ANNUAL REPORT 2001

ANNUAL REPORT

Ladies and Gentlemen, after the expansion of our company in the course of 2000, 2001 was marked by the consolidation and execution of several projects.

Early 2001 the volume production of VisorPhone proved to be a challenging task for our production engineers as the miniaturisation of the VisorPhone product complicated the transition from design to volume production. VisorPhone sales have been disappointing, and even more so due to the slowdown of the worldwide economy, but nevertheless the transition from design to volume production turned out to be a success thanks to the know-how and preparation of our production and test system engineers.

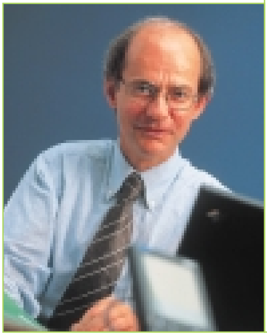
For Option the most important event of 2001 was of course the deployment of GPRS by almost all network operators around the world. The availability of GPRS services for the end-user has taken longer than expected due to extensive interoperability testing that operators needed to perform. As one of the early adopters of GPRS technology, we have been able to assist the network operators with such testing. This in turn allowed us to strengthen existing partnerships and establish new relationships with carriers both in Europe and the United States.

Historically our company has always focused on wireless data. The arrival of GPRS will turn our vision of the wireless Internet into reality for all of us. In order to be ready in time for the commercialisation of this new technology, we have worked throughout the entire year on the development of state-of-the-art GPRS devices. In doing so, the doubling-up of the engineering team that came with the acquisition of the Cambridge site allowed us to work on two projects simultaneously: the tri-band Globetrotter GPRS/GSM PC Card and the tri-band Wireless Pack for the Compaq iPAQ.

With the recent official certification of the GlobeTrotter card, both products are now ready for volume commercialisation. The Wireless Pack for the iPAQ Pocket PC will be sold via the Compaq distribution channels, whilst the GlobeTrotter product will be commercialised under the Option brand or a private label in the operator and IT distribution channels. The various channels used for the commercialisation of these products illustrate clearly our sales and marketing approach. The same GSM/GPRS platform is used to develop OEM, private label and own-branded products. This approach should allow us to significantly increase our customer base, which will benefit the Company in making it financially more stable.

On the financial side, additional funding from existing shareholders has been secured. Moreover the Company has been able to attract new investors. This is evidently a sign of investors' continued and renewed faith in the Company's capabilities.

Last but not least our product development track record and our ability to bring products from design and development to volume production have resulted in early 2002 to the signature of a new partnership agreement, with Lucent Technologies. Under the partnership Option will co-develop a 3G UMTS/GPRS PC Card with Research & Development funding as well as technical and marketing support provided by Lucent. Thanks to this partnership agreement Option will remain at the forefront of wireless technology and will secure a bright future.



Jan Callewaert
Chairman

at December 31, 2001 - 2000 - 1999 (audited and consolidated)

In thousands EUR, Except per share Amounts

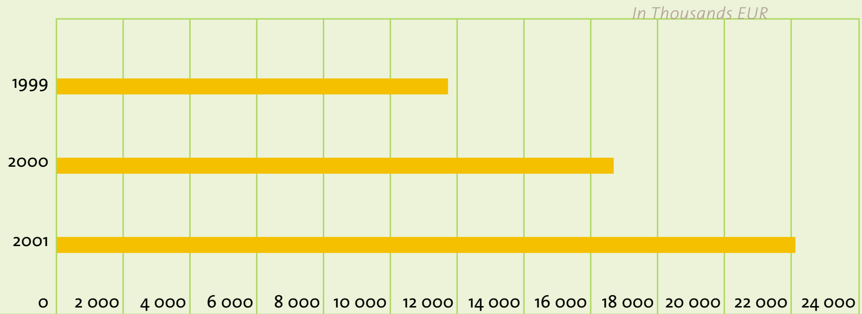
	2001	2000	1999
Turnover	22 108,0	16 692,3	11 811,1
Gross Profit	4 575,5	4 503,1	3 127,6
Gross Margin	20,7%	27,0%	26,5%
EBIT	-12 789,3	-7 523,3	-6 142,8
EBIT- margin	-57,8%	-45,1%	-52,0%
Net Result After Tax	-9 640,0	-4 964,6	-4 228,1
Total assets	30 023,5	31 686,1	18 296,2
Working Capital	16 170,0	12 937,5	12 471,9
Long-term obligations (1)	6 342,7	130,5	211,0
Shareholders' equity	12 233,9	17 427,6	13 798,6
Weighted average shares outstanding	6 590 615	6 285 857	5 992 364
Total number of shares outstanding	7 607 365	6 579 349	5 992 364
Net Result after Tax Per Share	-1,46	-0,79	-0,71
Dividends (in EUR)	0,0	0,0	0,0
Net Result after Tax Per Share (in $)	-1,29	-0,73	-0,72
Exchange Rate EUR/USD (2)	0,8844	0,9280	1,0228

1 Including long term debt and capital leases
2 Per December 31st. Source: Fortis Bank

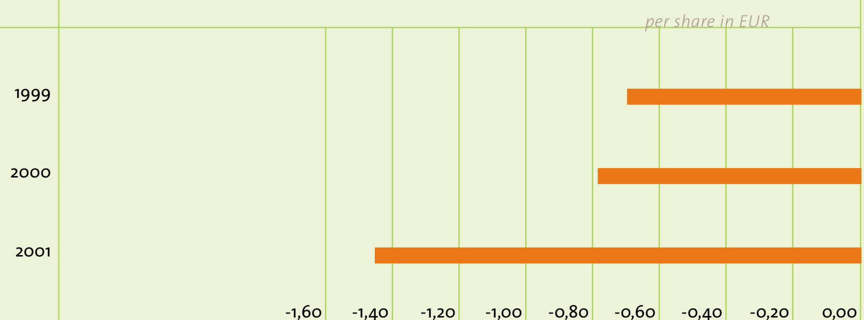
See Notes to Consolidated Financial Statements

at December 31, 2001 - 2000 - 1999 (audited and consolidated)

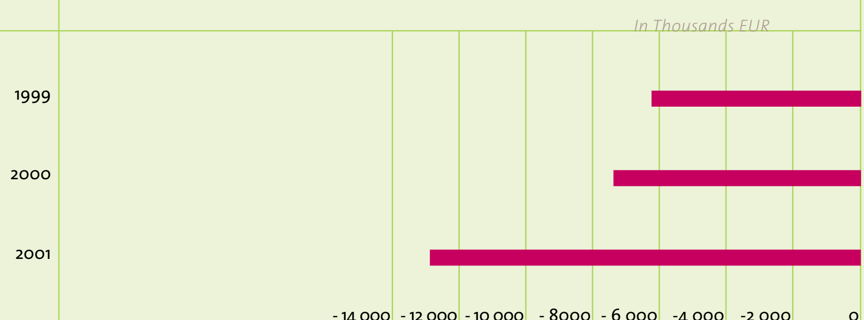
Turnover growth



Net result



EBIT



Discussion of the consolidated Annual Accounts

The highlights of the 2001 accounts were as follows:

The consolidated accounts include the following subsidiaries of Option International N.V.:

> Option Wireless Ltd., Cork, Ireland
> Option Germany GmbH, Adelsried, Germany
> Park W N.V., Leuven, Belgium

Revenues

Revenues for 2001 were EUR 22,11 million, compared to EUR 16,69 million in 2000.

The revenue spread throughout 2001 is as following: 94% (20,75 million EUR) of the revenue comes from OEM Contracts and 6% (1,36 million EUR) results from old productlines (GSM Ready, SoftRadius, FirstFone and Melody). As 94% of the sales was realised through sales to Handspring and Compaq, these companies are taking the main part of the geographical spread to the US and 6% of the sales went to Europe and Asia.

Gross margin

The gross margin for 2001 decreased from 27% in 2000 to 20.7% in 2001. This decrease was mainly due to the write-off of components stock for the Handspring contract.

Operating Expenses

Consistently, the Company continued to invest in its R&D departments and expenses grew with 79% to EUR 12,38 million. The main reason for the R&D spending increase lies in the growth of the department; in March 2000 the Cambridge R&D site was acquired which had an impact on the R&D cost of the full year 2001. Besides the growth, the cost increased because of the simultaneous implementation of two projects and because of the pressure on the salary cost due the shortage of engineers in the telecommunication market. Sales & Marketing spending was further reduced, in line with the Company's OEM strategy. Spending in S&M decreased from EUR 3,49 million in 2000 to EUR 3,07 million in 2001. General and Administrative expenses grew from EUR 1,61 million in 2000 to 1,91 million in 2001, an increase of 19%. Throughout the year 2001, the Company's headcount was more or less stable (158 at the end of 2001). Whilst in 2000, the headcount increased from 95 to 161. Total personnel cost increased from EUR 5,46 million in 2000 to EUR 7,39 million in 2001. The main reasons are:

> The increased headcount in 2000 has a full year impact on the cost of 2001;
> The increasing salary cost in the telecommunication market;
> The growth of the management team in 2001;
> The percentage of engineers increased, while the percentage of blue collar workers decreased in 2001.

Depreciation expenses increased from EUR 1,19 million in 2000 to EUR 1,77 million in 2001. This increase is mainly due to the investment in intangible assets in 2001.

