OPTION NV

INTERIM FINANCIAL REPORT

Period ended June 30, 2009

Content

Report of the Board of Directors on the Condensed Consolidated Interim Financial Statements

SUMMARY

A. INDICATION OF SIGNIFICANT EVENTS THAT HAVE OCCURRED DURING THE FIRST SIX MONTHS OF THE FINANCIAL YEAR, AND THEIR IMPACT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B. DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING MONTHS OF THE FINANCIAL YEAR

C. MAJOR TRANSACTIONS WITH RELATED PARTIES THAT TOOK PLACE DURING THE FIRST SIX MONTHS OF THE FINANCIAL YEAR AND THEIR IMPACT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

D. MANAGEMENT STATEMENT

A. INDICATION OF SIGNIFICANT EVENTS THAT HAVE OCCURRED DURING THE FIRST SIX MONTHS OF THE FINANCIAL YEAR, AND THEIR IMPACT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1. MOST SIGNIFICANT EVENTS OF THE FIRST SIX MONTHS OF THE FINANCIAL YEAR

At the Option group (the “Group” or “Option”) level, a number of significant events took place and were communicated via Option NV’s – hereinafter referred to as the “Company” - website. We provide an overview of the different press releases that were issued during the first six months of the financial year 2009:

Customer announcements

- In January Option announced that its new entry-level USB modem, the *i*CON 210, has been selected by O2. Carrying the O2 branding.
- Also in January Brightpoint Europe A/S, a subsidiary of Brightpoint, Inc., had been appointed to expand the distribution of Option’s wireless broadband devices in 17 European markets.
- At the Mobile World Congress (Barcelona – Spain, February 16 – 19th) Telefónica O2 Germany was one of the first operators to offer Option’s new GlobeTrotter Express 441. The operator is marketing the product under its own brand as the O2 Surfcard Speed.
- Option announced in June the launch of a brand new HSPA+ USB modem – the *i*CON 505. This USB modem is sold by TeliaSonera Sweden and offers TeliaSonera’s broadband users the possibility of staying connected, using the fastest network of their choice, wherever they go.

Technological leadership

- In February, during the Mobile World Congress (Barcelona – Spain, February 16 – 19th), Option announced several new products:
  - The most important one the *u*CAN software platform, a ground-breaking innovation in the high-growth USB wireless modem market. With *u*CAN, a USB modem user can connect to the internet or access their applications, documents, MP3 collections or any other content via a “one click” launch pad from any personal computer. With applications running from the USB modem, Option’s Zero Footprint technology, ensures no trace of activity is left on the host computer, running either Windows XP, Windows Vista or Mac OS, when the device is disconnected.
  - Together with Gemalto, the world leader in digital security, Option announced that it is to deliver remote management over the internet of 3G/HSPA USB modems for mobile operators. The universal solution provides a means for operators to conveniently deploy their mobile services on the PC environments of their subscribers, via a 3G/HSPA USB modem, and remotely update them over the mobile broadband internet connection.
  - The Company also proved its readiness for HSPA+, the next phase in the evolution of wireless broadband technology, with a wireless embedded module delivering speeds of up to 17 Mbps on the downlink. This downlink performance represents a doubling of the maximum HSDPA performance available today. The demonstration was done with an HSPA+ embedded module in an Express Mini-Card form factor.
  - Two new router products were shown: the GlobeSurfer X•1, a new product that transforms any USB wireless modem into an instant Internet-connected WiFi network capable of supporting multiple users and the GlobeSurfer III, offering businesses and households a versatile communications hub that creates an instant Wi-Fi hotspot enabling multiple users to share a superfast HSPA broadband connection.
  - The GlobeTrotter Express 441, a data card with a traveller antenna, was the first “install & forget” ExpressCard. This device was, and still is, breaking new ground as the world’s first ExpressCard to incorporate a retractable antenna allowing the user to “install and forget”.
- In June the launch of a brand new HSPA+ USB modem was announced: the *i*CON 505. With impressive maximum download and upload speeds of 10.2Mbps and 5.76Mbps, the *i*CON 505 is uniquely upgradeable, allowing it to evolve as networks move towards faster HSPA+ speeds. With a simple firmware upgrade it will soon offer download speeds reaching 14.4 Mbps. It can easily transfer large files or handle high-quality streaming media at speeds that

