

OPTION POSTS RECORD YEAR REVENUES AND PROFITS IN 2003

For immediate release

Leuven, Belgium – 17 February 2004 - Option N.V. (EURONEXT Brussels: OPTI), the wireless technology company, today reported results for the fourth quarter, and the full year ended December 31, 2003. The results are reported in Euro and are prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP).

The highlights of the quarter included :

- Revenues for the fourth quarter of fiscal 2003 of EUR 14.3 million increased by 83% compared to the EUR 7.8 million generated in the fourth quarter of 2002.
- Gross Margin of 52% for the quarter compared to 33.8% in the fourth quarter of 2002 remained strong and was positively influenced by on-going development agreements.
- Net Earnings for the fourth quarter of 2003 were EUR 2.1 million or EUR 0.26 per basic share and EUR 0.22 per diluted share, compared to a net loss of EUR –2.5 million or EUR -0.30 per basic share and EUR -0.26 per diluted share in 2002.

The highlights of the year included:

- The full year revenues amount to a record of EUR 56.6 million, more than doubling as announced, the 2002 revenues of EUR 25.6 million with a year-over-year increase of 121%.
- Gross Margin for the year ended December 31, 2003 was EUR 27.7 million or 48.9% of revenue compared to EUR 10.6 million or 41.2% for the year ended December 31, 2002.
- Net earnings for the year ended December 31, 2003 were EUR 5.6 million, 10% of revenue, or earnings per basic share of EUR 0.68 and per diluted share of EUR 0.59, compared to a net loss of EUR –7.0 million or EUR –0.89 per basic share and EUR –0.76 per diluted share.
- The Company generated EUR 7.4 million cash from operating activities during the full year 2003, compared to a negative amount of EUR –1.4 million in the previous year.

In million of euros

Except for data per share

	<u>Q4/03</u>	<u>Q4/02</u>	<u>1H/03</u>	<u>2H/03</u>	<u>2003</u>
Revenues	14.3	7.8	28.1	28.5	56.6
Gross Profit	7.4	2.6	12.8	14.9	27.7
Operating Income (loss)	1.3	(1.8)	3.1	3.8	6.9
Net Income (loss)	2.1	(2.5)	1.9	3.7	5.6
Earnings (loss) per share (basic) Euro	0.26	(0.30)	0.23	0.45	0.68

Commenting on the results, Mr Callewaert, President and Chief Executive Officer said: "It is with great pleasure that I can report that we achieved record year revenues and profits for the fiscal year 2003. For the fourth quarter in a row we continued to demonstrate our earnings momentum with net profitability. This is reflected in a strong year-end balance sheet. All figures exceeded our expectations.

Volume shipments of GlobeTrotter, Option's flagship product, have enabled our company to establish and extend partnerships with several of the world's leading mobile operator groups. Acknowledged as the industry-leading GPRS data card, our top-10 customer list comprised of the largest operating companies of the Vodafone Group, T-Mobile International, China Mobile, SFR and Bouygues Telecom.

Together with Vodafone we successfully implemented the concept of delivering an end-to-end solution offering easy-to-use, fast and secure connections based on GlobeTrotter and a configurable multi-lingual user interface developed by Option.

Following a recent study on Cellular PC Card Modems issued by Allied Business Intelligence Inc (ABIresearch), we are pleased to state that our company reached a global market share of 24% in 2003 all technologies combined. Our market intelligence indicates that we have a market share of over 70% in the European GSM/GPRS arena.

Third generation (3G) mobile will dominate technology headlines around the world in 2004. We see leading operators offer commercial 3G services sooner than expected focused on the enterprise user, due to early availability of high-speed data cards.

Looking ahead, we have good visibility on near term demand to provide our first half 2004 guidance of € 40 million with net positive earnings. We expect the second quarter to be higher than the first quarter reflecting our current business indicators and expectations."

