



Olicom Reports Full-Year 2000 Financial Results

Copenhagen, Denmark, February 28, 2001 Olicom A/S (OTC BB: OLCMF) (“Olicom” or “the Company”) today reported financial results for the fiscal year ended December 31, 2000. Key highlights of the year include:

- During 2000, the Company's business activities underwent significant change, as the Company implemented a new strategic direction. Olicom's new business plan is 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. During 2000, the Company evaluated more than 100 investment proposals and made 4 investments totaling DKK 24.3 million (\$3.0 million).
- For 2000, Olicom's net income was DKK 80.5 million (\$10.0 million). This net income was primarily due to recognition of additional income in connection with transactions that occurred in 1999, and the reversal of certain provisions recorded in connection with such transactions. The Company's net result after tax for 1999 was a loss of DKK 553.5 million (\$69.0 million).
- Shareholders' equity at year-end was DKK 242.1 million (\$30.2 million) corresponding to DKK 13.90 (\$1.70) per share outstanding at year-end.
- Olicom's present portfolio companies are all at an early stage of development and as a group they are expected to incur an operating loss during 2001. As no liquidity events are anticipated as early as during 2001, the Company expects to report a loss for 2001.

Olicom A/S in 2000

In the second half of 1999, Olicom sold its main activities in three transactions ("the 1999 Transactions") with Madge Networks N.V., Intel Corporation and Motorola, Inc., respectively. In the first six months of 2000, the Company's main focus was on the fulfilment of the obligations the Company assumed in connection with these transactions. In February 2000, Olicom announced that it would also discontinue the products that were not included in the divestitures.

In April 2000, Olicom received notification from Nasdaq relating to its determinations of non-compliance in connection with the continued listing on the Nasdaq National Market, and the Company's common shares were delisted. Olicom's common shares are now quoted on the NASD's OTC Bulletin Board® under the trading symbol OLCMF.

Prior to Olicom's Annual General Meeting held on April 14, 2000, the then-serving members of the Board of Directors advised the Company of their desire not to stand for re-election. The Annual General Meeting elected the Company's present Board of Directors. After its constitution, the Board of Directors appointed a new Executive Management.

On May 15, 2000, the Board of Directors announced a new 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 would 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 accordance with its new strategy, the Company evaluated more than 100 investment proposals and made 4 investments in 2000.

Fulfilment of obligations in connection with divested and discontinued business operations

In 2000, Olicom undertook to fulfill the obligations the Company assumed in connection with the 1999 Transactions as well as other agreements relating to discontinued business operations. No substantial claims have been made in connection with any of the three divestitures. In connection with the expiry during 2000 of the established deadlines for the filing of such claims, the Company reviewed the remaining provisions established in connection with the 1999 Transactions and discontinued business operations, reversed certain provisions in view of the claims actually made, and on this basis, recognised substantial income.

The Company's restructuring has generally been completed with lower costs than expected at the announcement of the 1999 full year results. Accordingly, provisions with respect to the restructuring were reviewed, and the accrued amounts have therefore to some extent been reversed.

Some activities in connection with the restructuring are still outstanding. These are primarily relating to the final winding up of foreign subsidiaries and leases, the fulfilment of various warranty and service obligations and unsettled employee matters. Olicom has accrued provisions to cover the currently expected costs in this regard.

Investment in Portfolio Companies

As part of Olicom's new strategy, the Company has evaluated more than 100 investment proposals and made 4 investments in 2000.

Juize A/S

At the end of 2000, Olicom had invested DKK 6.0 million (\$0.7 million) in Juize and had a 33.9% holding. Juize's original strategy was to establish a portal for users of the mobile internet and to develop and sell software tools and applications to providers of mobile internet services. The company's strategy has been adjusted as a consequence of the slower than expected market penetration of the mobile internet, so that Juize is now primarily aiming at selling its developed product portfolio to providers of mobile internet services.

Juize did not have material revenue in 2000, but its first agreements with mobile operators are expected to be concluded in 2001. At the end of 2000, Juize's personnel headcount was 17 employees.

Sifira ApS

At the end of 2000, Olicom had invested DKK 4.8 million (\$0.6 million) in Sifira and had a 40.5% holding. Sifira develops "unified messaging services," which are to be sold to telephone companies and providers of internet services. The company, which at the end of 2000 had a personnel headcount of 12 employees, expects to start delivering its services in the middle of 2001. In early 2001, Sifira entered its first service agreement with a mobile telephone operator.