match or exceed those found on traditional fixed line internet connections in many homes and offices. Designed in Europe and being the first USB modem in Europe to be powered by the Icera Livanto® baseband chipset, the *i*CON 505 is quick and easy to set up and offers outstanding reliability and excellent usability.

- Option furthermore developed, in its capacity as an ODM (Original Design Manufacturer), a highly-integrated system board for the Japanese consumer electronics giant, Sharp Electronics Corporation. The system board incorporates all smart phone functionalities including 3G mobile broadband, and is being integrated by Sharp into the new 3G Sidekick LX messaging phone. This new Sidekick LX follows on from the success of previously launched models and features additional 3G functionalities. This will be particularly beneficial to social network users who will be able to stay in touch and interact with friends while on-the-go, with a one click access to customized applications such as MySpace, Facebook, Twitter and Photobucket. The Sidekick LX features a swivel design, a sharp color screen, a full keyboard and boasts the thinnest profile ever delivered on a Sidekick.

Financing

The Group has successfully negotiated revised terms and conditions for its existing credit facilities, which have been amended and approved by its two banks for a total amount of EUR 12.5 million. The covenants are subject to a review at year-end 2009. In addition the Group has continued the restructuring of its business in order to be able to reduce operating expenses by 20% at year-end and has reduces overall head count by 215 full time equivalents. The total restructuring costs incurred were EUR 1.7 million.

A2. Impact of the above most significant events of the first six months of the financial year on the condensed consolidated financial statements

A request for arbitration has been received from an existing patent holder and for which the Group has made provisions accordingly.
Besides the events mentioned before, there is no other material financial impact on the most significant events of the first six months of the financial year.

B. DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING MONTHS OF THE FINANCIAL YEAR

The main risks and uncertainties which the Group is likely to face during the remaining months of the financial year 2009 can be summarised as follows:

(1) Option depends on third parties to offer wireless data communications services. If these services are not deployed as anticipated, consumers would be unable to use Option innovative products and revenues could decline.

(2) Option is outsourcing manufacturing of its products to third parties and can be dependent upon the development and deployment of these third parties' manufacturing abilities and the overall quality of their work. The inability of any supplier or manufacturer to fulfil the Option's supply requirement could impact future results. Option has short term supply commitments to its outsource manufacturers based on its estimation of customer and market demand. Where actual results vary from those estimates, whether due to execution on Option's parts or market conditions, Option could be at commercial risk.

(3) During the first six months of the financial year 2009 revenues could be spread over two global groups of companies of respectively 17% and 16% whilst in 2008, two groups of companies represented respectively 23% and 14%. The Group deals with the individual affiliated companies who are free to negotiate and manage their own contracts and placement of purchase orders. All these affiliated companies have different credit risk profiles and benefit from different terms and conditions.

(4) Competition from bigger more established companies with greater resources and working in more cost-efficient geographical areas may prevent the Group from increasing or maintaining its market share and could result in price reductions and reduced revenues.
The wireless data industry is intensely competitive and subject to rapid technological change. Competition might further intensify. More established and larger companies with greater financial, technical and marketing resources can start selling products that might compete with Company products. Existing or future competitors may be able to respond more quickly to technological developments and changes or may independently develop and patent technologies and products that are superior to those of the Group or achieve greater acceptance due to factors such as more favourable pricing or more efficient sales channels. If the Group would be unable to compete effectively with competitors' pricing strategies, technological advances and other initiatives, its market share and revenues may be reduced.