Financial Review

Income Statement

Revenues for the fourth quarter of fiscal 2003 were EUR 14.3 million, compared to EUR 7.8 million (+83%) generated during the last quarter of 2002. Full year revenues were 56.6 million compared to EUR 25.6 million in 2002 (+121%). 84 % of the annual revenues came from equipment sales, mainly the GlobeTrotter GPRS product line; 16 % of 2003 revenues were derived from OEM development agreements.

Gross Profit

Taking into account a cost of good sold of EUR 6.9 million, the gross profit reached EUR 7.4 million (52% on revenues). On a year to date basis gross margin was 48.9% compared to 41.2% in 2002.

Operating expenses

The quarterly operating expenses, excluding depreciation charges are EUR 5.5 million, compared to EUR 4.5 million in the third quarter of the same fiscal year. The quarter-to-quarter increase is mainly influenced by one time charge as per US GAAP FASB 86 related to basic R&D software licenses in the field of high-speed wireless communication.

The operating expenses for the full year, excluding depreciation charges were EUR 18.5 million, compared to EUR 15.7 million in 2002.

For consistency reasons all non-recurrent costs related to the closing of the Cambridge R&D branch, being EUR 223.6 K in the second quarter of 2003 and 562.1 K in the fourth quarter of 2002 were reclassified in both exercises from exceptional items into R&D expenses.

Income Tax

At year end the Company reassessed in line with the US GAAP rules the tax losses carried forward of each of its statutory legal entities. The benefits of its group structure resulted at the end of the fourth quarter in a credit of EUR 1.1 million on the cautious reductions of the deferred tax asset in the three previous quarters.

Net Results

The net profit for the fourth quarter amounts to EUR 2.1 million or EUR 0.26 per basic share (or EUR 0.22 per diluted share). This compared to a net loss of EUR -2.5 million or EUR -0.30 per basic share (or EUR -0.26 per diluted share) during the fourth quarter of 2002. The net profit for the fiscal year 2003 is EUR 5.6 million or EUR 0.68 per basic share (or EUR 0.59 per diluted share), compared to a loss of EUR 7.1 million or EUR -0.89 per basic share (or EUR -0.76) in 2002.

Balance Sheet

Cash increased from EUR 2.6 million at the end of 2002 to EUR 9.1 million at the end of the last quarter of 2003.

Accounts Receivable increased from EUR 5.0 million at year-end 2002 to EUR 7 million at year-end 2003.

Inventories have decreased from EUR 2.6 million at the end of last year to EUR 2.2 million at the end of 2003.

Due to the positive results the Company was able to reduce on a year over year basis its deferred tax asset by an amount of EUR 0.3 million, benefiting as well from its own group structure. The company accounts for income taxes in accordance with SFAS No 109, "Accounting for Income Taxes" which requires the use of the liability method of accounting for deferred income taxes.

Fixed assets were EUR 5.1 million (net book value) as at December 31st 2003. During 2003 the Company invested mainly in additional test equipment for the WiFi and UMTS products.

Total current liabilities decreased during the fourth quarter from EUR 18.2 million end of September 2003 to a level of EUR 13 million at year-end 2003. This decrease is mainly due to the conversion at year-end of the subordinated convertible debt of EUR 6.3 million into equity. On a year-over-year basis the current liabilities increased with EUR 2 million.

In the course of the fourth quarter the company was able for the first time in three years to implement some leverage in its balance sheet by signing leasing contracts for capital expenditures and factoring agreements of EUR 1.5 million of its sales invoices.

Provision for risk and charges of EUR 0.6 million at the end of last year completely disappeared in the third quarter 2003 due to completion of the closing of the Cambridge based R&D branch set up at the end of 2002.

On total assets of EUR 32.8 million the semi-equity, being the total equity with the subordinated debt (including the recent IWT long term loan of EUR 0.2 million), amounted to EUR 19.3 million, which gives indicates at the year-end a solvency ratio of more than 59%.

