OPTION NV

INTERIM FINANCIAL REPORT

Period ended June 30, 2012

Content

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

SUMMARY

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

At the Option group (the “**Group**” or “**Option**”) level, a number of significant events took place and were communicated via press releases on Option NV’s – hereinafter referred to as the “**Company**” - website. Below you will find a summary of the most significant non-financial highlights during the first six months of the financial year 2012:

Overview

Option transformed its business over the last 18 months and, as a result, the activity is now based on three strategic pillars: Connectivity, Security, Experience.

At the Mobile World Congress in Barcelona, Option showcased the XYfi, VIU2, Cloudkey and GlobeSurfer III+. Based on feedback of the market and potential customers, these products and solutions were further developed and are now being commercialized.

They are the proof that the Group has moved from basic products for mobile network operators (MNO’s), towards End-to-End solutions for businesses and consumers. The offering is now positioned towards vertical markets such as automotive, financial services, security & surveillance.

After 18 months of development of these new products & services, the Group is now ready to start generating return on investment (ROI) from recurring sales.

In addition, the Group announced the following events during the first half year 2012:

Corporate

- On April 30th and May 21st, 2012 the company has organized an extra-ordinary shareholder’s meeting to modify the date of the annual meeting, to make amendments to the articles of association and to decide to issue naked warrants “2012” for a maximum number of 4.124.930.

- On May 29th, 2012, the Group announced Olivier Lefebvre is stepping down as Chairman of the Board of Directors effective immediately. Jan Callewaert has been elected as Chairman of the Board and continues to serve as CEO of the Company. Olivier Lefebvre, who has been an Option Board Member since July 2008 and was Chairman since February 2010, has decided to focus full time on his new responsibilities as CEO of Xylowatt. Mr. Lefebvre remains a member of the Board of Directors of Option.

- On August 3rd, 2012, it has been announced that David Hytha, Contributing Board Member has resigned from Option. Hytha’s departure will see him focus on his role as Chief Strategy Officer at Quixey Inc, the search engine for applications.

Business

- In February 2012, the Group has been showcasing its portfolio of connected devices at the Mobile World Congress 2012 in Barcelona. Combining multi-band radio design expertise with connectivity management and application software, the Company enables purposeful broadband connectivity through its portfolio of innovative connected solutions. Products on show at MWC 2012 included XYFI, the world’s smallest personal hotspot; VIU2, a remote camera with dedicated apps for smartphones; Cloudkey, a mobile security solution that provides simple and secure access to cloud applications and data; and Globe Surfer III+, Option’s newest mobile broadband router built on its trusted and proven router platform.

- On February 28th, 2012, the Group announced its new 4G LTE module, the GTM801 which is footprint compatible with the 3G LGA module, the GTM601. The embedded solutions of the Group provide flexible alternatives: manufacturers can design tablets or ultra-portable notebooks using the same layout to offer either 3G with the GTM601 or 4G LTE with the GTM801 to meet diverse market needs. Both modules are designed to support Windows 8 and the USB-IF Mobile Broadband Interface (MBIM) specification.

- On March 7th, 2012, collaboration with LetterGen NV is announced to gain a foothold in the digital document signature market by embedding LetterSigner in Cloudkey®. Cloudkey® is a mobile security solution that provides simple and secure access to cloud applications and data. This new and unique mobile solution offers world-class security combining VASCO’s DIGIPASS authentication capability, Option’s 3G USB modem and connection management software (uCAN® Connect) and LetterGen’s LetterSigner power to legally validate documents and protect them with an electronic signature.

- On April 4th, 2012, the Group establishes its credentials as an LTE provider with the launch of Beemo, its new, ultrafast, quad-band 4G LTE USB modem. Beemo brings best-in-class 4G. It sets itself apart through its stylish design, high quality and great performance. It has proven superior heat dissipation and delivers exceptionally fast quad-band (800/900/1800/2600 MHz) connectivity. Beemo comes with an external antenna connector that enables users to improve the signal in areas with low signal strength. The product is made available through Option distribution network.

- On May 8th, 2012, the Group confirms its strategy to supply more than mobile network operators and focus on vertical markets. As a first deliverable, Option extends its wireless expertise into the burgeoning Connected Car market. Bringing together connectivity experience, UX expertise and automotive sector understanding, the company is designing, developing and delivering in-car connectivity solutions. According to the GSMA, the market for connected car applications will be worth $600 billion by 2020, representing 13% of the $4.5 trillion global connected devices business. Option’s entry in the in-car connectivity market follows the company’s investment in Autonet in 2011, supporting the delivery of the 1st IP Based Telematics Control Unit for the Auto Industry.