Vizion Factory m-devices A/S and Vizion Factory e-learning A/S

Olicom and Vizion Factory e-learning A/S have formed the company Vizion Factory m-devices A/S. Olicom's investment is made by way of a convertible loan of DKK 5 million (\$0.6 million) which is presently convertible into a 50% holding.

Vizion Factory m-devices will develop the necessary software tools for the application of Vizion Factory e-learning's technological platform on handheld computers. The target group for the final product will include companies in need of providing complex data (such as service manuals, etc.) to travelling employees.

Vizion Factory m-devices is expected to record its first sales in Q3 2001.

As part of the agreement Olicom also invested DKK 5.0 million (\$0.6 million) in Vizion Factory e-learning A/S thereby acquiring a 5.6% holding.

GoPinocchio ApS

Olicom has invested DKK 3.6 million (\$0.4 million) in GoPinocchio ApS and has thereby acquired a 28.2% holding in the company. GoPinocchio is a consulting business specializing in providing Customer Relationship Management-solutions which optimize the corporate clients' services to customers and employees. At the end of 2000, the company had a personnel headcount of 11 employees.

In 2001, GoPinocchio was accepted as one of currently only 13 members of IBM's European mobile e-business alliance.

2000 Results

For 2000, Olicom's net income was DKK 80.5 million (\$10.0 million). The profit is primarily due to additional income related to the 1999 Transactions, the reversal of certain accrued amounts and substantial currency gains resulting from the strongly increased U.S. dollar/Danish kroner exchange rate.

Gross profit. Gross profit amounted to DKK 45.5 million (\$5.7 million) and includes the Company's share of losses (including goodwill amortization) from its portfolio companies of DKK 3.6 million (\$0.5 million).

Operating expenses. Operating expenses for the year amounted to DKK 40.6 million (\$5.1 million) a substantial part of which is related to discontinued operations.

Income from sale of activities. During 2000 the Company recognized income from the sale of activities in 1999 in the amount of DKK 54.2 million (\$6.8 million).

Interest and other financial income. Net interest and other financial income, which primarily relates to gains on foreign exchange, amounted to DKK 28.5 million (\$3.6 million).

Income taxes. The net profit for 2000 is not taxable, due to loss carryforwards. However, a tax expense of DKK 7.2 million (\$0.9 million) relating to prior years was recognized in 2000.

Shareholders' equity. Shareholders' equity at year-end was DKK 242.1 million (\$30.2 million) corresponding to DKK 13.90 (\$1.70) per share outstanding at year-end.

Liquidity and Capital Resources

Olicom's total cash position by the end of the year amounted to DKK 278 million (\$34.6 million) of which DKK 64 million (\$8 million) represented restricted cash. During 2000, Olicom had a negative cash flow of DKK 22 million (\$2.7 million) from operating activities (including discontinued operations) and generated DKK 55 million (\$6.9 million) of cash from the 1999 Transactions.

Investments in portfolio companies amounted to DKK 24 million (\$3 million) and the Company used DKK 8 million (\$1 million) for the purchase of common shares in the open market which are now held in the Company's treasury.

At December 31, 2000, the Company had no material commitments for capital expenditures.

Recent developments

Since the end of the financial year, no material matters have occurred with respect to the Company.

Expectations for 2001

Olicom expects that in 2001 the Company will make investments in 4 to 6 additional portfolio companies. These investments together with follow-on investments in existing portfolio companies are expected to be in the range of DKK 75 million (\$10 million) in total.

All of Olicom's existing portfolio companies are in an early phase of development and as a group are expected to incur operating losses during 2001. The Company's results for 2001 with respect to existing and additional portfolio companies (including the Company's share in operating results, amortization of goodwill, revaluation or write-down and possible realized profits or losses) are expected to show a loss, as no liquidity events are expected as early as 2001.

Exclusive of the results relating to the portfolio companies, the Company expects a net loss in the range of DKK 15 million (\$2 million).

Dividends

The Company presently intends to retain any earnings. If and when dividends are paid, such payment will be made in Danish kroner.

