



## **Olicom Announces New Strategic Direction And Reports First Quarter 2000 Results**

**Copenhagen, Denmark and Dallas, USA, May 15, 2000**

Olicom A/S (“Olicom” or “the Company”), whose common shares trade in the Over-The-Counter Market in the United States and on the Copenhagen Stock Exchange, today announced that its recently elected new Board of Directors has approved the future strategic direction for the Company. Going forward, Olicom's business plan will be to initiate or participate in the development of new products and services, which leverage leading edge technology primarily with a focus on satisfying the needs of mobile data communication users. Business opportunities will be identified both through the Company's internal research and through the solicitation of ventures with start-up companies, which will be offered seed and venture financing and access to the Company's established business network and infrastructure.

"In determining this strategy we have taken into account both Olicom's background and its location in Scandinavia, which is at the very forefront of mobile services usage", said Lars Eskesen, chairman of the Board of Directors of Olicom. "We are optimistic that by bringing together talented entrepreneurs and Olicom's resources we can develop new businesses for the benefit of our shareholders".

Today Olicom also announced its financial results for the first quarter of 2000. The results were in particular impacted by non-recurrent expenses and gains relating to the discontinuation of its divested business activities. Net income for the quarter was \$9.6 million.

Net sales during the first quarter of \$8.4 million were comprised of revenue from the Company's sale from existing inventories of Token-Ring products to Madge and of Olicom branded ATM, Fast Ethernet and Enterprise products (which were discontinued effective February 29, 2000).

Due to lower than expected costs associated with the divestiture of certain operations, the Company in the first quarter reversed \$0.7 million in previously reserved restructuring charges.

Income from sale of activities in the first quarter of \$4.2 million was comprised of income related to the previously announced acquisition by Intel Corporation of Olicom's development activities, and income recognized during the quarter as a consequence of final release of certain obligations related to the divestitures.

Income per share in the first quarter of 2000 was \$0.54 on 17.9 million shares outstanding, compared with a loss of \$0.32 per share reported for the first quarter of 1999 on 17.9 million shares outstanding. It is the Company's intention to increase the number of treasury shares, so that the Company can meet its potential obligations under its share incentive plans.

On March 31, 2000, the Company had cash and cash equivalents of \$21.4 million and restricted cash of \$11.8 million, compared with \$28.3 million in cash and cash equivalents and \$8.8 million of restricted cash as recorded at December 31, 1999.

Olicom's headcount at March 31, 2000 was 42. The Company expects to reduce headcount further as various obligations towards third parties terminate.

As previously announced the Company expects to report a net result for the full year, excluding the effect of new activities, in the range of DKK 60 million (equivalent to approximately \$7.3 million at current exchange rates). The Company expects to make 3 to 5 investments before the end of the year each in the order of DKK 5 to 10 million (equivalent to approximately \$600,000 to \$1.2 million). Depreciation of goodwill and the Company's share in operating losses relating to such investments will adversely impact the financial result for the year. The Company does not expect to complete any sales of investments during the year.

### **About Olicom**

Olicom initiates or participates in the development of new products and services, which leverage leading edge technology primarily with a focus on satisfying the needs of mobile data communication users. Business opportunities are identified both through the Company's internal research and through the solicitation of ventures with start-up companies, which are offered seed and venture financing and access to the Company's established business network and infrastructure. More information on Olicom is available from the Company's SEC filings or by contacting the Company directly. See Olicom news on its Web site at [www.olicom.com](http://www.olicom.com).

Olicom is a registered trademark.

Except for historical information contained herein, the matters discussed in this news release may contain forward-looking statements, involving risks and uncertainties that may cause actual results to differ materially. Further information may be found in Olicom's periodic filings with the US Securities and Exchange Commission (SEC) including the most recent reports on Form 20-F and 6-K, which identify important risk factors related to the Company's business that could cause actual results to materially differ from those contained in the forward-looking statements.

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## OLICOM A/S

### Condensed Consolidated Statements of Income

	<b>Three months Ended March 31, <u>1999</u></b>	<b>Three months Ended March 31, <u>2000</u></b>
	(In thousands, except per share amounts) (Unaudited)	
<b>Net sales</b>	\$ 37,082	\$ 8,364
<b>Cost of sales</b>	20,667	4,632
<b>Special charges related to inventories</b>	1,024	(2,546)
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<b>Gross profit</b>	15,391	6,278
	41.5%	75.1%
<b>Operating expenses</b>		
Sales and marketing	15,004	236
Research and development	4,780	52
General and administrative	3,348	1,609
Restructuring charges	206	(703)
Total operating expenses	<hr/> 23,338 <hr/>	<hr/> 1,194 <hr/>
<b>Income (loss) from operations before interest and income taxes</b>	(7,947)	5,084
Income from sale of activities	1,408	4,206
Interest income and other, net	761	350
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<b>Income (loss) before income taxes</b>	(5,778)	9,640
Income taxes	4	44
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<b><u>Net income (loss)</u></b>	(\$ 5,782)	\$ 9,596
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<b>Basic earnings (loss) per share, basic and diluted</b>	(\$ 0.32)	\$ 0.54
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<b>Weighted average shares outstanding</b>	17,863	17,864
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# OLICOM A/S

## Condensed Consolidated Balance Sheets

<u>ASSETS</u>	<b>December 31,</b>	<b>March 31,</b>
	<b><u>1999</u></b>	<b><u>2000</u></b>
	(In thousands)	
	(Audited)	(Unaudited)
Current assets:		
Cash and cash equivalents	\$ 28,327	\$ 21,439
Restricted cash	8,844	11,812
Accounts receivable	4,157	3,899
Inventories	4,336	1,397
Prepaid expenses and other current assets	2,244	2,908
Total current assets	<u>47,908</u>	<u>41,455</u>
Investments, property and equipment, net	560	402
<b><u>Total assets</u></b>	<b><u>\$ 48,468</u></b>	<b><u>\$ 41,857</u></b>
 <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	25,933	9,662
Notes payable, current	97	175
Total current liabilities	<u>26,030</u>	<u>9,837</u>
Shareholders' equity	22,438	32,020
<b><u>Total liabilities and shareholders' equity</u></b>	<b><u>\$ 48,468</u></b>	<b><u>\$ 41,857</u></b>