Financial Result

In 2001, the financial result amounted to a loss of EUR 0,68 million, compared to a positive result of EUR 0,28 million in 2000. The loss in 2001 was mainly due to interest payables on the Convertible bond of EUR 0,34 million and to exchange losses of EUR 2,22 million in 2001 compared to EUR 1,61 million in 2000.

Net result

The net result (USGAAP) over the year 2000 amounts to EUR -9,64 million, compared to EUR -4,96 million in the previous year.

Balance sheet

Cash and cash equivalents increased from EUR 1,17 million to EUR 4,7 million.

Working capital amounts to EUR 16,2 million.
Accounts receivable decreased with EUR 3,36 million to EUR 5,30 million. The Inventories have decreased significantly throughout 2001 and amount to EUR 6,33 million.
The main impact comes from a decrease in finished products.

Fixed assets decreased from EUR 3,98 million (net book value) by year-end 2000 to EUR 3,75 million (net book value) by year-end 2001. Throughout the year, the Company invested in production lines, test systems, lab and testing equipment, all in support of its R&D and production engineering strategy.

Accounts payable decreased from EUR 13,25 million in 2000 to EUR 6,85 million in 2001.

The long-term debt includes the Subordinated, Convertible bond of EUR 6,33 million which was issued in 2001.

The provision for risk and charges was EUR 2,66 million at December 31, 2001.

Tangible assets breakdown	Leasehold improvements	269,3
(in 000 EUR)	Office furniture & Equipment	386,9
	Research Equipment	6 438,3
	Cars	171,2
	Total Property & Equipment	7 265,7
	Accumulated depreciation	-3 511,0
	Net Property & Equipment	3 754,7

Intangible assets breakdown	Licenses	2 032,0
(in 000 EUR)	Software	139,7
	Total Intangibles	2 171,7
	Accumulated depreciation	-857,0
	Net Intangible assets	1 314,7

Deferred Tax Assets (in 000 EUR)	Option International NV	Option Wireless Ltd	Consolidated
Tax Loss Carry Forward	17 324,3	10 408,3	
Tax rate	40,17%	10,00%	
Deferred Tax Credit (B/S)	6 959,2	1 040,8	8 000,0
Amount already accrued/offset	3 388,7	546,7	3 935,4
Net Tax credit affecting P&L	3 570,4	494,2	4 064,6

Key developments

Developments in the GSM Data market: Arrival of GPRS

The most important development in the GSM data market in 2001 is the deployment of GPRS networks. The effect that this may have on the growth of GSM data over the wireless network could be significant. Whereas the transmission speed of data over GSM networks was limited to 14,4 Kbps, GPRS will ultimately enable users to receive data at average speeds of 60Kbps. Therefore GPRS is viewed as the first technology that will enable true access to the wireless Internet. In addition, it is expected that GPRS will make the transmission of data more economical. Indeed, a GPRS terminal can remain active without increasing the costs for the user, i.e. the user can remain "online" without having to pay for the connection time. Only the transmitted volume of the data is charged.

Early 2001 it was generally expected that almost all European and American operators would dispose of an operational GPRS network before the yearend and that the commercialization of this new wireless standard would start during the last three months of the year. However, the interoperability testing and fine-tuning of GPRS networks have taken more time than originally expected so that the commercialization will really start in the course of the first two quarters of 2002. It is expected that the further optimization of the networks, especially the transfer speed, will continue till at least the middle of 2002. Afterwards the networks will continue to improve through regular software upgrades making numerous Internet applications, that due to their size can currently only used via fixed telephone lines (and cable), available for wireless networks.

The Company has since the beginning of 2000 chosen to focus mainly on the GPRS technology. Therefore we were among the first to offer working prototypes of GPRS products in the course of 2001. These were used to conduct various tests on the new networks. These tests are of great importance to the operators since they are necessary for the deployment and fine-tuning of the networks.

For Option these tests are also important, as they constitute critical milestones during the product development process. Furthermore thanks to the tests carried out on various network infrastructures around the world the Company succeeded in establishing good relationships with the different carriers. Good contacts with carriers are key for the Company since the commercialization of the products will be mostly done through them.

The increase of data communication over the GSM/GPRS networks has created the demand for new GSM/GPRS terminals that support voice as well as applications for data transmission. Since the development of FirstFone in 1997, the Company has continuously focused on the development and production of products for wireless data transmission via GSM (and currently GPRS) networks. The Company is determined to continue to be active in the market of products for data transmission. Given the fact that this market evolves towards a single global standard (the first steps have already been taken towards the development of third generation networks) it can not be excluded that the Company would close strategic alliances in the future in order to better cope with this new challenge taking place on a much broader scale.

OEM strategy & products

The OEM strategy of the Company can be subdivided in two parts. First of all the Company has signed a number of development contracts whereby it develops a product on behalf of a specific customer. Such development is done against payment of development costs or minimum volume commitment or a combination of both. In parallel the Company is also developing mainstream products under its own brand-name or under private label and independently from any specific demand of a customer. This latest product category is currently made of a single product: the Globetrotter PC Card.

Development agreements

In the course of 2001 the Company concentrated on the following development agreements.

Handspring

In 1999 the Company joined forces with Handspring Inc. for the development of VisorPhone, a wireless communication module (GSM data and voice) for the Visor,Handspring's palm sized computer. The development was successful and the sale of the VisorPhone started in December 2000. Handspring chose to primarily focus its sales efforts on the American market since the Visor model sold best on that market. This approach has been detrimental to the sale of the product. Indeed, in the American wireless market different technologies co-exist and compete with each other; GSM, CDMA, CDPD, TDMA, etc... In the beginning of 2001 the total number of GSM subscribers in the American market was limited. Furthermore the success of VisorPhone has been limited by the general crisis on the American and European markets in 2001, resulting in a collapsing consumer confidence. This all lead to an earlier than expected termination of the contract with Handspring.

In order to meet its commitment for VisorPhone modules, the Company had been forced to purchase and order, in the course of 2000, a sufficient number of components based on component individual lead times and component scarcity on the market (e.g. memory chipsets). The absence of additional orders from Handspring resulted in less VisorPhone sales, which led in turn to the Company facing an overstock of components. All this has negatively impacted the results of the financial year 2001.

Compaq

On the 20th of February 2001 the Company announced that it had signed an agreement with Compaq Computer Corp. for the development and production of a GSM/GPRS module for its very successful Pocket PC based iPAQ handheld computer. The engineering team in Leuven has worked on the development of this module. During the development several interoperating tests were carried out on more than 50 different American and European networks such as Voicestream, AT&T Wireless in the United States and Mobistar, T-Mobil, Vodafone, Orange (UK&France) in Europe. Mid November 2001 the Company was awarded the necessary approval certificates from the competent American and European authorities in order to produce and sell the module on a worldwide basis. In addition the demands for approval were filed in the Middle East and Asia.

Compaq iPAQ with GPRS/GSM Wireless Pack

These last two are pure administrative formalities given the approval certificates obtained in Europe and in the US. The production started in November 2001. Compaq, with its global sales- and marketing organization is responsible for the commercialization of the product. It is expected that the sales efforts will concentrate in the first place on the European and American markets.

The module is the first on the market that allows wireless communication via GSM/GPRS with a PDA (Personal Digital Assistant). Moreover it is the only module that disposes standard of a triple band radio that can be used worldwide on all GSM/GPRS networks. During testing on the different networks transmission speeds of up to 60Kbps were reached which is even faster data transmission than via an ordinary fixed (telephone -PSTN) line. As a result the module enables its user to surf the Internet, read e-mails with attachments, and all this at high transmission speeds. In addition the module has all the features of the latest GSM phones allowing to make voice calls, send short text messages (SMS), forwarding and barring calls,etc.

Globetrotter

In addition to the abovementioned development contracts, the Company is also focused on the design and development of its own GSM/GPRS PC Card for the portable computers (notebooks) market Globetrotter is a 900/1800/1900 triple band GSM PC Radio Card supporting the GPRS technology. Globetrotter has a triple band radio making it compatible with all GSM/GPRS networks worldwide. The primary function of the card is to transmit data: sending and receiving e-mails, surfing the Internet, etc...) via the GPRS network. GlobeTrotter provides the user with connection speeds up to 60 kbps, speeds never seen before on wireless networks. By connecting a headset to the card, Globetrotter can also be used as a fully-featured mobile phone.

In the course of 2001 the card has been, just like the Compaq module, extensively tested on different GSM and GPRS networks worldwide. The Company took the opportunity to introduce Globetrotter to various operators. Such introduction is important as the Company plans to commercialize Globetrotter by calling on the operator distribution channels. In the course of 2001 the interest shown by potential customers for Globetrotter has been very positive.

With the Globetrotter card the Company won the “Telecom Innovation of the Year” award during the annual Data News Awards for Excellence in Belgium. The product was chosen by a professional jury made of the previous winners of this award. It was emphasized that with Globetrotter the Company does not only launch a product onto the market that is highly innovative but that in addition has numerous practical applications in everyday life. The recognition given to Globetrotter is very important as the beginning of 2002 saw the launch (Novatel Wireless Inc.) or the announcement of competitive cards (Sierra Wireless Inc. and Nokia).