(5) Option may have difficulty managing its growth, which may damage its ability to retain key personnel and to compete effectively. Furthermore, growth outside Europe is becoming increasingly important (Japan, US) and therefore Option becomes exposed to local market instability and the impact of exchange differences.

(6) The market for wireless broadband data is evolving rapidly and highly competitive. The product life cycles are becoming shorter every year. The shortening of the product life cycles combined with the increasingly competitive environment and the fast changing technology may impact the excess and obsolete risk going forward. In the event Option would be unable to design and develop new innovative and qualitative products that gain sufficient commercial acceptance, the Group may be unable to recover its research and development expenses and Option may not be able to maintain its market share and the revenues could decline. Furthermore, because of the short product life cycles Option's future growth is increasingly depending upon designing and developing new products that may not have been commercially tested. The ability to design and develop new products depends on a number of factors, including, but not limited to the following;
- the ability of the Group to attract and retain skilled technical employees;
- the availability of critical components from third parties;
- the ability of the Group to successfully complete the development of products in a timely manner;

- the ability of the Group to manufacture products at an acceptable price and quality.

A failure by Option or its suppliers in any of these areas, or a failure of these products to obtain commercial acceptance, could result in Option being unable to recover its research and development expenses and could result in a decrease in bottom line result.

(7) In 2008 and 2009, the Group entered into derivative financial instruments to manage its exposure on the US dollar cash flows. All derivatives are recorded at fair value and classified as trading, which means that all volatility through changes in the fair value is recorded through the income statement. A further USD weakening against the EUR could lead to a negative impact on the Group's financial result.

(8) *Going concern.* Option has generated a negative cash flow from operations during the first six months of the year, reducing the group's liquidity and overall financial position. In response, the group has started a restructuring and cash management plan during the first 6 months of the year, which resulted so far in a reduction of the overall operating expenses with 20% compared to 2008.

In addition, the board of directors has undertaken various business initiatives in order to react to the market and organizational changes during the first half of the year. Although these business initiatives have been formally approved by the board of directors, not all decisions with respect to their operational execution have been taken as of the date of this report. Nevertheless, the board is confident that these business initiatives support the valuation of the figures as of June 30 2009.

Parallel to the above, the group has accelerated its efforts to secure additional liquidity in order to strengthen the Groups cash position and secure its future working capital needs. This has already resulted in the first half of 2009 in securing credit lines for a total amount of EUR 12.5 million EUR at 2 global banks, the availability of which is subject to covenants which will be reviewed at year-end.

In conclusion, the Group's ability to continue operating as a going concern is subject to the successful realization of the business initiatives which have been taken, the extent to which the Group's can get access to additional liquidity and/or capital in the short and medium term, or can continue to use its existing credit lines by complying with its related covenants. Given the recent decisions taken by the board on the organizational side, the comfort that the board currently has on the new business initiatives and the different alternatives that the group is exploring to secure its working capital position, the board is confident in the group operating as a going concern.

(9) The Group's business depends on its continued ability to license necessary third party technology for the development of its products. Furthermore we may infringe on the intellectual property rights of others. The industry in which we operate has many participants that own, or claim to own, proprietary intellectual property. In the past we have received, and in the future may receive assertions or claims from third parties alleging that our products violate or infringe their intellectual property rights. The Company may be subject to these claims directly or through indemnities against these claims which the Company has provided to certain customers. Regardless of whether these infringement claims have merit or not, we may be subject to the following:

- We may be liable for potentially substantial damages, liabilities and litigation costs, including attorneys' fees;
- We may be prohibited from further use of the intellectual property and may be required to cease selling our products that are subject to the claim;
- We may have to license the third party intellectual property, incurring royalty fees that may or may not be on commercially reasonable terms. In addition, there is no assurance that we will be able to successfully negotiate and obtain such a license from the third party;
- We may have to develop a non-infringing alternative, which could be costly and delay or result in the loss of sales. In addition, there is no assurance that we will be able to develop such a non-infringing alternative;
- The diversion of management's attention and resources;

- We may be required to indemnify our customers for certain costs and damages they incur in such a claim.

