 million per month) under the operating lease, linked to the consumer goods index, are as follows:

01.01.1998-31.12.1998: 3.9 million BEF

01.01.1999-30.04.1999: 1.3 million BEF

Office furniture, vehicles and computer equipment are leased (financial lease over 3 to 4 years). Total outstanding lease debt on December 31, 1997 is BEF 6.2 m.

Note F: Business Segments, Exports and Major Customers

The Company operates in a single industry segment, encompassing research & development, sales and support of PC Cards and adapters for mobile wireless communications.

The Company sells and markets its products through a sales force operating from offices in Leuven, co-ordinating sales through its international distributors and through Original Equipment Manufacturers (OEM's). The Company's largest OEM customer or distributor represented 12.5 % of total sales in 1997. The three main OEM customers or distributors together represented about 27.7 % of total sales in 1997.

Note G: Property and equipment

Major classes of property and equipment can be summarized as follows:

December 31 - 000 BEF	**1997**	**1996**	**1995**	**1994**
Leasehold improvements	1,249	855	-	-
Office furniture & equipment	17,867	10,181	7,455	2,907
Research equipment	17,178	10,005	8,948	8,437
Cars	4,797	4,163	4,163	3,409
Total property & equipment	**41,091**	**25,204**	**20,566**	**14,753**
Accumulated depreciation	19,156	16,441	13,102	10,304
Net property & equipment	**21,935**	**8,763**	**7,464**	**4,449**

Note H: Inventories

Inventories consist of the following at December 31, 1997, 1996 & 1995:

000 BEF	1997	1996	1995
Raw materials	92,044	48,392	7,122
Work in process	21,180	9,673	-
Finished goods	3,355	18,509	14,354
Total	**116,579**	**76,574**	**21,476**

Note I: Taxes on income

The company accounts for deferred income taxes on temporary differences between financial and tax reporting in accordance with US GAAP. From 1994 to 1996 this had a positive impact on the Profit and Loss account. These losses were partially offset in 1997 to the pre tax profits which has lead to a negative impact on the Profit and Loss account.

The amounts of the tax benefits resulting from this were calculated as follows:

December 31 - 000 BEF	1997	1996	1995
Tax loss carry forward	43,156	52,341	15,264
Tax rate (in %)	40.17	40.17	40.1
Deferred taxes (benefit)	17,336	21,026	6,132
Amount already accrued/offset	-21,026	-6,132	-1,698
Net tax benefit affecting P&L	-3,690	14,894	4,434

Note J: Long term debt

Long term debt consists of the following at the end of each of the periods involved:

December 31 - 000 BEF	1997	1996	1995
Long term leasing debt - equipment	4,161	2,575	2,990
Long term leasing debt - automobiles		433	1,040
Long term loan - automobiles	2,086		
Long term loan ASLK	2,000	3,000	4,000
Long term loan private person	-	250	1,250
Convertible loan	-	15,000	-
	8,247	**21,258**	**9,280**

Note K: Related party transactions

Discussed in the report of the Board of Directors

Note L: Employee benefit plans

Discussed in the report of the Board of Directors

Note M: Compensation of executive officers

An aggregate amount of BEF 17.7 m has been paid to the executive officers in 1997.

Balance Sheet at December 31, 1997 - 1996 - 1995 I Belgian GAAP

Amounts in Thousands BEF

	1997	1996	1995
Assets			
Fixed Assets	***25,672***	***8,813***	***20,309***
I. Formation expenses	-	-	543
II. Intangible assets	-	-	12,038
III Tangible assets	21,935	8,763	7,463
III.B. Plant, machinery and equipment	7,401	1,585	1,265
III.C. Furniture and vehicles	3,566	1,798	2,554
III.D Leasing and other similar rights	9,937	4,620	3,644
III.E. Other tangible assets	1,031	760	-
IV. Financial assets	3,737	50	265
Current Assets	***800,690***	***154,642***	***52,041***
VI. Stocks and contracts in progress	116,579	76,574	21,476
VII. Amounts receivable within one year	104,157	63,421	29,213
VII.A. Trade debtors	92,765	51,052	29,213
VII.B. Other amounts receivable	11,392	12,369	-
VIII. Investments	545,733	-	-
IX. Cash at bank and in hand	33,599	14,460	367
X. Deferred charges and accrued income	622	187	984
Total Assets:	**826,362**	**163,455**	**72,350**