Globetrotter is aimed at the market of the mobile professional, people traveling often or constantly on the road and therefore requiring communication tools allowing them to keep in touch with their company remotely. It is therefore expected that the most interesting target group for this kind of product will be corporate users. The most efficient way to reach these users will be through the telecom operator's distribution channels. The reason for this approach is twofold. First of all the recent history has demonstrated that these operators dispose of a very good distribution channel and marketing approach that, due to the arrival of GPRS, is more and more focused on the delivery of total solution selling to companies. Furthermore this approach has the advantage of concentrating Option's Sales and Marketing efforts on approximately thirty telecom operators instead of hundreds of corporate end-users. It is obvious that this approach has an impact on margins. However, this impact is outweighed by the disadvantages linked to the build-up and support of a worldwide Sales and Marketing organization. Furthermore such an organization requires important financial resources that could jeopardize the focus on the Research and Development and increase the risk of inefficient use of the Company's working capital.

Future developments

In the future the Company would like to expand its product portfolio with the development of a miniaturized GPRS module based on the existing technology platform currently used in Globetrotter. The applications for such module are very diverse: telemetry, build-in in various types of equipment such as parking meters, lorries or use as reference design for further development.

In addition the Company will, in co-operation with Lucent, develop a successor for Globetrotter. This card will be suitable to workon the new third generation networks (UMTS) (cf. hereunder 'Post balance sheet events')

Sales and Marketing

The past year the Sales and Marketing organization has focused on establishing and maintaining excellent relationships with telecom operators. A lot of efforts also went into supporting their technical people during the test phase both in the labs as in the field. All the information gathered about the network infrastructure during these tests has been compiled in a database allowing the Company to react much quicker to any upgrades or changes.

Contrary to the competition, which focused on very few operators only, the approach taken by Option will allow it to deploy its technology at a rapid pace to a large number of operators around the world. This is due to the fact that GlobeTrotter will already have been certified on all these networks.

The Sales and Marketing organization is centralized in Leuven. In addition to the cost price advantage, the centralization has also resulted in a closer co-operation with the Research and Development department. This was clearly illustrated by the various network tests performed in 2001, which were planned, executed and controlled by the Sales and Marketing organization in close cooperation with the Engineering department.

Research and Development

After the expansion of the Research and Development (R&D) department in 2000 with the acquisition of the R&D site of Advantra UK Ltd, the expansion of the department in 2001 consisted mainly in additional hiring in Louvain. In addition, focus was put on the co-operation between the departments in Leuven and Cambridge in order to increase the complementarities between the two teams. One of the decisions taken in that perspective was to have a number of disciplines present in Leuven only in order to limit the costs of the Cambridge department and to keep and improve the technical knowledge in one location. The costs for the department have continued to rise in the course of 2001. The reasons for this increase are diverse. First of all the doubling of the projects (one in Louvain and one in Cambridge) has caused the project related costs to rise. In addition the introduction of GPRS has resulted in more costs (a.o.: lab equipment, extra test time in specialized laboratories). Finally, the shortage of engineers (especially in the field of telecommunications) has put pressure on the wages and resulted in an important salary increase in the telecom sector. The R&D department has currently 74 engineers, against 72 in 2000.

a. **Leuven.** In the course of last year the engineering team in Louvain has focused on the development of the Compaq module and the test systems for the production of the module. In doing so the team has fine-tuned the GPRS protocol stack for integration with the device. The protocol stack can be described as the software that enables the communication between the network and the terminal. It is a very important part of the GSM/GPRS terminal. The fine-tuning of this software was done in close co-operation with TTPCom Ltd., the UK supplier of the GSM and GPRS protocol stacks that the Company uses for the development of its products. Finally, a number of engineers of the R&D department have played a very active role in the preparations of the agreement with Lucent.

b. **Ireland.** In the first half of 2001, the Irish production facility took care of the volume production, packaging and shipping of VisorPhones to Handspring. The surface mounting of the PCB boards was subcontracted to an Italian manufacturing partner Finmek. The final assembly, calibration and testing of the end product was done by Option Wireless. In addition to the volume production for Handspring, Option Wireless has also manufactured in the course of 2001 a number of prototypes for Globetrotter and the Compaq module. During production of these prototypes, analysis was made by the Irish engineers in order to improve the manufacturability of the products developed by the Option group. Thanks to the recommendations that followed from this analysis, the Company was able to make important progress in the development of stable products that can be fast and efficiently produced in high volumes. The start of the volume production of the module for Compaq has illustrated this.

The setup of the supply chain division in Ireland, the division responsible for the volume purchases of components, has not been successful. The major reasons for this are the fact that the products developed by the Company are niche products for which the production volumes are limited so far.
An important part of the components used for the production of these products are also used for GSM mobile phone of which several million units per model are sold. The "buying power" that the Company disposes of is therefore somewhat limited. This has an influence on the prices and on the terms and conditions the Company can negotiate with the suppliers of such components. Furthermore a professional supply chain necessitates important financial resources. Indeed, the purchase of components requires sufficient working capital for inventory build up. Given the general credit scarcity and the limited working capital of the Company, it was decided to subcontract the sourcing of components. In order to reach this goal an agreement was signed with Jabil Circuit, a leading company in the field of production and component sourcing with a very good reputation and track record. Next to component sourcing and active stock management, Jabil Circuit can also provide "full turnkey manufacturing services" (i.e. both surface mounting of components as well as final assembly and testing of the end products). These possibilities will continue to be evaluated in the course of 2002. The Board of Directors has the intention to focus on the efficient use of the working capital of the Company and to take the necessary measure in order for the Company to show positive results as quickly as possible. It is in function thereof that the evaluation of the extension of the services provided by Jabil Circuit will be done.

c. Germany. Option Germany GmbH (former: Rindle & Partners GmbH)
The software team of Option Germany has developed the software for the Compaq module. The software engineers of Compaq closely monitored this development. Since compatibility with the latest Microsoft software had to be guaranteed (Pocket PC 2002 OS, successor of Pocket PC) the Option Germany software engineers worked very closely with Microsoft engineers to achieve that goal.

In addition to this development, the German team also worked on the software for Globetrotter.
For this development subcontractors were hired in order to finalize the development in time.

d. United Kingdom: Cambridge. The English engineering team was acquired by the Company in the beginning of the second quarter of 2000. In 2001 the team worked on the development of Globetrotter in collaboration with the engineers in Leuven. In addition to the development of Globetrotter, the team in Cambridge was also actively involved in the testing on the GPRS networks of Globetrotter and the Compaq module.

Financial Report

With the issue of the subordinated convertible bond on the 16th of July 2001 and the capital increase through issue of 1 028 016 new shares on the 27th of December 2001, the Board of Directors intended to resolve the cash shortage, necessary for the payment of suppliers of components of Globetrotter GPRS PC Card and the GMS/GPRS triple band module for Compaq. Furthermore the proceeds of the capital increase will be used to ensure that enough financial means are available in view of the further expansion of the product portfolio of the Company. The weak cash position of the Company results from the fact that the production for and purchase by Handspring was terminated earlier than expected which lead to an overstock of components. In addition 2001 was characterized by a very negative evolution of the financial climate in Belgium. This negative climate lead to a general credit shortage as financial institutions were no longer prepared to provide the companies with credit. In those circumstances the Board of Directors had no other option but to address the equity markets in order to ensure sufficient working capital for the Company.

Issue and prolongation of subordinated convertible bond

On the 16th of July 2001 the Board of Directors has, within the limits of the authorized capital, issued a subordinated convertible bond for a total amount of 6 330 840 EUR, represented by 20 registered bonds each with a nominal value of 316 542 EUR. The pre-emptive rights of the existing shareholders was waived in favour of Jan Callewaert, director and shareholder of the Company, and of GIMV NV, shareholder of the Company. They each subscribed to half of the convertible bond. The bond is in essence a replacement of the bridge financing that Jan Callewaert and GIMV NV granted on the 6th of April 2001 and should provide the Company with more structured and permanent financing. On the 27th of December 2001, the Board of Directors decided to prolong the term of the bond from the 10th of January 2002 until the 26th of January 2004.

The terms and conditions of the bond, as adapted on the 27th of December 2001, can be summarized as follows:

- Conversion of the bonds can be asked, in writing, at any given moment from the 1st of April 2002 until the 12th of January 2004
- The interest rate amounts to eight percent (8%) per year on the basis of 365 calendar days per year.
- The number of shares that will be issued at the moment of conversion of the bonds, is equal to the nominal value of a bond (316 542 EUR) divided by the price of a share (5,9375 EUR). The price of a share was set as the average of the stock price on NASDAQ Europe during the thirty (30) calendar days preceding the issue of the bonds.

> The shares issued at the conversion of the bonds will have the same rights as the existing shares at the date of their issue and will be entitled to dividend payment for the entire financial year of their issue.
> The bonds for which no conversion was requested before the end of the term, will be reimbursed at their nominal value.

Private Placement

On the 27^{th} of December 2001, the capital of the Company was increased, within the limits of the authorized capital, by issue of 1 028 016 new shares. The capital increase was subscribed by GEBEMA NV (subsidiary of GEVAERT NV) for an amount of 2 million USD, by Jan Callewaert for an amount of 1,5 million USD and by Software and Finance Holding NV for an amount of 0,5 million USD. The total proceeds of the capital increase amounted to 4 546 487,84 EUR. The issue price of the new shares was fixed at 3,891 USD, the average of the stock price of the Companies' shares on NASDAQ Europe during the thirty (30) calendar days preceding the issue of the new shares.