The Company generated EUR 7.4 million cash from operating activities during the full year 2003, compared to the negative amount of EUR -1.4 million negative generated in 2002.

Auditors Statement

"The auditor has confirmed that he has substantially completed his audit regarding 2003 and that no material corrections are required to be made to the financial information relating to 2003 included in this press release. With respect to the 2001 and 2002 US GAAP financial statements, the auditor reminds the reader about the qualification made in his report dated March 12, 2003, for not having recorded as of December 31, 2001 an allowance for doubtful accounts which was required to be recorded on a trade receivable on Xoceco Ltd. For more details the auditor refers to the audit opinion on page 61 of the 2002 US GAAP annual report"

This press release contains forward-looking information that involves risks and uncertainties, including statements about the company's plans, objectives, expectations and intentions. Such statements include, without limitation, discussions concerning the company's strategic direction and new product introductions and developments. Readers are cautioned that such forward-looking statements involve known and unknown risks and uncertainties that may cause actual results to differ materially than those set forth in the forward looking statements. The risks and uncertainties include, without limitation, the early stage of the market for connectivity and integrated wireless products and solutions for portable and handheld computers and mobile telephones, the management of growth, the ability of the company to develop and successfully market new products, rapid technological change and competition. The forward-looking statements contained herein speak only as of the date of this press release. The company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statement to reflect any change in the company's expectations or any change in events, conditions or circumstance on which any such statement is based.

OPTION N.V.
US GAAP Consolidated Balance Sheet at December 31, 2003 and December 31, 2002

In 000 EUR	December 31, 2003 000 EUR	December 31, 2002 000 EUR
	AUDITED	AUDITED
Assets		
Cash & Cash Equivalents	9,136.6	2,558.6
Accounts receivable	6,962.6	4,994.2
Other receivables	569.6	1,316.2
Inventories	2,167.5	2,601.3
Total current assets	18,836.3	11,470.3
Deferred taxes	8,869.5	9,214.4
Property & equipment	3,192.1	2,750.3
Intangible assets	1,884.4	1,774.7
Total fixed assets	5,076.5	4,525.0
Total Assets	32,782.3	25,209.7
Liabilities & shareholders' equity		
Accounts payable	6,403.2	7,400.8
Salaries, tax and payroll related liabilities	1,093.5	1,946.0
Short-term debt	1,964.5	11.8
Accrued expenses & Deferred Income	3,550.2	1,617.0
Total current liabilities	13,011.4	10,975.6
Subordinated long-term debt	221.7	6,330.9
Long-term debt	399.2	0.0
Provision for Risk & Charges	0.0	634.5
Common Stock (no par value)	5,474.2	4,848.7
Share premium	35,149.1	29,478.9
Paid-in capital	8.0	0.0
Accumulated other comprehensive income/loss	-2.9	0.0
Retained earnings	-21,478.4	-27,058.9
Total Equity	19,150.0	7,268.7
Total liabilities + Equity	32,782.3	25,209.7

OPTION N.V.
USGAAP Consolidated Income Statement for Q4/2003 and Q4/2002 and for the period
ending December 31, 2003 and December 31, 2002 (audited)