Balance Sheet at December 31, 1997 - 1996 - 1995 | Belgian GAAP

Amounts in Thousands BEF

		1997	1996	1995
Liabilities				
Shareholders' Equity		***725,091***	***-5,884***	***11,633***
I.	Capital	142,752	48,730	31,229
II.	Share premium	630,191		
V.	Loss carried forward	-47,852	-54,614	-19,597
Provisions and Deferred Taxes		***500***	***12,000***	-
VII.A.	Provisions for liabilities and charges	500	12,000	-
Creditors		***100,771***	***157,340***	***60,717***
VIII.	Amounts payable after more than one year	8,246	21,258	9,280
VIII.A.	Financial debts	8,246	21,258	9,280
VIII.A.1.	Credit institutions, leasing	8,246	18,008	4,030
VIII.A.2.	Other loans	-	3,250	5,250
IX.	Amounts payable within one year	92,273	135,355	51,437
IX A.	Current portion of amounts payable after more than one year	6,958	4,513	4,236
IX.B.	Financial debts	2,422	38,760	20,520
IX.C.	Trade debts	63,687	84,420	13,140
IX.E.	Taxes, remunerations and social security	19,119	7,574	13,206
IX.E.1.	Witholding Taxes & VAT payable	6,024	2,413	5,930
IX.E.2.	Remuneration and social security	13,095	5,160	7,276
IX.F.	Other amounts payable	87	88	334
X.	Accrued charges and deferred income	252	726	-
Total Liabilities		**826,362**	**163,455**	**72,350**

Income Statements at December 31, 1997 - 1996 - 1995 | Belgian GAAP

Amounts in Thousands BEF

	1997	1996	1995
I.A. Turnover	564,509	287,784	95,220
I.D. Other operating income	335	13	7,487
II.A. Raw materials, consumables and goods for resale	-330,488	-197,107	-55,383
II.B. Services and other goods	-81,798	-39,912	-16,157
Gross Margin	***152,558***	***50,778***	***31,167***
II.C. Remunerations, social security costs and pensions	-55,244	-26,729	-18,390
II.D. Depreciation of formation expenses, intangible and tangible fixed assets and other amounts written off	-3,994	-16,929	-14,039
II.F. Increase (+); decrease (-) in provisions for liabilities and charges	11,500	-12,000	-6,200
II.G. Other operating charges	-1,021	-456	-591
Operating Profit/Loss	***103,799***	***-5,337***	***-8,054***
IV. Financial income	22,479	231	1,166
V. Financial costs	-25,191	- 8,848	-5,528
Profit /Loss on Ordinary Activities before Taxes	***101,087***	***-13,955***	***-12,416***
VII. Extraordinary income	-	-	-
VIII. Extraordinary charges	-94,325	- 21,063	-
Profit/Loss for the Period before Taxes	***6,762***	***-35,017***	***-12,416***
X. Income tax	0	0	0
Net profit	**6,762**	**- 35,017**	**-12,416**
Net Profit on Ordinary Activités[1]	**60,480**	**- 13,955**	**-12,416**

[1] (Earnings Before Income Taxes + Extraordinary Costs)*(1-Tax Rate)

Statement of Shareholder's Equity at December 31, 1997 - 1996 - 1995 | Belgian GAAP

	Common stock: number of shares	Common stock: amount in 000 BEF	Net result over the period ended in 000 BEF	Total Retained Earnings before allocation in 000 BEF	Total Share-holders' equity in 000 BEF
Balance at December 31, 1993	7,200	7,200	-1,721	-606	7,523
Increase of capital on December 21, 1994	*+6,407*	*+26,030*			
Balance at December 31, 1994	13,607	31,230	-4,855	-2,327	24,049
Balance at December 31, 1995	13,607	31,230	-12,416	-7,181	11,633
Increase of capital on May 9, 1996	*+3,500*	*+17,500*			
Balance at December 31, 1996	17,107	48,730	-35,017	-19,597	-5,884
Increase of capital on August 6, 1997	*+8,341*	*+20,109*			
Capital increase on October 10, 1997	*+880*	*+21,983*			
Balance at October 14, 1997	26,328	90,822			
Stock split by 1/144	3,791,232				
Increase of capital on October 24, 1997					
Conversion of bonds	567,724	13,600			
IPO	1,600,000	38,329			
Balance at December 31, 1997	5,958,956	142,752	+6,763	-54,614	
Balance at December 31, 1997	**5,958,956**	**142,752**		**-47,852**	**725,091**