Financial Highlights of the first half year 2012

Total revenues for the first half year of 2012 were EUR 23.2 million compared with EUR 25.8 million realized in the first half of 2011. Product related revenues decreased from EUR 11.5 million to EUR 6.0 million, while software and license revenue increased from EUR 14.2 million to EUR 17.2 million. The recognized license revenue from Huawei Technologies was EUR 16.5 million, compared with EUR 13.5 million for the first half of 2011.

Gross margin for the first half year 2012 was 75.6 % on total revenues, compared with a gross margin of 54.6 % for the comparable period in 2011. The gross margin was positively influenced by the increased license revenues.

Compared to the first half year 2011, total operating expenses in the first half year 2012 decreased from EUR 17.5 million to EUR 14.0 million by reducing development and sales and marketing costs.

The first half year 2012 EBIT and net profit amounted to respectively EUR 3.5 million and EUR 3.7 million compared with EUR -3.5 million and EUR -2.9 million during the corresponding period in 2011.

The cash position decreased from EUR 25.2 million at the end of 2011 to EUR 13.0 million due to a negative cash flow from operating activities of EUR 9.1 million and from cash flow used in investing activities from EUR 3.1 million.

Other disclosures related to the H1 Results

- Movements in Research and Development expenses: compared to the first half year of 2011, the Research and Development expenses decreased by EUR 1.4 million. The decrease is the result of reducing the speed and the number of projects. The board has reviewed the existing capitalized development projects of which the major ones are the platforms 3G, 4G and VIU2. Based on the development progress; the technological results already reached and taking into account the interest expressed by some potential customers the board has decided to take only an impairment of EUR 116 thousand on some software development.
- Movements in Sales, Marketing and Royalties expenses: compared to the first half year of 2011, the Sales, Marketing and royalties expenses decreased by EUR 2 million. The main reason of this decrease is the decrease in product revenues as well as reduced expenses as a result of the downsizing of the Group. In addition, the Group was able to settle some royalty agreements for which a provision of EUR 0.6 million could be reversed during the first Quarter of 2012.

Other than the events mentioned before, no other significant events have occurred during the first six months of the financial year that have a material financial impact on the condensed consolidated interim financial statements.

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

With respect to the main risks and uncertainties which the Group is likely to face during the remaining months of the financial year 2012, reference is made to the risk factors and uncertainties as described in detail in the annual report of 2011 under the heading valuation rules, which continue to be actual.

Going concern.

The board has reviewed the existing development projects of which the major ones are the platforms 3G, 4G and VIU2. With the development progress made, the technological results already reached, and the interest expressed by some potential customers, the new product offering is brought to market now. To secure additional liquidity in order to support the working capital position before year end, the Board of Directors is working on several commercial actions and is reviewing different options to obtain additional financing on short term.

Moreover action plans continue to be implemented for cost optimisation that will reduce the cash burn further; e.g. the Group entered into a cost saving lease and subcontracting agreement for the fulfillment facility in Ireland. The board believes that the actions and options actually under way are feasible and can be realized on time and that therefore the use of going concern valuation rules is justified.

The board expects that the projected margins will be sufficient to absorb the capitalized development and the projected sales justify that there is no additional provision for obsolete stock required.

In the past the company had credit lines from ING and Belfius. Because of losses the Groups net equity has fallen below the threshold and thus the Group was in breach of the equity and solvency covenant. On initiative of the Group the credit line with Belfius was cancelled and the credit line with ING was reduced to EUR 1.0 million based on cash collateral.

C. MANAGEMENT STATEMENT

Management states that, to the best of their knowledge:

a) the condensed set of financial statements, prepared in accordance with the applicable accounting standards, gives a true and fair view of the assets, liabilities, financial position and result of the Company and its affiliates.

b) the interim Report of the Board of Directors provides a fair overview of the major events and the major transactions with related parties that took place during the first six months of the financial year and their respective impact on the condensed financial statements, as well as a description of the main risks and uncertainties for the remaining months of the financial year.