(10) The Group expects to continue to depend upon a small number of customers for a substantial portion of its revenues. Its business could be negatively affected by an adverse change in its dealings with these customers.

(11) If the Company's restructuring and cash management initiatives in response to the recent economic downturn would be unsuccessful or harmful to its future operations and results, the continuing global financial crisis and the current uncertainty in global economic conditions could have an adverse effect on the results of operations and financial condition of the Group.

.

C. MAJOR TRANSACTIONS WITH RELATED PARTIES THAT TOOK PLACE DURING THE FIRST SIX MONTHS OF THE FINANCIAL YEAR AND THEIR IMPACT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

C.1. Major transactions with related parties which took place during the first six months of the financial year and which had a material impact on the financial position or results of the Company during this period

During the first six months of the financial year 2009 no transactions have taken place between the Company (including its related companies) and members of the Board of Directors that triggered the application of the conflict of interests procedure foreseen by the Belgian Company Code (Article 523 of the Belgian Company Code).

The policy with regard to transactions between the Company or any of its affiliated companies on the one hand and members of the Board of Directors or the Executive Management Team (or members of their immediate families) on the other hand that could give rise to conflicts of interest (other than the ones defined in the Belgian Companies Act) has been defined in the Corporate Governance Charter. In line with the decision taken by the Board of Directors in 2006 the Company reports on the professional fees charged by the US based law firm Brown Rudnick LLP, since Mr. Lawrence Levy who joined the Board of Directors of the Company early 2006 is one of the Senior Counsels of this law firm. As previously agreed, Mr. Lawrence Levy does not directly work on Company related matters in his capacity of Senior Counsel of Brown Rudnick LLP.

In order to avoid any ambiguity the Board of Directors decided in 2006 to report every six months on the fees that were paid to Brown Rudnick LLP during the financial year. During the first six months of the financial year 2009, the fees paid to Brown Rudnick LLP amounted to EUR 9k.

In the course of normal operations, related party transactions entered into by the Group have been contracted on an arms-length basis.

C.2. Changes in the related party transactions described in the last annual management report that could have a material impact on the financial situation or performance of the Company in the first six months of the financial year

No changes have occurred in the related party transactions described in the last annual management report that could have a material impact on the financial situation or performance of the Company in the first six months of the financial year 2009.

D. MANAGEMENT STATEMENT

Management states that, to the best of their knowledge:

a) the condensed set of financial statements, prepared in accordance with the applicable accounting standards, gives a true and fair view of the assets, liabilities, financial position and result of the Company and its affiliates.
b) the interim Report of the Board of Directors provides a fair overview of the major events and the major transactions with related parties that took place during the first six months of the financial year and their respective impact on the condensed financial statements, as well as a description of the main risks and uncertainties for the remaining months of the financial year.

Condensed Consolidated Interim Financial Statements

Condensed Consolidated Income Statement

For the period ended 30 June Thousands EUR (except per share figures)	Notes	6 months **30/06/2009**	6 months **30/06/2008**
Revenues		**92 043**	**137 600**
Cost of products sold[1]		(70 132)	(95 971)
Gross profit excluding restructuring charges		**21 912**	**41 629**
Gross margin/Total revenues excluding restructuring charges %		23.8%	30.3%
Restructuring charges		*(385)*	-
Gross profit		**21 527**	**41 629**
Gross margin/Total revenues %		23.4%	30.3%
Restructuring charges		*(1 282)*	-
Research and development expenses[1]		(15 299)	(15 543)
Sales, marketing and royalties expenses[1]		(16 905)	(19 810)
General and administrative expenses[1]		(8 464)	(9 790)
Total operating expenses	*4*	**(41 950)**	**(45 143)**
Profit / (loss) from operations (EBIT)		**(20 423)**	**(3 514)**
EBIT/Total revenues %		(22.2%)	(2.6)%
Depreciation and Amortization		9 456	9 682
EBITDA		(10 967)	6.168
EBITDA/Total revenues %		(11.9%)	4.5%
Exchange gain/(loss)		(2 631)	(264)
Interest income/(expense) and other financial income/(expense)		(1 305)	(1 793)
Finance result	*5*	**(3 936)**	**(2 058)**
Profit / (loss) before income taxes		**(24 359)**	**(5 572)**
Tax income / (expense)	*6*	7 548	2 726
Net profit / (loss)		**(16 811)**	**(2 846)**
Weighted average number of ordinary shares		41.249.296	41.249.296
Diluted average number of ordinary shares		41.249.296	41.249.296
Earnings / (loss) per share (in EUR)		(0.41)	(0.07)
Diluted earnings / (loss) per share (in EUR)		(0.41)	(0.07)