OPTION INTERNATIONAL Mobile Data Communications

Statements of Cash Flows at December 31, 1997 - 1996 - 1995 | Belgian GAAP

Amounts in Thousands BEF

	1997	1996	1995
Cash Flows from Operating Activities			
Net earnings (A)	***6,763***	***-35,017***	***-12,416***
Non Cash adjustments			
Depreciation and amortization	3,994	33,501	20,239
Other non cash adjustments	-11,500	12,000	-
Total non cash adjustments (B)	***-7,506***	***10,484***	***7,823***
Change in assets and liabilities			
Accounts receivable	-41,713	-25,953	-17,242
Inventories	-40,005	-55,097	-602
Prepaid expenses and other	-435	798	78
Other assets	-437	214	66
Account payable	-20,734	71,557	4,307
Salaries and payroll related liabilities	11,429	-5,633	2,496
VAT payable/receivable	5,799	-12,369	1,742
Accrued expenses	-474	480	20
Prepaid taxes	-4,458		
Total change in assets and liabilities (C)	***-91,028***	***-26,003***	***-9,135***
Cash Flows from Investing Activities			
Purchases of plant equipment	-17,165	-18,106	-20,105
Investments	-549,233	-	-
Total cash flow from investing activities (D)	***-566,398***	***-18,106***	***-20,105***

Statements of Cash Flows at December 31, 1997 - 1996 - 1995 | Belgian GAAP

Amounts in Thousands BEF

	1997	1996	1995
Cash Flows from Financing Activities			
Net proceeds (payments) on notes payable	-36,338	18,240	16,974
Proceeds from long term debt	3,671	15,000	2,931
Principal repayments on long term debt	-14,237	-3,022	-2,000
Capital increase/IPO	724,212	17,500	-
Total cash flow from financing activities (E)	***677,308***	***47,718***	***17,905***
Total Net Cash Flow (A)+(B)+(C)+(D)+(E)	**19,139**	**14,093**	**-3,512**
Net Increase (Decrease) in Cash and Cash Equivalents			
Cash at beginning of period	14,460	367	3,879
Cash at end of period	33,599	14,460	367
Difference	+19,139	+14,093	-3,512

NOTE A: STATEMENT OF INTANGIBLE ASSETS AS AT DECEMBER 31, 1997

	Amounts in Thousands BEF
A) ACQUISITION COST	
At the end of the preceding period	59,531
Movements during the year	-
At the end of the year	59,531
C) DEPRECIATION AND AMOUNTS WRITTEN OFF	
At the end of the preceding period	59,531
Movements during the year	-
At the end of the year	59,531
D) NET CARRYING VALUE AT THE END OF THE PERIOD	-

NOTE B: STATEMENT OF TANGIBLE ASSETS AS AT DECEMBER 31, 1997

	Amounts in Thousands BEF
A) ACQUISITION COST	
At the end of the preceding period	25,204
Movements during the year	
Expenditure	17,618
Sales and disposals	-1,731
At the end of the year	41,091
C) DEPRECIATION AND AMOUNTS WRITTEN OFF	
At the end of the preceding period	16,440
Movements during the year	
Expenditure	3,994
Sales and disposals	-1,278
At the end of the year	19,156
D) NET CARRYING VALUE AT THE END OF THE PERIOD	21,935

NOTE C: STATEMENT OF FINANCIAL FIXED ASSETS AS AT DECEMBER 31, 1997

	Amounts in Thousands BEF
A) ACQUISITION COST	
At the end of the preceding period	50
Movements during the year	
Expenditure	3,687
Sales and disposals	-
At the end of the year	3,737

NOTE D: STATE OF THE CAPITAL AS AT DECEMBER 31, 1997

	Amounts in Thousands BEF	Number of Shares
A) CAPITAL		
1. Issued capital		
At end of preceding period	48,730	2,463,408 [4]
Changes during the period		
Capital increase	94,022	5,958,956