Condensed Consolidated Interim Financial Statements

Condensed Consolidated Income Statement

For the period ended 30 June Thousands EUR (except per share figures)	*Notes*	6 months **30/06/2012**	6 months **30/06/2011**
Revenues		**23 276**	**25 834**
Product Revenue		*6 029*	*11 569*
Software and License Revenue		*17 247*	*14 265*
Cost of products sold		(5 684)	(11 735)
Gross profit		**17 592**	**14 099**
Gross margin/Total revenues %		75.6%	54.6%
Research and development expenses		(5 344)	(6 726)
Sales, marketing and royalties expenses		(3 373)	(5 390)
General and administrative expenses		(5 342)	(5 436)
Total operating expenses	*4*	**(14 059)**	**(17 552)**
Profit / (loss) from operations (EBIT)		**3 533**	**(3 453)**
EBIT/Total revenues %		15.2%	(13.4%)
Depreciation, amortization and impairment losses		3 027	4 574
EBITDA		6 560	1 121
EBITDA/Total revenues %		28.2%	4.3%
Exchange gain/(loss)		27	83
Interest income/(expense) and other financial income/(expense)		57	404
Finance result	*5*	**84**	**487**
Profit / (loss) before income taxes		**3 617**	**(2 966)**
Tax income / (expense)	*6*	49	93
Net profit / (loss)		**3 667**	**(2 873)**
Weighted average number of ordinary shares		82 498 592	82 498 592
Diluted average number of ordinary shares		82 498 592	82 498 592
Earnings / (loss) per share (in EUR)		0.04	(0.03)
Diluted earnings / (loss) per share (in EUR)		0.04	(0.03)

Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 June Thousands EUR (except per share figures)	*Notes*	6 months **30/06/2012**	6 months **30/06/2011**
Profit / (Loss) for the period		3 667	(2 873)
Other comprehensive income			
Exchange difference arising on translation on foreign operations		11	(126)
Other comprehensive income for the period (net of tax)		11	(126)
Total comprehensive income for the period attributable to the owners of the parent		**3 678**	**(2 999)**

Condensed Consolidated Interim Statement of Financial Position

Thousands EUR	*Notes*	At 30 June 2012	At 31 Dec 2011
ASSETS			
Current assets			
Cash and cash equivalents	*7*	13 029	25 216
Trade and other receivables	*8*	2 799	3 924
Income tax receivable		73	32
Inventories	*9*	8 711	6 792
		24 612	**35 964**
Non-current assets			
Property, plant and equipment		1 239	1 603
Intangible assets	*10*	9 145	8 812
Other receivables (non current)		127	130
Other financial assets	*11*	1 195	1 043
		11 706	**11 588**
Total assets		**36 318**	**47 552**
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	*12*	20 153	18 125
Deferred revenue	*13*	10 669	27 128
Income tax payable		25	69
Other financial liabilities		14	14
Provisions (current)		529	948
		31 390	**46 285**
Non-current liabilities			
Other non-current liabilities		15	22
		15	**22**
Equity			
Issued capital		12 232	12 232
Share premium		57 961	57 961
Reserves		(113)	(115)
Retained earnings		(65 167)	(68 834)
Shareholders' equity		**4 913**	**1 245**
Total liabilities and shareholders' equity		**36 318**	**47 552**

