



**Olicom Reports First Half 2000 Results:
Net Income of DKK 85.0 Million (\$10.9 Million)
Due to Substantial Non-recurring Income Items**

Copenhagen, Denmark, August 24, 2000 - Olicom A/S (OTC Bulletin Board: OLCMF) ("Olicom" or "the Company") today announced net income of 85.0 million Danish Kroner ("DKK"), or \$10.9 million, for the first six months of 2000. Earnings per share were DKK 4.77, or \$0.61 per share. All amounts expressed in dollar are calculated at the June 30, 2000, rate of exchange between U.S. dollar and DKK.

Net sales, cost of sales, charges to inventories and operating expenses (except for general and administrative expenses) all relate to the discontinued business operations.

Olicom's general and administrative expenses in the first six months reflect the higher level of discontinued operations at the beginning of the year. During this period, the Company's personnel headcount was reduced to 21 employees at June 30, 2000 from 60 at year end 1999. The number has subsequently been further reduced to 13.

Interest income includes currency gains which resulted from a higher dollar exchange rate against the Danish Kroner in the first half of the year. The Company's dollar-denominated financial assets have now been hedged.

As of June 30, 2000, Olicom had cash, cash equivalents and restricted cash of DKK 289 million, or \$37 million.

Shareholders' equity was DKK 250 million, or \$32 million, at the end of June 2000, corresponding to 78 percent of the balance sheet total of DKK 319 million, or \$41 million. The Company holds 902,291 treasury shares, corresponding to 4.9 percent of the issued shares.

For the six months ended June 30, 2000, Olicom also reported a loss of DKK 376,000, or \$48,000, from its affiliated company, Juize A/S ("Juize"), which relates to amortization of goodwill and the Company's share in operating losses of Juize. Juize operates the wireless application protocol ("WAP") site "Juize.com" which – partly based on proprietary applications – offers information, m-commerce and entertainment services to users of WAP enabled handsets. During the first half of this year, the market penetration of WAP enabled handsets was slower than originally expected. Consequently, Juize has increased its focus on the development and sale of applications. Juize's current personnel headcount is 14 employees.

On May 15, 2000, the Company's new Board of Directors, elected at Olicom's Annual General Meeting held on April 14, announced a new business plan to initiate or participate in the development of new products and services that leverage leading-edge technologies, primarily with a focus on satisfying the needs of mobile communication users. Since this announcement, Olicom has reviewed more than 30 investment proposals. To date, financing has been provided to one company, Juize A/S. Olicom continues to solicit investment opportunities, and is currently negotiating additional investments.

As of June 30, 2000, Olicom had essentially fulfilled its expense consuming commitments in connection with the divestiture in 1999 of the Company's former business activities. However, some activities relating to the final winding-up of foreign subsidiaries remain. The divestiture of Olicom's former business activities has progressed favorably against the Company's plan.

In light of the continued positive progress of the Company's fulfillment of commitments in connection with the divested and discontinued business operations, the expectations for 2000 have been increased to a net income of Danish kroner 70 million before the depreciation of goodwill and the Company's share in operating losses relating to possible further investments which will adversely impact the financial result for the year.

The Company's financial statements are prepared in accordance with U.S. GAAP. However, the Company's reporting currency is now Danish Kroner ("DKK"). The dollar amounts presented were calculated at an exchange rate of DKK 7.7895 per U.S. dollar on the closing date of the Company's most recent balance sheet.

In accordance with Danish reporting conventions, Olicom's current financial statements have been prepared for the first 6 months of 2000. However, all future financial results will be reported on a quarterly basis in accordance with U.S. reporting practices.

It should be noted that all reported activities for 1999 relate to divested or discontinued business operations. Consequently, a comparison between the two fiscal periods presented in the financial statements will be distorted.