NOTE E: STATE OF DEBT AS AT DECEMBER 31, 1997

Amounts in Thousands BEF	Maximum 1 year	Between 1 and 5 years
A. Analysis of debts with an original maturity of over one year, by remaining maturity	6,958	8,246

NOTE F: STATE OF PERSONNEL CHARGES AS AT DECEMBER 31, 1997

	1997	1996
1. STAFF INCLUDED ON THE STAFF REGISTER		
a) Total number of people registered at year-end	36	23
b) Average number of people registered in full-time equivalent	32.1	20.6
c) Effective number of hours worked	55,270	35,625
2. PERSONNEL CHARGES (000 BEF)		
a) Remuneration and direct benefits	39,093	19,422
b) Employer's contributions for social security	15,896	5,672
d) Other personnel charges	255	1,635

4 After stock split 1/144

Reconciliation between P & L according to Belgian GAAP and P & L according to US GAAP

As the accounts of Option International are kept in accordance with accounting principles generally accepted in Belgium (Belgian GAAP), adjustments had to be made to conform to US GAAP. As this translation of the financial statements did result in differences in Net Profit/Loss, a full reconciliation is presented.

Most important adjustment is the provision for deferred taxes. As Option International had huge tax recoverable losses in 1996, 1995 and 1994, a positive deferred tax provision was accounted for. In accordance with FAS 109 the asset is realisable. Due to the profit of 1997, the tax recoverable losses could be partially offset against this profit.

Further adjustments were made to offset certain capitalized R&D, marketing and some consulting charges from the 1994 and 1995 accounts. This is allowed by Belgian GAAP, as intangible assets and formation expenses, and these expenses have now been charged to P&L. In 1996 the Board of Directors changed this accounting policy, expensing R & D, marketing and some consulting charges when incurred. Consequently to the cumulative effect of US GAAP adjustments on December 31, 1995, Equity had to be reversed.

The prior year adjustments refer to changes that only came up in 1996, but should have been taken into P&L in 1993 (BEF 4.05 million) and 1995 (BEF 1.68 million). Therefore an adjustment was made in US GAAP - reporting.

As bringing unrealised exchange profits to P&L is not foreseen by Belgian GAAP (unless explicitely mentionned in the valuation rules), a last adjustment had to be made in order to account for the unrealised exchange profits on the USD-exchange rate at year-end, especially on the investments.

December 31 - 000 BEF	**1997**	**1996**	**1995**
Net Result According to Belgian GAAP	**6,762**	**-35,017**	**-12,416**
Deferred Taxes	-3,690	14,894	4,434
Formation Expenses to be transferred to P&L	-	543	-543
Intangible Assets to be transferred to P&L	-	12,038	-2,507
Prior Year Adjustments 1995/1996	-	1,676	-1,676
1993/1996	-	4,050	-
Unrealised exchange gains	4,668	-	-
Net Result According to US GAAP	**7,741**	**-1,816**	**-12,708**

Reconciliation between P & L according to Belgian GAAP and P & L according to US GAAP

December 31 - 000 BEF	1997	1996	1995
Equity according to Belgian GAAP at closing date	**725,091**	**-5,884**	**11,633**
Deferred Taxes	-3,690	14,894	4,434
Formation Expenses to be transferred to P&L	-	543	-543
Intangible Assets to be transferred to P&L	-	12,038	-2,507
Prior Year Adjustments 1995/1996	-	1,676	-1,676
1993/1996	-	4,050	-
Unrealised exchange gains	4,668	-	-
US GAAP Adjustments prior years	21,026	-12,175	11,883
Equity according to US GAAP at closing date	**747,095**	**15,142**	**-542**

Report of the Statutory Auditor

BELGIAN GAAP FINANCIAL STATEMENTS

REPORT OF INDEPENDANT AUDITORS
FOR THE YEAR ENDED DECEMBER 31, 1997

To the shareholders,

In accordance with the legal and statutory requirements, we report on our audit assignment which you have entrusted to us.

We have examined the annual accounts for the year ended December 31, 1997, which have been prepared under the responsibility of the Board of Directors and which show a balance sheet total of BEF 826.362.(000) and an income statement resulting in a profit for the year of BEF 6.762.(000). In addition, as required by law, we have performed specific additional audit procedures.