[1] These amounts are excluding restructuring charges

Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 June Thousands EUR (except per share figures)	*Notes*	6 months **30/06/2009**	6 months **30/06/2008**
Profit / (Loss) for the period		(16 811)	(2 846)
<u>Other comprehensive income</u>			
Exchange difference arising on translation on foreign operations		(140)	(31)
Other comprehensive income for the period (net of tax)		(140)	(31)
Total comprehensive income for the period attributable to the owners of the parent		**(16 951)**	**(2 877)**

Condensed Consolidated Interim Statement of Financial Position

Thousands EUR	Notes	At 30 June 2009	At 31 Dec 2008
ASSETS			
Current assets			
Cash and cash equivalents		28 224	33 328
Trade and other receivables	7	22 419	44 819
Income tax receivable		116	227
Inventories	8	21 598	32 894
		72 357	**111 268**
Non-current assets			
Property, plant and equipment		13 816	16 291
Intangible assets	9	23 938	20 740
Deferred tax assets	10	30 796	22 413
Other non current assets		376	383
		68 927	**59 827**
Total assets		**141 284**	**171 094**
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	11	43 013	67 353
Income tax payable		104	104
Other financial liabilities	12	10 083	89
Provisions (current)		2 783	2 437
		55 983	**69 983**
Non-current liabilities			
Other non-current liabilities		51	16
Deferred tax liabilities		2 638	2 013
		2 689	**2 029**
Equity			
Issued capital		6 116	6 116
Share premium		43 865	43 865
Reserves	13	696	352
Retained earnings		31 935	48 749
Shareholders' equity		**82 612**	**99 082**
Total liabilities and shareholders' equity		**141 284**	**171 094**

Condensed Consolidated Interim Statement of Cash Flows

Thousands EUR For the period ended	30 June 2009	30 June 2008
OPERATING ACTIVITIES		
Net profit / (loss) (A)	(16 811)	(2 846)
Depreciation and amortization	9 456	9 682
(Reversal of) write-offs non cur. & current assets	1 519	4 619
Increase/(decrease) in provisions	347	
Unrealized Foreign exchange losses/(gains)	1 635	70
Interest income	(56)	(434)
Interest expense	174	68
Loss/(gain) on revaluation of fair value through profit or loss financial assets	2 709	2 140
Equity settled share based payment expense	484	
Tax benefit	(7 548)	(2 726)
Total (B)	**8 720**	**13 421**
Cash flow from operating activities before changes in working capital (C)=(A)+(B)	**(8 091)**	**10 573**
Decrease/(increase) in trade and other receivables	11 784	(27 420)
Decrease/(increase) in inventories	11 296	14 947
Increase/(decrease) in trade and other payables	(16 673)	6 565
Total changes in working capital (D)	**6 407**	**(5 908)**
Cash generated from / (used in) operations (E)=(C)+(D).......	**(1 684)**	**4 665**
Interests (paid) (F)	(60)	-
Interests received (G)	73	-
Income tax (paid)/received (H)	(56)	2 928
CASH FLOW FROM OPERATING ACTIVITIES (I)=(E)+(F)+(G)+(H)	**(1 726)**	**7 593**
INVESTING ACTIVITIES		
Proceeds from sale of plant & equipment……………….	-	-
Proceeds from sale of intangible assets………………...	-	6
Acquisition of property, plant and equipment	(813)	(1 691)
Acquisition of intangible assets	(141)	(660)
Development expenditures	(9 225)	(10 458)
CASH FLOW USED IN INVESTING ACTIVITIES (J).................	**(10 180)**	**(12 802)**
FINANCING ACTIVITIES		
Proceeds from borrowings	7 334	-
Repayment of borrowings	(37)	(1)
Proceeds from finance leases	23	-
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (K)	**7 320**	**(1)**
Net increase/ (decrease) in cash and cash equivalents (I)+(J)+(K)	**(4 586)**	**(5 211)**
Cash and cash equivalents at beginning of period	33 328	36 299
Effect of exchange rate fluctuations on cash held	(517)	(29)
Cash and cash equivalents at end of period	28 224	31 059
Difference	**0**	**0**