In 000 EUR	Q4/2003 000 EUR	Q4/2002 000 EUR	December 31, 2003 000 EUR	December 31, 2002 000 EUR
Net Sales	14,300.4	7,797.4	56,639.9	25,626.4
Cost of goods sold	-6,864.9	-5,159.6	-28,928.9	-15,058.2
Gross Profit	7,435.5	2,637.8	27,710.9	10,568.2
Gross Margin %	52.0%	33,8%	48.9%	41.2%
Research & Development	-2,883.2	-2,018.6	-8,979.0	-7,554.6
Sales & Marketing	-1,781.6	-933.0	-5,844.0	-4,121.5
General & Administrative	-843.4	-881.7	-3,661.1	-4,004.6
EBITDA	1,927.3	-1,195.5	9,226.8	-5,112.5
EBITDA / Turnover %	13.5%	-15.3%	16.3%	-20.0%
Depreciation Expenses	-612.7	-644.0	-2,332.9	-2,634.7
Income/(Loss) from Operations	1,314.6	-1,839.5	6,893.9	-7,747.2
Oper Profit / Turnover %	9.2%	-23.6%	12.2%	-30.2%
Exchange gain/(Loss)	-9.6	102.4	-71.0	84.4
Extraordinary Item	-0.6	0.0	-0.6	0.0
Finance Income/(Expense)	-319.2	-260.7	-881.8	-607.9
Income/Loss before Taxes	985.2	-1,997.8	5,940.5	-8,270.7
Income tax	1,137.7	-452.7	-360.6	1,199.3
Net Result	2,122.9	-2,450.5	5,579.9	-7,071.4
Average # Shares Outstanding	8,230,575	8,218,985	8,221,906	7,959,256
Average # diluted Shares Outstanding	9,749,250	9,515,518	9,503,939	9,255,789
Net Result per Share in EUR	0,26	-0.30	0.68	-0.89
Net Result per diluted Share in EUR	0.22	-0.26	0.59	-0.76

OPTION N.V.
USGAAP Consolidated Statement of Cash Flow at December 31, 2003
and December 31, 2002 (audited)

In 000 EUR	December 31, 2003 000 EUR	December 31, 2002 000 EUR
Cash Flows from Operating Activities		
Net earnings (A)	5,579.9	-7,071.4
Non Cash adjustments		
Depreciation & amort.	2,801.7	3,112.7
Extra USGAAP deprec.	-17.0	0.0
Paid-in capital	8.0	0.0
Translation differences	-0.1	-0.3
Deferred taxes	344.9	-1,214.4
Other non-cash adjustm.	700.8	2,104.1
Total non cash adjustments (B)	3,838.3	4,002.1
Change in assets and liabilities		
Accounts receivable	-3,051.2	-2,366.9
Inventories	339.2	3,730.1
Other assets	746.6	-599.2
Accounts payable	-997.5	551.0
Sal. and payroll rel. liabil.	-852.4	995.7
Provision for Risk & charges	-160.2	-1,464.0
Accrued expenses & Deferred Income	1,933.1	815.0
Total change in assets & liabilities (C)	-2,042.4	1,661.7
Cash Flows from Operating Activities	7,375.8	-1,407.6
Cash Flows from Investing Activities		
Intangible fixed assets	-1,237.8	-1,404.1
Purchases of plant equipment	-2,098.5	-1,164.1
Total cash flow from investing activities (D)	-3,336.3	-2,568.2
Cash Flows from Financing Activities		
Proceeds from long and short term debt	2,585.4	-11.9
Repayments from long and short term debt	-6,342.7	-170.1
Capital Increase /IPO	6,295.8	2,106.5
Net cash provided by financing activities (E)	2,538.5	1,924.5
Net Cash Flow (A)+(B)+(C)+(D)+(E)	6,578.0	-2,051.3
Net Increase / Decrease in Cash and Cash Equivalents		
Cash at beginning of period	2,558.6	4,609.9
Cash at end of period	9,136.6	2,558.6
Difference	6,578.0	-2,051.3

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Company Profile: Option N.V.

February 14, 2003

Actual Market Capitalization: EUR 113.3 million

Share Price: EUR 12.20

About Option (www.option.com) - EURONEXT Brussels OPTI –

Option is the wireless technology company and is a leading innovator in the design, development and manufacture of 3G UMTS, GPRS, GSM and WLAN technology products for wireless connectivity solutions. Option has built up a solid reputation for creating exciting products that enhance the performance and functionality of wireless communications. Option's headquarters are in Leuven, Belgium. The company has Research & Development in Leuven, a Software and Applications development centre in Adelsried (Germany) and an ISO 9002 production engineering and logistics facility in Cork, Ireland.