Following this capital increase the total number of outstanding shares of the Company on the 31^{st} of December 2001 amounted to 7 607 365 and the registered capital to 4 517 756,22 EUR. A request for admission to trade the new shares on NASDAQ EUROPE will be submitted in the course of the of the first quarter 2002.

Social Report

Employees

On 31^{st} of December 2001 the number of full time employees of the Option International group was 158, a slight decrease over the prior year (-3). This decrease is caused by; 1. a downsizing of the Irish operation following the termination of the Handspring production, and 2. a small increase of the number of full time employees in Leuven.

Management

> The Company hired in April 2001 Bart Goedseels as Vice President of Operations, a newly created function within the Company's management team. In this function Bart Goedseels has the responsibility over the project management, as well as over the purchase, the production, and the research and development departments. Bart Goedseels is the former COO of Leisure Planet.
> In July 2001 Bernard Schaballie was appointed as Vice President Engineering. He replaces Jan Vercruysse who is responsible for the research, follow up and evaluation of new technologies in his role of Vice President Advanced Technology. Bernard Schaballie is responsible for the Engineering depart-

ments of the Company in Louvain, Cambridge and Adelsried. He was previously employed as Business Development Manager with Telindus.

- In October 2001, Wim Duson former Chief Financial Officer (CFO), left the Company. He was replaced by A TRE C cvoha, represented by its director Johan De Lille. The CFO is responsible for the financial management of the Company. Johan De Lille is the former Vice President and CFO of NASDAQ EUROPE.

Corporate governance

Composition Board of Directors

The articles of association stipulate that the Board of Directors is composed of minimum 3 and maximum 8 members, who are appointed by the general shareholders' meeting for a period of maximum 6 years. The Board of Directors has to contain at least 2 independent directors.

In July 2001 the resignation of Pol Hauspie as director of the Company was accepted by the Board of Directors. Following this resignation the Board of Directors is currently composed by 7 members; Jan Callewaert, Tom Lawrence, Alex Brabers, Dirk Beeusaert, Triakon NV (represented by Lucien De Schamphelaere), as well as the independent directors Philip Vermeulen and Arnoud De Meyer.

The committees

Audit committee

The audit committee of the Company is composed by the two independent directors, Philip Vermeulen and Arnoud De Meyer, and Jan Callewaert. The audit committee gives guidance and controls the financial reporting of the Company. It controls the presence of sufficient internal control mechanisms and, in co-operation with the statutory auditor of the Company; it investigates the questions in relation to the bookkeeping, including the valuation. The audit committee has met 5 times in the course of 2001 and reported to the Board of Directors.

Remuneration committee

The remuneration committee is composed by the two independent directors and Dirk Beeusaert. The mission of the remuneration committee is to provide for a fair policy of remuneration of the employees and to see to it that best international practices are respected when determining the remuneration and incentives of Directors and Officers.

Remuneration of Directors

The annual meeting of Shareholders held on the 31st of March 1999 decided to grant the Directors the following remuneration; 1 239,47 EUR (50 000 BEF) per meeting of the Board of Directors and 1 239,47 EUR (50 000 BEF) per meeting of the Board of Directors attended. For 2001, the accumulated remuneration for the Directors amounts to 85 523,27 EUR (3 450 000 BEF).

Statutory Auditor

The annual meeting of Shareholders held on the 30 of March 2001 decided to renew the mandate of the statutory auditor, Deloitte & Touche. The mandate of the statutory auditor will come to an end immediately after the annual shareholders' meeting that is called to approve the annual accounts over the financial year ending on the 31st of December 2003. The statutory auditor is represented by Leo Van Steenberge for the exercise of its mandate.

In 2001 the statutory auditor of the Company received a remuneration of 44 882 EUR for the exercise of its function. This amount includes a remuneration of 2 182 EUR in excess of the foreseen remuneration of 42 700 EUR, that is due for additional services in relation to the issue and extension of the convertible bond. Furthermore, the Company paid an amount of 49 271 EUR for legal and tax advise, to companies related to the statutory auditor.

Post balance sheet events

Stock Option Plan

On the 22nd of October 1999 the board of directors created Warrants S, using the authorized capital. These Warrants S were granted to employees of the Option International group in accordance with the terms and conditions of the stock option plan. Given the present financial climate and the exercise price of the Warrants S, it is unlikely that the Warrants S would be exercised in the near future. Therefore the board of directors thought it to be opportune to issue a new stock option plan.
The board of directors is of the opinion that it is important to create a financial climate whereby the employees are very motivated and stimulated to be actively involved in the growth and expansion of the Option International group and to contribute to the improvement of the results of the Option International group. The board of directors is of the opinion that this can be realized by given the employees the possibility to participate in the capital of the Company. Therefore, the board of directors has decided on the 6th of February 2002 to issue, within the limits of the authorized capital, 440 000 warrants (Warrants T) that will be granted to the management and the employees that are dedicated and make themselves useful for the Option International group.

Under the new stock option plan, the beneficiary can only accept the Warrants T on the condition that such beneficiary first waives in writing and at the latest at the acceptance of the grant of Warrants T, all rights in relation to the Warrants S that such beneficiary holds.

The most important conditions of the Warrants T can be summarized as follows:

> upon exercise each Warrant T gives right to one share of the Company
> the shares issued upon exercise will have the same rights as the existing shares at the date of their issue and will be entitled to dividend payment for the entire financial year of their issue
> 80% of the granted and accepted Warrants T can be exercised from the 1st of January 2003 onwards. The Warrants T become for 100% exercisable from the 1st of January 2004 until the 5th of February 2007
> The exercise price of the Warrants T will be equal to the average of the share price on Nasdaq Europe during the thirty (30) calendar days preceding the grant (offer) of the Warrants T.
Notwithstanding the foregoing, the board of directors can decide to fix the exercise price of the Warrants T at the share price of the working day preceding the offer of the Warrants T. The board of directors has the intention to offer Warrants T to the employees of the Option International group. In addition, 30 000 Warrants T will be offered to Mondo NV, the management company of Jan Callewaert, and to A TRE C cvoha, the CFO of the Company. The exercise price for these Warrants T has to be at least equal to the average of the share price on NasdaqEurope during the thirty (30) calendar days preceding the issue of the Warrants, i.e. 3,747 USD, this in accordance with the regulation contained in the Belgian Code of Company Law. The suspension of the pre-emptive rights in favour of the aforementioned companies, was motivated in the report of the board of directors drafted in accordance with section 596 and 598 of the Belgian Code of Company Law. Furthermore the report in accordance with 583 of the Belgian Code of Company Law, required for the issue of these warrants, was communicated to the Belgian Banking and Finance Commission.

Lucent

During the GSM World Congress in Cannes, the Company announced together with Lucent Technologies that they signed an agreement for the development of a dual mode UMTS/GPRS PC card for use on the networks of the third generation. This card, the successor of Globetrotter, will in the first instance be used by Lucent to its customers (telecom operators). The agreement provides for the Company to develop the card and for Lucent to financially participate in this development as well as to provide the Company with technical and marketing support for the project.

Manufacturing outsource to Jabil Circuit

This item was discussed above in the overview of the activities of Option Wireless.

Longer term - US GAAP

In Thousands EUR, except per share amounts

December 31	2001	2000	1999
Profit & Loss data			
Net Sales	22 108,0	16 692,3	11 811,1
EBIT	-12 789,3	-7 523,3	-6 142,8
Net Result after tax	-9 640,0	-4 964,6	-4 228,1
Per Share			
Net Result after tax	-1,46	-0,79	-0,71
Equity (3)	1,86	2,77	2,30
Number of shares			
Weighted average	6 590 615	6 285 857	5 992 364
Total at 31/12	7 607 365	6 579 349	5 992 364
Balance sheet data			
Equity	12 233,9	17 427,6	13 798,6
Balance sheet total	30 023,5	31 686,1	18 296,2

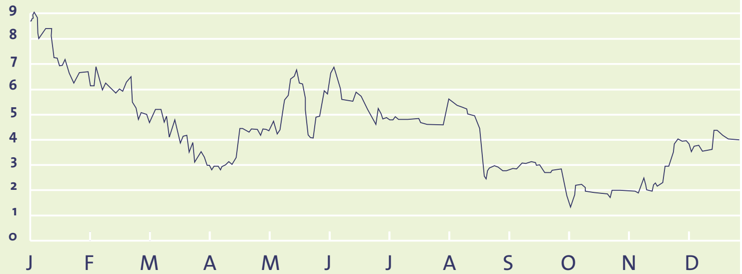
(3) (Equity / Weighted average number of shares outstanding)

See Notes to Consolidated Financial Statements

Option International [4] is listed on Nasdaq Europe since November 26, 1997.

Stock price evolution

Year high	9
Year low	1,33
Closing price	
Jan 2, 2001	8,7
Dec 31, 2001	4,28



At the end of 2001, the equity was represented by 7 607 365 shares.

Shareholders' Structure (At December 31, 2001)

Identity of person or group	Number of ordinary shares held	Percentage
J. Callewaert	1 794 215	23,59%
Take Off Fonds (Venture Capital - depending from GIMV)	1 072 480	14,10%
GEBEMA N.V.	514 008	6,76%
Others	4 226 662	55,56%
Total	**7 607 365**	**100%**

The Company has never declared or paid any dividends on its shares since its incorporation. The distribution of dividends is ultimately decided by the general shareholders' meeting upon proposal of the Board of Directors.