Condensed Consolidated Interim Statement of Changes in Equity

Thousands EUR	Shareholders' equity					
	Issued capital	Share premium	Share-based payment reserves	Translation reserves	Retained earnings	Total equity
As per 31 December 2007	**6 116**	**43 865**	**360**	**3**	**67 750**	**118 094**
Net loss	-	-	-	-	(2 846)	(2 846)
Translation adjustment	-	-	-	(31)	-	(31)
As per 30 June 2008	**6 116**	**43 865**	**360**	**(28)**	**64 904**	**115 216**
As per 31 December 2008	**6 116**	**43 865**	**513**	**(161)**	**48 749**	**99 082**
Net loss	-	-	-	-	(16 814)	(16 814)
Share based payments	-	-	484	-	-	484
Translation adjustment	-	-	-	(140)	-	(140)
As per 30 June 2009	**6 116**	**43 865**	**997**	**(301)**	**31 935**	**82 612**

Notes to the Condensed Consolidated Interim Financial Statements

Note 1. Corporate Information

Option (EURONEXT Brussels OPTI, OTC: OPNVY), the wireless technology company, is a leading innovator in the design, development and manufacture of 3G HSUPA, HSDPA, UMTS, EDGE, and WLAN technology products for wireless connectivity solutions. Option is headquartered in Leuven, Belgium. The company also has Research & Development in Belgium (Leuven), Germany (Düsseldorf and Augsburg) and an ISO 9001 production engineering and logistics facility in Ireland (Cork). Option maintains offices in Europe, US, Greater China, Japan and Australia.

The accompanying Condensed Consolidated Interim Financial Statements (the "Interim Financial Statements") have been subject to a limited review. In the opinion of management, these Condensed Interim Financial Statements include all adjustments which are necessary to present fairly the financial position and the results of operations for the interim periods. Results for the six months ended June 30, 2009 are not necessarily indicative of future results.

Note 2. Basis of preparation – Accounting Policies

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements as of and for the year ended December 31, 2008.

The same accounting policies, presentation and methods of computation are followed in these Condensed Consolidated Interim Financial Statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2008.

Note 3. Segment Information

The Group has adopted IFRS 8 "Operating Segments" with effect from 1 January 2009
The primary segment reporting format is determined to be business segment, each segment is a distinguishable component of the Group that is engaged in either providing products or services.

The "External devices" segment produces data cards, USB devices, routers and software products;
The "Module" business segment is principally the production of embedded devices or modules;
The "Other" business segment is mainly related to sales of components, accessories and non recurring engineering fees.