Condensed Consolidated Interim Statement of Cash Flows

Thousands EUR For the period ended	30 June 2012	30 June 2011
OPERATING ACTIVITIES		
Net profit / (loss) (A)	3 667	(2 873)
Depreciation and amortization	2 911	4 574
(Reversal of) write-offs non cur. & current assets	(439)	(789)
Impairment losses on intangible assets	116	-
Increase/(decrease) in provisions	(2)	(275)
Loss/(gain) on sale of property & plant and equipment	(3)	(16)
Unrealized Foreign exchange losses/(gains)	(15)	(125)
Interest income	(103)	(225)
Interest expense	17	127
Equity settled share based payment expense	(10)	43
Tax benefit	(49)	(93)
Total (B)	**2 422**	**3 221**
Cash flow from operating activities before changes in working capital (C)=(A)+(B)	**6 089**	**348**
Decrease/(increase) in trade and other receivables	1 224	6 545
Decrease/(increase) in inventories	(1 588)	2 573
Increase/(decrease) in trade and other payables	2 028	(10 862)
Increase/(decrease) in deferred revenue	(16 459)	19 035
Use in provisions	(417)	(207)
Total changes in working capital (D)	**(15 212)**	**17 084**
Cash generated from / (used in) operations (E)=(C)+(D)	**(9 123)**	**17 432**
Interests (paid) (F)	(39)	(339)
Interests received (G)	68	140
Income tax (paid)/received (H)	15	(8)
CASH FLOW FROM OPERATING ACTIVITIES (I)=(E)+(F)+(G)+(H)	**(9 079)**	**17 225**
INVESTING ACTIVITIES		
Proceeds from sale of plant & equipment	85	32
Investment in non-consolidated companies	(152)	-
Acquisition of property, plant and equipment	(497)	(59)
Acquisition of intangible assets	-	(8)
Development expenditures	(2 578)	(3 299)
CASH FLOW USED IN INVESTING ACTIVITIES (J)	**(3 142)**	**(3 334)**
FINANCING ACTIVITIES		
Repayment of borrowings	(7)	(3 500)
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (K)	**(7)**	**(3 500)**
Net increase/ (decrease) in cash and cash equivalents (I)+(J)+(K)	**(12 226)**	**10 391**
Cash and cash equivalents at beginning of period	25 216	30 930
Effect of exchange rate fluctuations on cash held	39	(22)
Cash and cash equivalents at end of period	13 029	41 299
Difference	**0**	**0**

Condensed Consolidated Interim Statement of Changes in Equity

Thousands EUR	*Note*	Issued capital	Share premium	Share- based payment reserve	Foreign currency translation reserves	Share Issue costs	Retained earnings / (losses)	Total
As per 31 December 2010		**12 232**	**57 961**	**1 376**	**83**	**(1 635)**	**(65 971)**	**4 046**
Net result		-	-	-	-	-	(2 873)	(2 873)
Other comprehensive income for the year, net of income tax		-	-	-	(126)	-	-	(126)
Total comprehensive loss for the year ..		*-*	*-*	*-*	*(126)*	*-*	*(2 873)*	*(2 999)*
Share based payments	*14*	-	-	43	-	-	-	43
As per 30 June 2011		**12 232**	**57 961**	**1 419**	**(43)**	**(1 635)**	**(68 844)**	**1 090**
As per 31 December 2011		**12 232**	**57 961**	**1 444**	**76**	**(1 635)**	**(68 837)**	**1 245**
Net result		-	-	-	-	-	3 667	3 667
Other comprehensive loss for the year, net of income tax		-	-	-	11	-	-	11
Total comprehensive loss for the year ..		*-*	*-*	*-*	*11*	*-*	*3 667*	*4 923*
Share based payments	*14*	-	-	(10)	-	-	-	(10)
As per 30 June 2012		**12 232**	**57 961**	**1 434**	**87**	**(1 635)**	**(65 170)**	**4 913**

Notes to the Condensed Consolidated Interim Financial Statements

Note 1. Corporate Information

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

The accompanying Condensed Consolidated Interim Financial Statements (the "Interim Financial Statements") have been subject to a limited review. In the opinion of management, these Condensed Interim Financial Statements include all adjustments which are necessary to present fairly the financial position and the results of operations for the interim periods. Results for the six months ended June 30, 2012 are not necessarily indicative of future results.

Note 2. Basis of preparation – Accounting Policies

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements as of and for the year ended December 31, 2011.

The same accounting policies, presentation and methods of computation are followed in these Condensed Consolidated Interim Financial Statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2011.

Note 3. Segment Information

The Group has adopted IFRS 8 "Operating Segments" with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the management of the Group in order to allocate resources to the segments and to assess their performance. In the first half year of 2011, to support its current market strategy, the Group has further aligned its organization more with its target markets and product segments into business units. Therefore the Group changed its internal reports and thus, segment information. This segment information is still used for closing the first half year of 2012.

The primary segment reporting format is determined to be the business segment; each segment is a distinguishable component of the Group that is engaged in either providing products or services:

- The "Devices & Solutions" business segment produces data cards, USB devices, routers as well as the new end to end service offerings;
- The "Embedded & Solutions" business segment is principally the production of embedded devices or module offerings and associated integration and certification services;
- The "License" business segment is related to revenues generated to license deals, closed with third parties;
- The "Other" business segment is mainly related to revenues generated out of the connection manager software business, mobile security solutions and other not product or not license related income. They are not reported separately at this stage since they represent less than 10% of total revenue.