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. Whilst 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, from the year 2002 and onwards for the development of its activities.

(4) Ticker on Nasdaq Europe 'OPIN', on Bloomberg 'OPINES'; on Reuters 'OPIN.ED'

Consolidated Balance Sheets at December 31, 2001 - 2000 - 1999

Amounts in Thousands EUR

Assets	2001	2000	1999
Cash & Cash equivalents	4 609,9	1 169,8	3 701,8
Accounts receivable (1)	5 295,6	8 655,9	4 277,6
Other receivables	717,0	419,2	224,3
Inventories (Note G)	6 331,6	12 885,2	6 903,2
Deferred taxes (Note H)	8 000,0	3 935,4	1 651,6
Total Current assets	**24 954,1**	27 065,5	16 758,5
Property & equipment (Note F)	3 754,7	3 983,5	1 371,2
Intangible assets (Note L)	1 314,7	637,1	166,5
Total Fixed assets	**5 069,4**	4 620,6	1 537,7
Total Assets	**30 023,5**	**31 686,1**	**18 296,2**
Liabilities and Shareholders' Equity			
Acounts payable	6 849,8	13 248,6	3 470,4
Salaries and payroll related liabilities	950,3	541,4	701,8
Short-term debt	182,0		
Accrued expenses	802,0	338,0	114,4
Total current liabilities	8 784,1	14 128,0	4 286,6
Long-term debt (Note I)	6 342,7	130,5	211,0
Provision for risks & charges	2 662,8	0,0	0,0
Common stock (no par value)	4 488,1	3 890,6	3 558,6
Share premium	27 733,0	23 884,5	15 622,9
Translation differences	-0,3	-0,6	-0,6
Retained earnings	-19 986,9	-10 346,9	-5 382,3
Total Equity	12 233,9	17 427,6	13 798,6
Total Liabilities + Shareholders' Equity	**30 023,5**	**31 686,1**	**18 296,2**

See Notes to Consolidated Financial Statements

(1) Net of allowance for doubtful receivables of EUR 27k at December 31, 2001, EUR 328k at December 31, 2000 and of EUR 227k at December 31, 1999

Consolidated Statement of Operations for the years ended December 31, 2001 - 2000 - 1999

Amounts in Thousands EUR

	2001	2000	1999
Net Sales	22 108,0	16 692,3	11 811,1
Cost of Sales	-17 532,5	-12 189,2	-8 683,5
Gross Profit	**4 575,5**	**4 503,1**	**3 127,6**
Research & Development	-12 380,2	-6 926,8	-3 611,8
Sales & Marketing	-3 073,6	-3 491,4	-4 223,8
General & Administrative	-1 911,0	-1 608,2	-1 434,8
Total Operating Expenses	**-17 364,8**	**-12 026,4**	**-9 270,4**
Loss from Operations (EBIT)	**-12 789,3**	**-7 523,3**	**-6 142,8**
Interest Income/(Expense)	-775,2	-76,2	81,3
Exchange Gain/(Loss)	-143,3	364,6	263,3
Extraordinary Items	0,0	-13,5	-29,3
Loss before Income Taxes	-13 707,8	-7 248,4	-5 827,5
Income tax (Note J)	4 067,8	2 283,8	1 599,4
Net Result	**-9 640,0**	**-4 964,6**	**-4 228,1**
Weighted average Shares outstanding	6 590 615	6 285 857	5 992 364
Net Result per Share in EUR	-1,46	-0,79	-0,71
Net Result per Share in USD (2)	-1,29	-0,73	-0,72

(2) EUR/USD at 31/12/01 = 0,8844; EUR/USD at 31/12/00 = 0.9280; EUR/USD at 31/12/99 = 1.0228 (Source: Fortis Bank)

See Notes to Consolidated Financial Statements

Consolidated Statements of Shareholders' Equity at December 31, 2001 - 2000 - 1999

	Common Stock Number of Shares	Common Stock and Share Premium	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance at January 1, 1999	**5 992 364**	**19 181,5**	**-1 154,2**	**-0,6**	**18 026,7**
Net Income			-4228,1		-4228,1
Balance at December 31, 1999	**5 992 364**	**19 181,5**	**-5 382,3**	**-0,6**	**13 798,6**
Net Income			-4 964,6		-4 964,6
Issuance of common stock					
Increase of capital at June 27, 2000	586 985	8 593,6			8 593,6

Consolidated Statements of Shareholders' Equity at December 31, 2001 - 2000 - 1999

	Common Stock Number of Shares	Common Stock and Share Premium	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance at December 31, 2000	**6 579 349**	**27 775,1**	**-10 346,9**	**-0,6**	**17 427,6**
Net Income			-9 640,0		-9 640,0
Translation adjustments				0,3	0,3
Comprehensive Income					-9 639,7
Increase of capital on December 27th, 2001	1 028 016	4 446,0			4 446,0
Balance at December 31, 2001	**7 607 365**	**32 221,1**	**-19 986,9**	**-0,3**	**12 233,9**

See Notes to Consolidated Financial Statements

Consolidated Statement of Cash Flows at December 31, 2001 - 2000 -1999

Amounts in Thousands EUR

Cash Flows from Operating Activities	2001	2000	1999
Net Result (A)	**-9 640,0**	**-4 964,6**	**-4 228,1**
Non cash adjustments			
Depreciation	1 774,5	1 192,2	1 446,4
Deferred taxes	-4 064,6	-2 283,8	-1 599,4
Other non cash adjustments/ provisions	2 886,8	389,0	922,3
Total non cash adjustments (B)	**596,7**	**-702,6**	**769,3**
Change in assets and liabilities			
Accounts receivable	3 136,7	-4 767,3	-308,0
Inventories	6 553,6	-5 982,0	-1 703,9
Other assets	-297,9	-194,9	148,3
Accounts payable	-3 212,9	6 868,7	611,2
Salaries and payroll related liabilities	408,9	-160,4	128,2
Accrued expenses	464,1	223,6	62,1
Total change in assets & liabilities (C)	**7 052,5**	**-4 012,3**	**-1 062,1**
Cash Flows from Operating Activities	-1 990,8	-9 679,5	-4 520,9
Cash Flows from Investing Activities			
Intangible fixed assets	-1 285,1	-723,5	-37,3
Purchases of plant equipment	-938,2	-3 551,6	-694,7
Total cash flow from investing activities (D)	**-2 223,3**	**-4 275,1**	**-732,0**

Consolidated Statement of Cash Flows at December 31, 2001 - 2000 -1999

Amounts in Thousands EUR

	2001	2000	1999
Cash Flows from Financing Activities			
Proceeds from Subordinated convertible bond	6 330,8	0,0	0,0
Proceeds from long term debt	55,0	324,1	340,8
Repayments from long term debt	-406,7	-231,8	-116,7
Short term debt	-2 770,9	2 736,6	34,4
Capital increase/IPO	4 446,0	8 593,7	0,0
Net cash provided by financing activities (E)	**7 654,2**	**11 422,6**	**258,5**
Net Cash Flow (A) + (B) + (C) + (D) + (E)	3 440,1	-2 532,0	-4 994,4
Net Increase / Decrease in Cash and Cash Equivalents			
Cash at beginning of period	1 169,8	3 701,8	8 696,2
Cash at end of period	4 609,9	1 169,8	3 701,8
Difference	**3 440,1**	**-2 532,0**	**-4 994,4**
Supplemental Disclosures on Cash Flow Information			
Cash Paid for Interest	520,8	104,9	50,7
Cash Paid for Taxes	17,4	19,2	36,7

See Notes to Consolidated Financial Statements

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:

1) Revenue recognition

The Company generates revenue from the sales of its products and technology, as well as the licensing of its technology. These sales of products are recognized as revenue when shipped, unless the OEM contract would specify differently. The revenues generated out of sales of technology and licenses are recognized as revenue when earned.

2) 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.

3) Cash and cash equivalents

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

4) Accounts receivable

The Company grants credit to customers in the normal course of business. Generally, the Company does 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.

5) Inventories

Raw materials are stated at the lower of cost (FIFO method) or market value. The Company reviews inventories of slow-moving or obsolete items on an ongoing basis and creates allowances if needed. Work in progress and finished goods were valued at direct cost in the past. During 2001, a change in the accounting principle was applied and inventories are now valued at full absorption cost (see Note N).

6) Property and equipment

The Company's property and equipment, including dedicated production 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	3 to 9 years
Office furniture & equipment	2 to 10 years
Research equipment & machinery	1.5 to 5 years
Automobiles	5 years

7) Intangibles

a. The Company's intangible assets include licenses, recorded at purchase price, which are acquired for the integration into its product or as a means for exploitation and software for MRP and consolidation purposes.

b. Research and development

Research and development are expensed as incurred. Under Belgian GAAP, they were capitalized until 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. However, research and development charges that are related to the development and the realization of own specific product machinery, methods, testing equipment and other software used in the production of a specific product, are capitalized and depreciated over the expected life-time of the products for which the development has taken place.

8) Warranty

Lifetime guarantee is provided on the 2 in 1 Combo PC Cards and the GSM Only PC Cards.

Snap-On, FirstFone, GSM Ready 56K/ISDN PC card and SoftRadius have a one-year warranty period.