Unqualified audit opinion on the financial statements

Our examination has been conducted in accordance with the auditing standards of the 'Institut des Reviseurs d'Entreprises/ Instituut der Bedrijfsrevisoren'. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement and are in compliance with the Belgian legal and regulatory requirements.

In accordance with these standards we have taken into account the administrative and accounting organization of your company as well as the procedures of internal control. The responsible officers of the company have clearly replied to all our requests for information and explanations. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the accounting policies used, the significant estimates made by the company and the overall presentation of the annual accounts. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking into account the legal and regulatory requirements that govern them, the annual accounts present fairly the financial position of the company as of December 31, 1997, and the results of its operations for the year then ended and the supplementary information given in the notes is adequate.

Report of the Statutory Auditor

Additional certifications (and information)

We supplement our report with the following certifications (and information) which do not impact on our audit opinion on the financial statements:

- The directors' report includes the information required by the law and is in accordance with the financial statements.

- Without prejudice to certain formal aspects of minor importance, the accounting records are kept in accordance with the applicable Belgian legal and regulatory requirements.

- In the course of our examination, no transaction or decision in violaton with the articles of Association of the Company or the Company Law came to our attention. The appropriation of the results proposed to the General Meeting is in accordance with legal and statutory requirements.

Brussels, February 12, 1998

The Statutory Auditor

DELOITTE & TOUCHE
Bedrijfsrevisoren b.c.v.
Represented by Leo Van Steenberge

Report of the Statutory Auditor

BELGIAN GAAP FINANCIAL STATEMENTS

REPORT OF INDEPENDANT AUDITORS
FOR THE YEARS ENDED DECEMBER 31, 1995 & 1996

To the shareholders,

We have the honour to report to you on the audit assignment that you have entrusted to us in 1995 and 1996. However, as we were only appointed as statutory auditors from 1995 on, we cannot express an opinion on the 1994 financial statements. As a consequence, we have to qualify our opinion over 1995 for those sections from the Profit & Loss Account that are materially affected by the 1994 accounts.

Our examination was made in accordance with general auditing standards of the Belgian Institute of Company Auditors. The administrative and accounting organisation of your company and the system of internal control have been considered adapted to the size of the Company and adequate for the purpose of this audit and is being further developed with the growth of the Company's business. However, due to the poor debt collection procedures in the past, important allowances for bad debtors had to be set up in 1995 (BEF 6.200.000) and 1996 (BEF 4.000.000). Management has always replied clearly to our requests for explanations and information.

The accouting records have been maintained and the financial statements are prepared in conformity with legal and statutory requirements applicable in Belgium. No changes have been made in the application of the accounting principles during the aforementionned accounting periods than the alignment to the US-GAAP accounting rule in 1996 of expensing the R&D and marketing charges in the year when occured, or in other words, no longer capitalising them.

There are no transactions in breach of the statutes or the company law that we should report. The appropriation of the results is in conformity with legal and statutory requirements.

Report of the Statutory Auditor

In conclusion, we attest without qualification, except for the aforementionned sections of the Profit & Loss Account over 1995, that the financial statements for the years ended December 1995 and 1996 with a balance sheet total of BEF 72.349.926 and BEF 163.455.282 respectively, and with a los for these years of BEF 12.415.668 and BEF 35.017.429 respectively, give, taking into account the legal and regulatory requirements which govern them, a true and fair view of assets and liabilities, the financial position and the results of the company.

Brussels, September 2, 1997

DELOITTE & TOUCHE Bedrijfsrevisoren B.C.V.
Represented by

Leo Van Steenberge
Statutory Auditor

Financial Calendar

General Meeting of Shareholders 1997	March 31, 1998
1Q results	Third week of May
2Q results	Third week of August
3Q results	Third week of November
Annual results 1998	Third week of February 1999

Financial Information

For clarifications concerning the information contained in this annual report or for information about Option International, please contact:

Option International N.V.
Paul Vets
Investors Relation
Vaart 25 bus 8
B-3000 Leuven
Belgium

Telephone: 32/16/20.73.03
Fax: 32/16/ 20.71.64
E-mail: p.vets@option.com

GSM on page 6 and 10 Ericsson GF 768

Option International N.V.
Vaart 25 bus 8
B-3000 Leuven
Belgium

Telephone: + 32 (0)16 20 73 03
Telefax: +32 (0)16 20 71 64
Internet: www.option.com