	Revenues from external customers		Segment result	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
Devices & Solutions	3 177	9 039	(1 661)	(4 861)
Embedded & Solutions	3 176	2 428	(2 024)	(1 358)
Licenses	16 459	13 454	16 459	13 310
Other	464	913	(1 655)	(2 013)
Totals	**23 276**	**25 834**	**11 119**	**5 078**
Unallocated Operating Expenses			(7 586)	(8 531)
Finance (costs) / income			84	487
Income taxes / (expenses)			49	93
Net result			**3 667**	**(2 873)**

The segment result represents the result for each segment including the operating expenses which could be allocated to the business segment. The ‘Licence’ operating segment is related to revenues generated from the software licence agreement with Huawei Technologies and increased with EUR 3 million compared to the same period last year. The operating expenses which can be allocated are mainly amortizations, royalty expenses and staff related expenses, dedicated to the business segment. The remaining operating expenses, mainly including the general and administrative, depreciations and staff related expenses not dedicated to a specific segment, have been reported under the “unallocated operating expenses”.

Note 4. Additional information on operating Expenses by nature

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

Thousands EUR	Depreciation on property and equipment		Amortization loss on intangible assets		Impairment loss on intangible assets		Total	
Period ended June 30	2012	2011	2012	2011	2012	2011	2012	2011
Cost of products sold	40	65	-	-	-	-	40	65
Research and development expenses	594	1 232	2 067	2 950	116	-	2 778	4 182
Sales, marketing and royalties expenses	18	29	59	30	-	-	77	59
General and administrative expenses	130	215	2	53		-	132	268
Total	**782**	**1 541**	**2 128**	**3 033**	**116**	**-**	**3 027**	**4 574**

During half year 2012, the Group reviewed the existing capitalized development projects and this resulted to impairments on intangible assets of EUR 116 thousand (half year 2011: EUR 0).

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

Thousands EUR Period ended June 30	2012	2011
Cost of products sold	27	206
Research and development expenses	3 122	3 049
Sales, marketing and royalties expenses	2 002	2 671
General and administrative expenses	2 878	2 156
Total	**8 028**	**8 082**
Average number of full time equivalents	175	191

As a result of the further downsizing of the Group, the average number of full time equivalents decreased during the first 6 months of 2012 with 8% compared to the same period in 2011. The total salary cost however, decreased by only 1%, due to index adjustments and some extraordinary redundancy costs in 2012.

Note 5. Financial result

The financial result of the first half year, compared to the same period in 2011, can be presented as follows:

Thousands EUR 6 months period ended June 30	2012	2011
Interest Income	103	421
Interest Expense	(17)	(69)
Net foreign exchange gains (losses)	27	83
Other financial income & (expenses)	(29)	52
Net financial result	**84**	**487**

During the first half year of 2012, the Group obtained a positive financial result, mainly from interest income on Short Term Bank Deposits. The net foreign exchange result is positive resulting from the volatility of the USD compared to the EUR.

Note 6. Income taxes

Tax income (expenses) includes:

Thousands EUR 6 months period ended June 30	2012	2011
Current tax income (expense)	49	(6)
Deferred tax income (expense)	-	99
Total tax income (expense)	**49**	**93**

The tax income of the first half year of 2012 is mainly the result of decreases in tax provisions. No deferred tax assets or liabilities have been recorded.

Note 7. Cash and Cash equivalent.

Cash and cash equivalents decreased with EUR 12.2 million compared to 31st December 2011. At June 30th 2012, total cash and cash equivalents amount to EUR 13 million and are composed of short term bank deposits (between one day and 3 months) for an amount of EUR 816k, and cash on current accounts for EUR 12 213k.

Note 8. Trade and other receivables

Thousands EUR	2012	2011
Trade receivables	3 043	4 090
Allowance for doubtful accounts	(845)	(799)
Subtotal	**2 197**	**3 291**
Recoverable VAT	221	320
Other receivables	380	346
Subtotal	**601**	**666**
	2 798	**3 957**

Note 9. Inventories

Inventories increased with EUR 1.9 million compared to December 31, 2011, as a combination of higher inventory levels of components, finished goods and work in progress and lower provision on obsolete stock.

Note 10. Intangible assets

The increase in intangible assets of EUR 312k is primarily explained by the development costs which have been capitalized for an amount of EUR 2.6 million. Projects of which costs have been capitalized relate to the development of the 4G platform, the 3G platform and the VIU application. The amortization which was charged on capitalized development amounted to EUR 1.9 million. In addition, an impairment of EUR 116k has been recorded on software development.