No provision is set up to cover possible losses from this guarantee, as no material extra charges are expected from it.

Note B: Litigation

The Company is not involved in any material, legal or arbitration proceedings.

Note C: Commitments

1. Purchase Commitments

At December 31, 2001, the Company had component orders outstanding from OEM Contracts for EUR 7,73 million.

2. Operational & Financial lease (Balance) / Long term debt

December 31 – 000 EUR	2002	2003	2004	2005	2006+
Operational Lease					
Office Rent	774,4	782,9	782,9	782,9	5 405,4
Car Rental	186,6	158,7	146,2	128,8	18,7
Office equipment rental	122,1	123,3	13,9	1,2	0
Total	**1 083,1**	**1 064,9**	**943,0**	**912,9**	**5 424,2**

December 31 – 000 EUR	2002	2003	2004	2005	2006+
Financial Lease					
Car Lease	13,1				
Lab Equipment	134,2	4,0			
Telephone equipment	8,9	3,0			
	156,2	**7,0**			

Total rental expense on operating leases was EUR 1 084,4; EUR 1 065,5 and EUR 594,8 for the years ended December 31, 2001, 2000 and 1999 respectively.

Note D: Credit Facilities

The Company has no line of credit available.

Note E: Business Segments and Exports

In the emerging market for wireless data solutions, time-to-market has become critical, customization and differentiation requirements are of growing importance and critical mass is also a key to success.

Option's original business model based on selling products under its own name through traditional distribution channels has given way to a strategy focused on three core businesses: OEM integration, OEM development and Mainstream Product Development.

OEM integration

Option's world-class expertise in radio transmission, hardware and software design enables it to integrate GSM and GPRS technology into a multitude of third-party devices ranging from laptop PC's to mobile tablets and mobile phones to PDA's.

Starting from scratch, Option has all the in-house resources for the design, development and manufacture of GSM/GPRS to add wireless connectivity to any third-party device.

OEM development

Option does not limit itself to OEM integration: it has a proven track record in tailor-making communications devices to a customer's brief.

Mainstream development

Option is active in the design, development, production and distribution of GSM/GPRS. Compliant with the latest industry standards, the devices offer world-class quality at the cutting-edge of technology.

Depending on quantities ordered, these mainstream devices can be partially or even fully customized.

The Company generated in 2001 94% of its revenues from OEM contracts. FirstFone and GSM Ready products sold under the own name contributed for 6%.

The Company generates almost all of its revenues outside Belgium.

Note F: Property and equipment

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

December 31 - 000 EUR	2001	2000	1999
Leasehold improvements	269,3	260,6	751,6
Office furniture & equipment	386,9	1 540,8	330,5
Research equipment	6 438,3	4 057,3	1 302,9
Cars	171,2	210,0	168,0
Total property & equipment	7 265,7	6 068,7	2 553,0
Accumulated depreciation	3 511,0	2 085,2	1 181,7
Net property & equipment	3 754,7	3 983,5	1 371,2

Note G: Inventories

Inventories consist of the following:

December 31 - 000 EUR	2001	2000	1999
Raw materials	1 849,2	11 219,1	3 117,8
Work in process	2 515,7	431,5	683,1
Finished goods	1 966,7	671,7	1 383,9
Contracts in progress	0,0	562,9	1 718,4
Total	**6 331,6**	**12 885,2**	**6 903,2**

During the month of August 2001, the Company and Handspring mutually agreed to terminate the remaining portion of the production contract for the VisorPhone. The termination of this contract resulted in the sale of all remaining finished goods and components to Handspring and the write-off of related components and raw materials of 1,6 mio EUR. The Company recognized additional possible losses on firm purchase commitments for inventory goods of 3,7 mio EUR. As result of this agreement, there are no further commitments by the Company to Handspring.

Note H: Taxes on income

The Company accounts for deferred income taxes on temporary differences between financial and tax reporting in accordance with US GAAP. Net operating losses carryforwards can be utilized over an indefinite period.

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

Option International NV	Dec 31, 2001	Dec 31, 2000	Dec 31, 1999
Tax loss carried forward	17 324,3	8 436,0	3 419,8
Tax rate in %	40,17%	40,17%	40,17%
Deferred taxes (benefit)	6 959,2	3 388,7	1 373,7
Amount already accrued/offset	3 388,7	1 373,7	51,3
Net tax benefit affecting P&L	3 570,5	2 015,0	1 322,4
Option Wireless Ltd	Dec 31, 2001	Dec 31, 2000	Dec 31,1999
Tax loss carried forward	10 408,3	5 466,8	2 778,9
Tax rate in %	10,00%	10,00%	10,00%
Deferred taxes (benefit)	1 040,8	546,7	277,9
Amount already accrued/offset	546,7	277,9	0,9
Net tax benefit affecting P&L	494,1	268,8	277,0

Consolidated	Dec 31, 2001	Dec 31, 2000	Dec 31, 1999
Tax loss carried forward	27 732,6	13 902,8	6 198,7
Tax rate in %			
Deferred taxes (benefit)	8 000,0	3 935,4	1 651,6
Amount already accrued/offset	3 935,4	1 651,6	52,2
Net tax benefit affecting P&L	4 064,6	2 283,8	1 599,4

The income tax in the Consolidated Statement of Operations include:

Current tax:	EUR 3,2
Deferred taxes:	4 064,6 EUR
Total income tax:	4 067,8 EUR

Note I: Long term debt

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

December 31 - 000 EUR	2001	2000	1999
Long term leasing debt			
- equipment	11,9	117,4	184,4
Long term loan - automobiles	0	13,1	26,6
Subordinated convertible bond	6 330,8	0	0
Total	**6 342,7**	**130,5**	**211,0**

The convertible bonds were issued on the 16th of July 2001. Jan Callewaert and GIMV N.V. subscribed to ten bonds each. On the 27th of December, the Board of Directors decided to prolong the term of the bonds from the 10th of January 2002 until the 26th of January 2004, date of maturity.

The terms and conditions of the bond, as adapted on the 27th of December 2001, can be summarized as follows:

> Conversion of the bonds can be asked, in writing, at any given moment from the 1st of April 2002 until the 12th of January 2004

> The interest rate amounts to eight percent (8%) per year on the basis of 365 calendar days per year.

> The number of shares that will be issued at the moment of conversion of the bonds, is equal to the nominal value of a bond (316 542 EUR) divided by the price of a share (5 9375 EUR). The price of a share was fixed as the average of the stock price on NASDAQ Europe during the thirty (30) calendar days preceding the issue of the bonds.

- The shares issued at the conversion of the bonds will have the same rights as the existing shares at the date of their issue and will be entitled to dividend payment for the entire financial year of their issue.
- The bonds for which no conversion was requested before the end of the term, will be reimbursed at their nominal value.

Note J: Basis of consolidation

The consolidated financial statements include the financial statements of the parent company and all its subsidiaries made up to the end of the financial period. Intra-group trading has been eliminated upon consolidation.

- Option Wireless Ltd., a company incorporated under Irish Law, with registered office at Kilbarry Industrial Park, Dublin Hill, Cork, Ireland
- Option Germany GmbH, a company incorporated under German Law, with registered office at Streitheimer Strasse 22, D-86477 Adelsried Germany.
- Park W N.V., a company incorporated under Belgian Law, with registered office at Vaart 25, 3000 Leuven

Note K: Employee benefit plans

Employee Stock Option Plan

On the 22nd of October 1999, the Company issued a new Employee Stock Option Plan, in which 171,277 warrants 'S' were created in favor of employees and management. 161 504 warrants were granted to and accepted by the employees and management of the Company. The execution price was fixed at 11 USD (i.e. the average stock price of the 30 calendar days preceding the grant of the warrants). Every warrant entitles the holder to one share. 4/5 of the warrants may be executed from January 2003 until October, 2004. The remaining 1/5 may be executed from January 2004 until October 22, 2004. The warrants are lost in case the employee or manager concerned leaves the Company prior to the execution dates except for decease and permanent disablement.

On December 31, 2001, after departure of a number of employees to whom Warrants 'S' were granted, 119,413 Warrants 'S' were outstanding. No warrants 'S' have been exercised.

The Board is of the opinion that it is important to create a financial climate whereby the employees are motivated and stimulated to be part of the growth of Option International and to co-operate to the improvement of the financial results of the Company.

The Board wants to obtain this goal by giving the employees the possibility to participate in the capital of Option International. Therefore, on February 6th, 2002, the Board authorized the creation of 440,000 Warrants 'T'. The Warrants 'T' may be granted to management and employees of Option International.

Under the new Stock Option Plan, the beneficiary can only accept the granting of Warrants 'T' on the condition that such beneficiary first waives the rights in relation to the Warrants 'S' in his /her possession.

The main conditions of the Warrants 'T' are:

> Every warrant entitles the holder to one share;
> The shares issued in execution of Warrants 'T' give equal rights as the existing shares on the date of issue and give rights to dividends over the current fiscal year of issue;
> 4/5 of the warrants may be executed as from January 2003. The remaining 1/5 may be executed from January 2004 until February 5th, 2007.
> In principle, the execution price is the average stock price of the stock in NASDAQ EUROPE EUROPE for the 30 calendar days preceding the grant of the warrants. The Board can however decide to take the stock price of the working day preceding the grant.