Expectations for 2000

In light of the Company's progress in meeting divestiture commitments in connection with divested and discontinued business operations, expectations for full-year net income before goodwill amortization and share in operating losses relating to additional investments have been increased to a net income of DKK 70 million, or \$9 million. Previously, the Company had anticipated net income before goodwill amortization and share in operating losses of DKK 60 million, or \$7.7 million.

As previously reported, Olicom expects to complete 3 to 5 investments before the end of this year. The Company does not expect to sell any investments during 2000.

About Olicom

More information on Olicom is available from the Company's SEC filings or by contacting the Company directly. Information is also available on the Company's Web site at <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 report on Form 20-F.

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Statements of Income and Balance Sheet follow

OLICOM A/S

Condensed Consolidated Statements of Income

All amounts in thousands except per share data

	Six months Ended June 30,		
	<u>1999</u>	<u>2000</u>	<u>2000</u>
	DKK	DKK	Convenience translation \$
		(Unaudited)	
Income/(loss) from affiliated company	0	(376)	\$(48)
Net sales	306,612	71,888	9,229
Cost of sales	225,501	37,861	4,860
Special charges related to inventories	240,650	(13,416)	(1,722)
	<hr/>	<hr/>	<hr/>
Gross profit	(159,539)	47,067	6,043
Operating expenses			
Sales and marketing	213,751	3,299	424
Research and development	65,025	430	55
General and administrative	51,670	24,368	3,128
Restructuring charges	134,092	2,290	294
Total operating expenses	<hr/> 464,538	<hr/> 30,387	<hr/> 3,901
Income/(loss) from operations before interest and income taxes	(624,077)	16,680	2,142
Income from sale of activities	9,421	50,930	6,538
Interest income and other, net	6,296	17,777	2,282
	<hr/>	<hr/>	<hr/>
Income/(loss) before income taxes	(608,360)	85,387	10,962
Income taxes	29,120	420	54
	<hr/>	<hr/>	<hr/>
Income/(loss) before minority interests in income of consolidated subsidiary	(637,480)	84,967	10,908
Minority interests	442	0	0
	<hr/>	<hr/>	<hr/>
<u>Net income/(loss)</u>	<u>(637,922)</u>	<u>84,967</u>	<u>10,908</u>
Basic earnings/(loss) per share, basic and diluted	<hr/> (35.71) <hr/>	<hr/> 4.77 <hr/>	<hr/> 0.61 <hr/>
Weighted average shares outstanding including common stock equivalents	<hr/> 17,863 <hr/>	<hr/> 17,827 <hr/>	<hr/> 17,827 <hr/>

DKK are converted into U.S. dollar at an exchange rate of DKK 7.7895 per U.S. dollar on June 30, 2000.

OLICOM A/S

Condensed Consolidated Balance Sheets

(In thousands)

	December 31	June 30	June 30
	<u>1999</u>	<u>2000</u>	<u>2000</u>
<u>ASSETS</u>			
	DKK	DKK	Convenience
	(Audited)	(Unaudited)	translation
			\$
			(Unaudited)
Current assets:			
Cash and cash equivalents	209,586	203,020	\$26,063
Restricted cash	65,435	85,949	11,034
Accounts receivable	30,757	7,320	940
Inventories	32,081	1,600	206
Prepaid expenses and other current assets	16,603	18,081	2,321
Total current assets	<u>354,462</u>	<u>315,970</u>	<u>40,564</u>
Investments, property and equipment, net	4,143	1,932	248
Investments in affiliated companies	<u>0</u>	<u>1,332</u>	<u>171</u>
<u>Total assets</u>	<u>358,605</u>	<u>319,234</u>	<u>40,983</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable, accrued liabilities			
and restructuring charges	191,873	69,940	\$8,979
Notes payable, current	<u>718</u>	<u>0</u>	<u>0</u>
Total current liabilities	192,591	69,940	8,979
Shareholders' equity	<u>166,014</u>	<u>249,294</u>	<u>32,004</u>
<u>Total liabilities and shareholders' equity</u>	<u>358,605</u>	<u>319,234</u>	<u>40,983</u>

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