Annual Report and Form 20-F

The Company expects to file its annual report for 2000 on Form 20-F with the US Securities and Exchange Commission (SEC) no later than April 18, 2001. This announcement and the Form 20-F will become available on Olicom's World Wide Web site: <http://www.olicom.com>.

Annual General Meeting

The Annual General Meeting is scheduled for May 16, 2001, to be held at Radisson SAS Falconer Center, Falkoner Allé 9, DK-2000 Frederiksberg (Copenhagen), Denmark at 3:00 PM Copenhagen time.

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Statements of Income and Balance Sheet follow

About Olicom

More information on Olicom is available from the Company's SEC filings and on its 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 that reflect the Company's current expectations and projections about its future results, performance, prospects and opportunities. These forward-looking statements are based on information currently available to the Company and are subject to a number of risks, uncertainties and other factors that could cause its actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Among the risks, uncertainties and other factors that could cause results to differ are uncertain market conditions, the successful implementation of the Company's new strategic direction; the Company's need to continue to identify and acquire interests in suitable portfolio companies; intense competition among capital providers to acquire interests in technology companies; the dependence of the Company on the financial and operating success of the enterprises in which it invests or participates; and existing and future regulations affecting the Company's business, the businesses of its portfolio companies or technology generally. 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, performance, prospects or opportunities to materially differ from those contained in the forward-looking statements.

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Condensed Consolidated Statements of Income

	Twelve months ended December 31,		
	<u>1999</u>	<u>2000</u>	<u>2000</u>
	(In thousands) (Audited)		Convenience translation
	DKK	DKK	USD
Income/(loss) from affiliated company	0	(3,635)	(\$453)
Net sales	491,327	74,147	9,245
Cost of sales	419,534	45,966	5,731
Special charges related to inventories	232,510	(20,967)	(2,614)
Gross profit	<u>(160,717)</u>	<u>45,513</u>	<u>5,675</u>
Operating expenses			
Sales and marketing	290,946	3,299	411
Research and development	98,540	430	54
General and administrative	77,313	35,617	4,441
Restructuring charges	252,896	1,214	151
Total operating expenses	<u>719,695</u>	<u>40,560</u>	<u>5,057</u>
Income/(loss) from operations before interest and income taxes	(880,412)	4,953	618
Income from sale of activities	352,897	54,168	6,753
Interest income and other, net	<u>10,689</u>	<u>28,545</u>	<u>3,559</u>
Income/(loss) before income taxes	(516,826)	87,666	10,930
Income taxes	<u>32,088</u>	<u>7,209</u>	<u>899</u>
Income/(loss) before minority interests in income of consolidated subsidiary	(548,914)	80,457	10,031
Minority interests	<u>4,549</u>	<u>0</u>	<u>0</u>
Net income/(loss)	<u>(553,463)</u>	<u>80,457</u>	<u>10,031</u>
Basic earnings/(loss) per share, basic and diluted	<u>(30.98)</u>	<u>4.54</u>	<u>0.57</u>
Weighted average shares outstanding including common stock equivalents	<u>17,864</u>	<u>17,726</u>	<u>17,726</u>

DKK are converted into U.S. dollars at an exchange rate of DKK 8.0205 per U.S. dollar on December 31, 2000.

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Condensed Consolidated Balance Sheets

<u>ASSETS</u>	<u>1999</u>	December 31, <u>2000</u> (In thousands) (Audited)	<u>2000</u> Convenience translation
	DKK	DKK	USD
Current assets:			
Cash and cash equivalents	209,586	213,586	\$26,630
Restricted cash	65,435	64,049	7,986
Accounts receivable	30,757	2,956	369
Inventories	32,081	0	0
Prepaid expenses and other current assets	16,603	5,784	721
Total current assets	354,462	286,375	35,706
Investments, property and equipment, net	4,143	188	23
Investments in affiliated companies	0	20,681	2,578
<u>Total assets</u>	358,605	307,244	38,307
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable and accrued liabilities	191,873	65,171	8,126
Notes payable, current	718	0	0
Total current liabilities	192,591	65,171	8,126
Shareholders' equity	166,014	242,073	30,181
<u>Total liabilities and shareholders' equity</u>	358,605	307,244	38,307

DKK are converted into U.S. dollars at an exchange rate of DKK 8.0205 per U.S. dollar on December 31, 2000.