	Revenues from external customers		Segment result	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
External devices	74 036	127 774	(21 043)	(4 725)
Modules	10 602	6 078	(2 437)	(344)
Other	7 406	3 748	3 057	1 554
Totals	**92 043**	**137 600**	**(20 423)**	**(3 514)**
Finance (costs) / income			(3 936)	(2 058)
Income taxes / (expenses)			7 548	2 726
Net result			**(16 811)**	**(2 846)**

Note 4. Additional information on operating Expenses by nature

Depreciation and amortization are included in the following line items in the income statement:

Thousands EUR	Depreciation on property and equipment		Amortization loss on intangible assets		Total	
Period ended June 30	2009	2008	2009	2008	2009	2008
Cost of products sold	227	185	-	-	227	184
Research and development expenses	2 877	2 825	5 813	6 110	8 690	8 935
Sales, marketing and royalties expenses	36	39	28	49	64	88
General and administrative expenses	382	414	93	60	475	475
Total	**3 522**	**3 463**	**5 934**	**6 219**	**9 456**	**9 682**

This decrease is mainly due to the capitalisation of R&D expenditure whereas the Group increased the development expenditures with EUR 9.2 million in the first half year 2009 compared to EUR 10.5 million in the first half year 2008, resulting in lower amortizations.

Payroll and related benefits are included in the following line items in the income statement:

Thousands EUR Period ended June 30	2009	2008
Restructuring charges	*1 667*	-
Cost of products sold	2 237	2 529
Research and development expenses	7 933	7 663
Sales, marketing and royalties expenses	4 504	3 591
General and administrative expenses	3 492	3 580
Total	**19 831**	**17 363**

In June 2008, the Group acquired Multi Mode Multi Media Services (abbreviated “M4S”). Those costs, mainly payroll related, are reflected in the research and development expenses for the full half year 2009, which was not the case during the comparable period in 2008.
For the first half year 2009, the payroll and related benefits includes a one-off restructuring charge of EUR 1.7 million attributable to the cost of product sold and operating expenses.
The decrease in number of full time equivalents of the Group represents 13.2% compared to the same period in 2008. This headcount reduction has mainly been realised in the last month of the second quarter.

Note 5. Financial result

The financial result of the first half year, compared to the same period in 2008, can be presented as follows:

Thousands EUR 6 months period ended June 30	2009	2008
Interest Income	56	434
Interest Expense	(174)	(68)
Net foreign exchange gains (losses)	(984)	(264)
Change in fair value of the existing derivative financial instruments	(2 709)	(2 140)
Other financial income & expenses	(125)	(20)
Net financial result	**(3 936)**	**(2 058)**

During the first half year of 2009, the Group obtained a negative financial result, mainly due to the recording of the fair value of derivative financial instruments which resulted in a loss of EUR 2.7 million.

The Group entered into derivative financial instruments, to manage its exposure on the USD cash flows.

Note 6. Income taxes

Tax income (expenses) includes:

Thousands EUR 6 months period ended June 30	2009	2008
Current tax income (expense)	(187)	108
Deferred tax income (expense)	7 734	2 618
Total tax income (expense)	**7 547**	**2 726**

The negative result, recorded in the first half year of 2009, gave rise to a tax loss in the Company and has lead to a deferred tax benefit for the Group.

Note 7. Trade and other receivables

Thousands EUR	2009	2008
Trade receivables	21 571	43 469
Allowance for doubtful accounts	(931)	(612)
Subtotal	**20 640**	**42 857**
Recoverable VAT	1 179	1 458
Other receivables	600	504
Subtotal	**1 779**	**1 962**
	22 419	**44 819**

Note 8. Inventories

Inventories decreased by EUR 11.3 million compared to December 31, 2008, as a result of lower inventory levels on components, work in progress and finished goods.

Note 9. Intangible assets

The increase in intangible assets of EUR 3.2 million is primarily explained by the development costs which have been capitalized for an amount of EUR 9.2 million and the amortization which was charged on capitalized development of EUR 5.8 million.

Note 10. Deferred tax assets

The negative result of the first half year resulted in an increase of the deferred tax asset of 8.3 million EUR and consist of increased losses carried forward and decreased timing differences. The losses carried forward of EUR 24.5 million resulted in an additional deferred tax assets of EUR 8.3 million. The Group is of the opinion that those deferred tax assets can be recognised due to the fact that:

- The main part of the tax asset is related primarily to the same taxation authority;
- The use of the tax losses carried forward is unlimited in time;
- The Group has a track record in utilizing tax losses carried forward in the past and;

Moreover, it is more likely than not that sufficient future profits are foreseen to recover those tax losses carried forward.