Note L: Intangible fixed assets

The intangible fixed assets are as following :

December 31 - 000 EUR	2001	2000	1999
Acquisition Cost	2 171,7	1 178,1	454,6
Accumulated Depreciation	857,0	541,0	288,1
Net Book Value	1 314,7	637,1	166,5

Note M: Compensation of Directors and Executive officers

The scheme provides for all Board Members to receive a compensation of EUR 1,240 for each Board meeting, and EUR 1,240 attendance fee for each Board meeting where they were present.
The aggregate amount of EUR 97.9k was accrued for the Board of Directors for 1999.
An aggregate amount of EUR 476.0k was accrued for the executive officers in 2000.
In 2001, an amount of EUR 786.4k has been accrued for the executive officers and EUR 85.5k to the Board of Directors.

Note N: Change in Accounting Principle

Prior to 2001, the principle of Direct Costing has been applied. During 2001, Full Absorption costing was implemented in order to include production supervising cost into the cost of sales. The impact was EUR 409,3.

Due to the lack of adequate management information systems in the prior years, the Company is unable to calculate the impact on previous period because of the change in accounting principle.

Note O: Accounts Receivables

The largest balance is from one Customer: Xoxeco. They agreed to pay the amount of USD 1,5 million in March 2002 as final settlement for all outstanding issues.

Note P: Subsequent events

On February 6th 2002, the Board of Directors approved a new Stock Option Plan (see Note K).

No other material events took place after December 31, 2001, which might have a material impact on the annual accounts reported on in this section.

Consolidated Balance Sheets at December 31, 2001 - 2000 - 1999

Amounts in Thousands EUR

Assets	2001	2000	1999
Fixed Assets	**5 220,1**	**4 640,0**	**1 574,1**
I. Formation expenses		0,0	0,0
II. Intangible assets	1 314,7	637,1	166,5
III. Tangible assets	3 754,7	3 983,5	1 371,2
III.b. Plant, machinery and equipment	3 097,5	2 881,4	628,6
III.c. Furniture and vehicles	196,8	291,1	162,6
III.d. Leasing and other similar rights	383,8	674,5	485,3
III.e. Other tangible assets	76,6	128,5	94,7
IV. Financial assets	150,7	19,4	36,4
Current Assets	**16 394,1**	**23 110,7**	**15 070,5**
VI. Inventories and contracts in progress	5 922,3	12 885,2	6 903,2
VII. Amounts receivable within one year	5 683,3	8 948,7	4 433,3
VII.a. Trade debtors	5 295,6	8 655,9	4 277,6
VII.b. Other amounts receivable	387,7	292,8	155,7
VIII. Investments	4 031,8	74,3	2 424,4
IX. Cash at bank and in hand	578,1	1 095,5	1 277,4
X. Deferred charges and accrued income	178,6	107,0	32,2
Total Assets	**21 614,2**	**27 750,7**	**16 644,6**

Consolidated Balance Sheets at December 31, 2001 - 2000 - 1999

Amounts in Thousands EUR

Liabilities	2001	2000	1999
Shareholders' Equity	3 824,7	13 492,2	12 147,0
I. Capital	4 517,8	3 907,2	3 558,6
II. Share premium	28 233,1	24 297,1	15 622,9
IV. Loss carried forward	-28 925,9	-14 711,5	-7 033,9
V. Translation differences	-0,3	-0,6	-0,6
Creditors	17 789,5	14 258,5	4 497,6
IX. Provision for risks & charges	2 662,8		
VIII. Amounts payable			
after more than one year	6 342,7	130,5	211,0
X.a Credit instit., leasing, sim. rights	6 342,7	130,5	211,0
X.d Other loans			
XI. Amounts payable within one year	7 982,0	13 790,0	4 172,2
IX.a. Current portion of amounts payable	181,8	414,9	242,0
after more than one year			
IX.b. Financial debts	0,2	2 771,0	34,4
IX.c. Trade debts	6 228,0	9 327,1	1 636,4
IX.d. Advances received on contracts		0,0	1 331,6
in progress	0,0		
IX.e. Taxes, remunerations			
and social security	950,2	541,4	701,8
IX.e.1. Withholding Taxes & VAT payable	19,1	138,5	50,0
IX.e.2 Remuneration and social security	931,1	402,9	651,8
IX.f. Other amounts payable	621,8	735,6	226,0
X. Accrued charges			
and deferrred income	802,0	338,0	114,4
Total Liabilities	**21 614,2**	**27 750,7**	**16 644,6**

See Notes to Consolidated Financial Statements

Consolidated Statement of Operations for the years ended December 31, 2001 - 2000 - 1999

Amounts in Thousands EUR

		2001	2000	1999
I.a.	Turnover	22 108,0	16 692,3	11 811,1
I.b	Inventory change finished goods and wip	-8 007,8	0,0	0,0
I.d.	Other operating income	874,4	624,8	238,4
II.a.	Raw materials, consumables and goods for resale	-7 416,4	-10 898,2	-7 174,7
Gross Margin		7 558,2	6 418,9	4 874,8
Gross Margin %		34,2%	38,5%	41,3%
II.b.	Services and other goods	-7 639,8	-7 123,7	-4 825,4
II.c.	Remunerations, social security and pensions	-7 386,7	-5 455,6	-3 646,2
II.g.	Other operating charges	-342,3	-196,2	-46,3
EBITDA		**-7 810,6**	**-6 356,6**	**-3 643,1**
EBITDA / Turnover %		**-35,3%**	**-38,1%**	**-30,8%**
II.d.	Depreciation of formation expenses intangible and tangible fixed assets and other amounts written off	-1 774,4	-1 192,2	-1 446,5
II.e.	Increase (+); decrease (-) in amounts written off stocks and trade debtors	-223,7	-389,0	-932,3
EBIT		**-9 808,7**	**-7 937,8**	**-6 021,9**
EBIT / Turnover %		**-44,4%**	**-47,6%**	**-51,0%**

See Notes to Consolidated Financial Statements

Consolidated Statement of Operations for the years ended December 31, 2001 - 2000 - 1999

Amounts in Thousands EUR

	2001	2000	1999
IV. Financial income	2 137,2	2 085,2	831,1
V. Financial costs	-2 813,9	-1 805,8	-511,2
Loss before Taxes	**-10 485,4**	-7 658,4	-5 702,0
VII. Extraordinary income	29,4	0,0	0,0
VIII. Extraordinary charges	-3 743,9	0,0	-88,7
Loss for the Period before Income Taxes	-14 199,9	-7 658,4	-5 790,7
X. Income tax	-14,5	-19,2	-36,8
Net Result	**-14 214,4**	**-7 677,6**	**-5 827,5**
Net Result / Turnover %	**-64,3%**	**-46,0%**	**-49,3%**

See Notes to Consolidated Financial Statements

Consolidated Statements of Shareholders' Equity at December 31, 2001 - 2000 - 1999

	Common Stock Number of Shares	Common Stock and Share Premium	Retained Earnings	Accumulated Other Comprehen-sive Income	Total Share-holders' Equity
Balance at January 1, 1999	**5 992 364**	**19 181,5**	**-1 206,4**	**-0,6**	**17 974,5**
Net Income			-5 827,5		-5 827,5
Balance at December 31,1999	**5 992 364**	**19 181,5**	**-7 033,9**	**-0,6**	**12 147,0**
Net Income			-7 677,6		-7 677,6
Issuance of common stock					
Increase of capital at June 27, 2000	586 985	9 022,8			9 022,8

Consolidated Statements of Shareholders' Equity at December 31, 2001 - 2000 - 1999

	Common Stock Number of Shares	Common Stock and Share Premium	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance at December 31, 2000	**6 579 349**	**28 204,3**	**-14 711,5**	**-0,6**	**13 492,2**
Net Income			-14 214,4		-14 214,4
Translation adjustments				0,3	0,3
Comprehensive income					-14 214,1
Issuance of common stock					
Increase of capital at December 27, 2001	1 028 016	4 546,6			4546,6
Balance at December 31, 2001	**7 607 365**	**32 750,9**	**-28 925,9**	**-0,3**	**3 824,7**

See Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows at December 31, 2001 - 2000 -1999

Amounts in Thousands EUR

Cash Flows from Operating Activities	2001	2000	1999
Net Result (A)	-14 214,4	-7 677,6	-5 827,5
Non Cash adjustments			
Depreciation and amortization	1 774,4	1 192,2	1 446,5
Other non cash adjustments	2 886,7	389,0	922,3
Total non cash adjustements (B)	**4 661,1**	**1 581,2**	**2 368,8**
Change in assets and liabilities			
Accounts receivable	3 136,7	-4 767,3	-308,0
Inventories	6 962,9	-5 982,0	-1 703,9
Prepaid expenses and other	-71,6	-74,8	53,7
Other assets	-226,3	-120,1	255,7
Accounts payable	-3 212,9	8 200,3	-881,5
Advances received on contracts in progress	0,0	-1 331,6	1 331,6
Salaries and payroll related liabilities	528,2	-248,9	408,6
VAT payable/receivable	-119,3	88,5	-280,4
Accrued expenses	464,1	223,6	62,0
Total change in assets and liabilities (C)	**7 461,8**	**-4 012,3**	**-1 062,2**