Note 11. Other financial assets

Other financial assets include the investment in Autonet Mobile, Inc., entering thus in a strategic partnership to deliver the first Mobile IP based Telematics Control Unit for the automotive market. In February 2012, the Group participated in the company's capital increase and increased the investment with EUR 152 thousand.

Note 12. Trade and other payables

Thousands EUR	2012	2011
Trade payables	17 017	15 202
Salaries, tax and payroll related liabilities	2 378	1 957
Other payables and accrued expenses	796	1 049
	20 191	**18 208**

Note 13. Deferred revenue

Thousands EUR	2012	2011
Deferred revenue	10 669	27 128

The deferred revenues at year end 20101were mainly the result of the software license agreement closed with Huawei Technologies in October 2010, of which an amount of EUR 27 million was prepaid and covering a 12 month period, and an additional amount of EUR 33 million (EUR 11 million in January 2011 and EUR 22 million in March 2011) which relates to the extensions of the software license agreement entered into with Huawei Technologies. Both transactions were included as deferred revenue, since they cover the period from November 2011 to October 2012 and are reported in the working capital movements in the cash flow statement.

Note 14. Shareholders equity – Share based payment reserve

Thousands EUR	2012	2011
Share based payment reserve	1 435	1 446

On August 26th 2008 the Shareholders' meeting approved the issuance of 2 500 000 warrants "V". The following reconciles the outstanding share options granted under the share option plan at the beginning of the financial year and the end of the half year 2012.

Number of Warrants "V"	2011
Balance at the beginning of the financial year	**1 186 516**
Accepted during the first half year 2012	-
Forfeited during the first half year 2012	(286 932)
Exercised during the first half year 2012	-
Balance at the end of the first half year 2011	**899 584**

The share based payment expense of the granted Warrants "V" was reduced by EUR 10 thousand for the first half year 2012. On May 21st, 2012 the Extra-ordinary Shareholders' meeting approved the issuance of 4.124.930 warrants "2012". Up till now there are no warrants granted.

Note 15. Contingencies and commitments

The status of the contingencies and commitments is not significantly different from their status as disclosed in the 2011 financial statements.

On June 12th, the facility agreement at Belfius, which granted a credit facility of EUR 3.3 million, is cancelled.

On August 21st, 2012 the company received from ING the agreement which reduces the credit facility to EUR 1.0 million based on cash collateral.

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Option NV

Limited review report on the condensed consolidated interim financial information for the six-month period ended 30 June 2012

The original text of this report is in Dutch

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Option NV

Limited review report on the condensed consolidated interim financial information for the six-month period ended 30 June 2012

To the board of directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes 1 to 16 (jointly the "interim financial information") of Option NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2012.

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

The interim financial information has been prepared in accordance with international financial reporting standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

During the period, the group has to an important extent not realized its projected turnover and gross margin objectives within the revised strategy and has yet again incurred negative cash flows which severely weakened its financial position and liquidity. As a consequence the company is faced with important intercompany receivables which are no longer fully instantly collectible. Therefore there exists a significant uncertainty concerning the group's ability to continue its business activities. We draw your attention to the chapter B of the interim report, in which the board of directors describe the main measures in order to preserve the going concern of the group.

The extent to which the budgeted revenues and margins under the revised business plans will be realized and the ability to secure sufficient new financial resources in a timely manner, will determine the group's ability to continue as a going concern on the short term. At the date of this report, no specific measures or additional financing have materialized. The accumulation of conditions that need to be fulfilled in order for the group to be able to continue as a going concern, present a fundamental uncertainty about the going concern of the group and about the relevance of the interim financial information. No adjustments have been recorded herein with respect to the valuation or the classification of certain balance sheet items, which would be required, should the group no longer be able to continue its operations.

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Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
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In particular, the group's balance sheet includes capitalized development expenses amounting to 8,673 (000) EUR and inventories amounting to 8,711 (000) EUR, which could be subject to significant impairments in case the group would not be able to continue as a going concern.

Taking into account the considerable uncertainties with respect to the group's going concern described above, we are unable to express an opinion on whether the interim financial information for the six-month period ended 30 June 2012 is prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting*" as adopted by the European Union.

Diegem, 30 August 2012

The statutory auditor

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BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Geert Verstraeten