Note 11. Trade and other payables

Thousands EUR	2009	2008
Trade payables	32 445	55 720
Salaries, tax and payroll related liabilities	6 861	3 993
Other payables, accrued expenses and deferred income	3 707	7 640
	43 013	**67 353**

Note 12. Other financial liabilities

Thousands EUR	2009	2008
Subordinated loan	37	89
Short term Bank loan	7 000	-
Financial derivatives – negative fair values	2 709	-
Other loans	337	-
	10 083	**89**

Per June 2009 an amount of EUR 7 million has been drawn from the existing credit lines. The Group has successfully negotiated revised terms and conditions for its existing credit facilities, which have been amended and approved by its two banks for a total amount of EUR 12.5 million.

Note 13. Shareholders equity – Share based payment reserve

Thousands EUR	2009	2008
Share based payment reserve	997	513

On 26 August 2008 the Shareholders' meeting approved the issuance of 2 500 000 warrants "V".

The following reconciles the outstanding share options granted under the share option plan at the beginning of the financial year and the end of the half year 2009.

Number of Warrants "V"	2009
Balance at the beginning of the financial year	**665 000**
Accepted during the first half year 2009	1 236 850
Forfeited during the first half year 2009	(112 536)
Exercised during the first half year 2009	-
Balance at the end of the first half year 2009	**1 789 314**

The fair value of the granted Warrants "V" were calculated at EUR 484 thousand for the first half year 2009.

Note 14. Contingencies and commitments

The status of the contingencies and commitments is not significantly different from their status as disclosed in the 2008 financial statements.

Deloitte.

Bedrijfsrevisoren / Reviseurs d'Entreprises
Berkenlaan 8b
B-1831 Diegem
Belgium

Tel: +32 2 800 20 00
Fax: +32 2 800 20 01
http://www.deloitte.be

OPTION NV

Limited review report on the consolidated half-year financial information for the six-month period ended 30 June 2009

Deloitte.

Bedrijfsrevisoren / Reviseurs d'Entreprises
Berkenlaan 8b
B-1831 Diegem
Belgium

Tel: +32 2 800 20 00
Fax: +32 2 800 20 01
http://www.deloitte.be

OPTION NV

LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2009

To the board of directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, consolidated condensed income statement, consolidated condensed statement of comprehensive income, consolidated condensed cash flow statement, consolidated condensed statement of changes in equity and selective notes 1 to 14 (jointly the "interim financial information") of OPTION NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2009.

The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express an opinion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Without modifying the above unqualified limited review opinion, we draw your attention to the following uncertainties:

- Despite the fact that the group has continued to incur significant losses during the period that impact its financial position, the interim financial information has been prepared using the going concern principle. This assumption is only justified to the extent that the plans and measures reflected in the business initiatives, as discussed in section (8) of chapter B. "Description of the main risks and uncertainties for the remaining months of the financial year" of the interim directors' report, are successfully realized, that the group obtains additional means of financing and/or can continue to rely on its existing credit lines. We draw your attention to said section of the interim directors' report, in which the board of directors justifies the application of the going concern principle. No adjustments have been recorded with respect to the valuation or the classification of certain balance sheet items, which would be required, should the group no longer be able to continue its operations;

Deloitte.

- As mentioned in Note 10 of the attached interim financial information, the consolidated condensed balance sheet as of 30 June 2009 includes deferred tax assets recorded on accumulated tax losses for a total amount of 24.500 (000) EUR (16.515 (000) EUR as of 31 December 2008). The realisation of these assets will depend upon the capacity of the group to generate taxable profit in accordance with the recent business initiatives.

Diegem, 31 August 2009

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
SC s.f.d. SCRL
Represented by Leo Van Steenberge