Statements of Cash Flows at December 31, 2000 -1999 -1998 -1997

Amounts in Thousands EUR

	2001	2000	1999
Cash Flows from Investing Activities			
Intangible fixed assets	-1 285,0	-723,5	-37,4
Purchases of plant equipment	-938,1	-3 551,6	-694,6
Total cash flow			
from investing activities (D)	**-2 223,1**	**-4 275,1**	**-732,0**
Cash Flows from Financing Activities			
Proceeds from			
Subordinated convertible bond	6 330,8	0,0	0,0
Proceeds from long term debt	55,0	324,1	340,8
Repayments from long term debt	-406,7	-231,8	-116,7
Short term debt	-2 770,9	2 736,6	34,4
Capital increase /IPO	4 546,5	9 022,9	0,0
Total cash flow			
from financing activities (E)	**7 754,7**	**11 851,8**	**258,5**
Net Cash Flow (A) + (B) + (C) + (D) + (E)	3 440,1	-2 532,0	-4 994,4
Net Increase (Decrease)			
in Cash and Cash Equivalents			
Cash at beginning of period	1 169,8	3 701,8	8 696,2
Cash at end of period	4 609,9	1 169,8	3 701,8
Difference	3 440,1	-2 532,0	-4 994,4
Supplemental Disclosures on Cash Flow Information			
Cash Paid for Interest	520,8	104,9	50,7
Cash Paid for Taxes	17,4	19,2	36,7

See Notes to Consolidated Financial Statements

NOTE A: Statement of intangible assets as at December 31, 2001

A) ACQUISITION COST	*Amounts in Thousands EUR*
At the end of the preceding period	2 160,6
Movements during the year	993,5
Acquisitions	
Disposals	
At the end of the year	3 154,1

C) DEPRECIATION AND AMOUNTS WRITTEN OFF	
At the end of the preceding period	1 523,5
Movements during the year	
Movements during the year	
Depreciation	315,9
Sales and disposals	
At the end of the year	1 839,4

D) NET CARRYING VALUE AT THE END OF THE PERIOD	**1 314,7**

NOTE B: Statement of tangible assets as at December 31, 2001

A) ACQUISITION COST	*Amounts in Thousands EUR*
At the end of the preceding period	6 068,7
Movements during the year	
Expenditure	1 282,9
Sales and disposals	-86,0
At the end of the year	7 265,6

C) DEPRECIATION AND AMOUNTS WRITTEN OFF	
At the end of the preceding period	2 085,1
Movements during the year	
Expenditure	1 461,9
Sales and disposals	-36,1
At the end of the year	3 510,9

D) NET CARRYING VALUE AT THE END OF THE PERIOD	**3 754,7**

NOTE C: Statement of financial fixed assets as at December 31, 2001

A) ACQUISITION COST	*Amounts in Thousands EUR*
At the end of the preceding period	19,4
Guarantees	138,3
Reimbursement	-7,0
At the end of the year	150,7

NOTE D: Analysis of the capital as at December 31, 2001

A) CAPITAL	*Amounts in Thousands EUR*	*Number of shares*
1. Issued capital		
At end of preceding period	3 907,2	6 579 349
Capital increase	610,6	1 028 016
Total	**4 517,8**	**7 607 365**

NOTE E: Analysis of debt as at December 31, 2001

Amounts in Thousands EUR	Maximum 1 year	Between 1 and 5 years
A. Analysis of debts with an original maturity of over one year, by remaining maturity	182	6 343

NOTE F: State of personnel charges as at December 31, 2001

1. STAFF INCLUDED ON THE STAFF REGISTER	2001	2000	1999
a) Total number of people registered at year-end	158	161	95
b) Average number of people registered in full-time equivalent	159	120	79

2. PERSONNEL CHARGES (in 000 EUR)			
a) Remuneration and direct benefits	5 791,2	4 025,0	2 632,2
b) Employer's contributions for social security	1 211,7	1 153,9	770,2
c) Other personnel charges	383,8	276,6	243,8

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 is the provision for deferred taxes. As Option International has tax recoverable losses, a positive deferred tax provision was accounted for.

During the fourth quarter of 2001, the Company finalised a first private placement. Under US GAAP, the Company accounted for the net proceeds in equity and cash. For Belgian GAAP, the gross proceeds where accounted for under equity, whilst the commission of KEUR 100,5 was recorded under expenses and net proceeds under cash.

In the past Direct Costing was applied, but as of Q4, 2001, the decision was taken to go for Full Cost Absorption. This USGAAP change in accounting policy has an impact on the P&L as the overhead cost is taken out of the Operating Expenses. It also has an impact on the Balance Sheet as the value of the stock increases with the same amount.

	2001	2000	1999
Net result according to Belgian GAAP	-14 214,4	-7 677,6	-5 827,5
deferred taxes (P&L)	4 064,6	2 283,8	1 599,4
commission private placement	100,6	429,2	
Full Absorption Cost - Production	409,2		
Net result according to US GAAP	**-9 640,0**	**-4 964,6**	**-4 228,1**
Equity according to Belgian GAAP	3 824,7	13 492,2	12 147,0
deferred taxes	4 064,6	2 283,8	1 599,4
US GAAP Prior Year adjustments	3 935,4	1 651,6	52,2
Full Absorption Cost - Production	409,2		
Equity according to US GAAP	**12 233,9**	**17 427,6**	**13 798,6**

6.28 REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS (US GAAP) FOR THE YEAR ENDED DECEMBER 31, 2001

to the shareholders' meeting of the company Option International nv

To the Board of Directors and Shareholders of Option International International N.V.
Kolonel Begaultlaan 45 / B-3012 Leuven / BELGIUM

We have audited the accompanying balance sheets of Option International as of December 31, 2001, 2000 and 1999, and the related statements of operations, stockholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in the notes, at December 31, 2001, the Company has not recognized a valuation allowance for the trade receivables on Xoceco Ltd (China), which is outstanding for a total of EUR 3 443.(000). This receivable is far overdue. We note however that an agreement between Option International and Xoceco Ltd (China) has been signed on February 26, 2002, that states that both parties agree to settle all their disputes if Xoceco pays a total of USD 1.500.(000) in March 2002. Option International will also credit Xoceco for a test system the Company will keep for a total of USD 450.(000). In our opinion, a valuation allowance is required by accounting principles generally accepted in the United States of America. If such valuation allowance had been recognized, the result would be to decrease both receivables and stockholders' equity (after deferred tax assets) by approximately EUR 1.230.(000) and EUR 922.(000), respectively. The net result per share would decrease by EUR 0,14 for the year then ended.

In our opinion, except for the effects on the December 31, 2001 balance sheet of not recording a valuation allowance for the outstanding receivables on Xoceco Ltd (China), the financial statements referred to above present fairly, in all material respects, the financial position of Option International as of December 31, 2001, 2000 and 1999, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Brussels, February 27, 2002

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

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2001

to the shareholders' meeting of the company Option International nv

To the shareholders,

In accordance with legal and statutory requirements, we are pleased to report to you on the performance of the audit mandate which you have entrusted to us.

We have audited the consolidated financial statements as of and for the year ended December 31, 2001 which have been prepared under the responsibility of the board of directors and which show a balance sheet total of EUR 21.614.(000) and a consolidated loss for the year of EUR 14.214.(000). We have also examined the consolidated directors' report.

Qualified audit opinion on the consolidated financial statements, with an emphasis of matter paragraph.

We conducted our audit in accordance with the 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 consolidated financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable to consolidated financial statements in Belgium.

In accordance with those standards, we considered the group's administrative and accounting organization, as well as its internal control procedures. We have obtained explanations and information required for our audit. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing accounting principles used, the basis for consolidation and significant accounting estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A receivable of 3.443.(000) EUR on the Chinese company Xoceco is far overdue, though important efforts have been done to recover the amount. Up till now, no impairment have been accounted for. We feel the full recovery of this amount will largely depent on further developments in this case.

In our opinion the consolidated financial statements give a true and fair view of the group's assets, liabilities, consolidated financial position as of December 31, 2001 and the consolidated results of its operations for the year 2001 then ended unless for not setting up a full or partial allowance on the Xoceco trade receivables, in accordance with the legal and regulatory requirements applicable in Belgium and the information given in the notes to the consolidated financial statements is adequate.

6.30 REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2001

to the shareholders' meeting of the company Option International nv

Notwithstanding the carry forward losses on the balance sheet which influence the financial position of the Company, the annual accounts are made up in the assumption of continuity of the Company's activities. This assumption is only justified to the extent that the measures proposed by the Board will be effectively executed.

Without changing the basis of our unqualified opinion mentioned above, we draw the attention to the report of the Board of Directors, which, in accordance with the legal requirements in Belgium, justifies the application of the valuation rules in the assumption of continuity.

The annual accounts have not been adjusted with respect to the valuation and classification of certain balance sheet items that could turn out to be necessary if the Company would not be able to continue its activities.

Other certification and information

We supplement our report with the following certification and information which do not modify our audit opinion on the consolidated financial statements:

- The consolidated directors' report contains the information required by the Companies code and is consistent with the consolidated financial statements.

Brussels, February 27, 2002

The Statutory Auditor

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

Financial Calendar

General Meeting of Shareholders 2001	Friday March 29, 2002
1Q Results	Tuesday May 21, 2002
2Q Results	Tuesday August 20, 2002
3Q Results	Tuesday November 19, 2002
General Meeting of Shareholders 2002	Monday March 31, 2003

Financial Information

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

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