



Olicom Reports Full-Year 2001 Financial Results

Copenhagen, Denmark, February 6, 2002 – Olicom A/S (OTC Bulletin Board: OLCMF) (“Olicom” or “the Company”) today reported financial results for the fiscal year ended December 31, 2001. Key highlights of the year include:

- For 2001, Olicom’s net result was a loss of DKK 10.4 million (\$1.2 million). The result exclusive of the loss from affiliated companies was a profit of DKK 32.7 million (\$3.9 million) which compares to the earlier announced expectation of a loss of approximately DKK 5 million (\$0.6 million). The positive deviation is primarily caused by the recognition of the earlier announced claim for refund of customs duty in the amount of DKK 29 million (\$3.4 million). The result from affiliated companies, which comprises Olicom’s share in the operating result, amortization of goodwill and write-downs, amounted to a loss of DKK 43 million (\$5 million).
- Shareholders' equity at year-end was DKK 228 million (\$27 million) corresponding to DKK 13.10 (\$1.56) per share outstanding by the end of 2001.
- Olicom’s cash position by the end of 2001 amounted to DKK 170 million (\$20 million). The outstanding booked customs duty refund of DKK 21 million (\$2.5 million) is expected to be received during the first quarter of 2002.
- Olicom’s existing portfolio companies are still primarily in the establishment phase and are in total expected to record a negative result in 2002. In the Company’s opinion two or three portfolio investments may be exited in late 2002. As a matter of caution, however, such possible profits are not included in the expected result for 2002. On the basis of these assumptions, the Company therefore expects to report a net loss in the range of DKK 60 million (\$7 million) for 2002. This is a consequence of the Company’s accounting policies, according to which the result is affected negatively by Olicom’s share in the affiliated companies’ operating result and amortization of goodwill.

SELECTED FINANCIAL DATA

During 2000, the Company's business activities underwent significant change. Comparison figures for 1997 to 1999 cannot be adjusted to present a comparable view of the Company's present activities and therefore have been omitted.

Key Figures (in thousands except per share amounts):

	2000	2001	2001
	DKK	DKK	USD*
CONSOLIDATED STATEMENTS OF INCOME			
Income (loss) from affiliated companies	(3,635)	(43,025)	(\$5,116)
Administrative expenses	24,569	17,249	2,051
Income (loss) from primary operations	(28,204)	(60,274)	(7,167)
Other operating income	175	810	96
Other operating expenses	198	796	95
Foreign currency gains (losses)	20,132	101	12
Other financial items, etc.	5,817	6,820	811
Income (loss) before income tax	(2,278)	(53,339)	(6,343)
Income tax of net income	0	0	0
Income of discontinued business operations	82,735	42,972	5,110
Net income (loss)	80,457	(10,367)	(1,233)
BALANCE SHEET DATA			
Working capital	221,204	181,410	21,572
Total assets	307,244	270,598	32,178
Total shareholders' equity at end of year	242,073	228,047	27,118
KEY FIGURES			
Book value per share at end of year	13.90	13.10	1.56
Return on equity (%)	39.2	(5.2)	(5.2)
Earnings (loss) per share	4.54	(0.60)	(0.07)
Weighted average shares outstanding	17,726	17,294	17,294
Number of employees at end of year	10	10	10

The key figures have been prepared in accordance with the Association of Danish Financial Analysts' "Recommendations and Key Figures 1997" (Den Danske Finansanalytikerforenings "Anbefalinger og Nøgletal 1997") on the basis of the Olicom Group's accounting policies.

*) For convenience amounts in DKK have been translated to US\$ applying the year-end rate of DKK 8.4095 per US\$ 1.00. This translation should not be construed to imply that the DKK amounts actually represent, or have been or could have been converted to, US dollars.

Olicom A/S in 2001

In the second half of 1999, Olicom sold its main activities in three transactions with Madge Networks N.V., Intel Corporation and Motorola, Inc., respectively.

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. 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 addition to its listing on the Copenhagen Stock Exchange, Olicom's common shares are quoted on the NASD's OTC Bulletin Board[®] under the trading symbol OLCMF.

In accordance with its new strategy, the Company made 5 investments in 2000, while an additional 6 investments were made in 2001.

Investment in portfolio companies

At year-end, the Company's portfolio consisted of investments in 10 companies.

Sifira A/S

At the end of 2001, Olicom had invested DKK 11.8 million (\$1.4 million) in Sifira A/S and had a 50% holding. During 2001, Sifira completed developing a number of "unified messaging" products, which are offered to telephone companies. Sifira has so far entered into contracts with two companies. The company has a personnel headcount of 17 employees.

Vizion Factory e-learning A/S

In 2000, Olicom invested DKK 5.0 million (\$0.6 million) in Vizion Factory e-learning A/S and has a 4.8% holding. Vizion Factory e-learning produces customized e-learning programs and is also offering standard educational programs regarding PC software. In the first half of 2001, the company experienced disappointing sales, but the second half showed a more positive development, especially with regard to customized solutions to larger enterprises and organizations. The company has a personnel headcount of 26 employees.

Transynergy A/S

Together with Vizion Factory e-learning, Olicom has formed the company Transynergy A/S (former Vizion Factory m-devices A/S). Olicom's investment in Transynergy amounts to 5.2 million (\$0.6 million) and its shareholding is 50%. Transynergy develops a software platform primarily for the use of Business-to-Employee solutions 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 traveling employees. The company has a personnel headcount of 14 employees.

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 system integration company within mobile solutions. GoPinocchio specializes in providing mobile solutions, which optimize the corporate clients' services to customers and employees. In addition to its consulting services, GoPinocchio offers a number of products to selected industries in the international market for mobile solutions. The company has a personnel headcount of 13 employees.

Interactive Television Entertainment ApS

Olicom has invested DKK 10 million (\$1.2 million) in Interactive Television Entertainment ApS ("ITE") and has a 50% holding in the company. ITE is especially known for its Hugo game character, which today is present in more than 30 geographical markets where ITE's world-leading interactive TV concept supports the sale of its games to PC, Sony Playstation, Nintendo Gameboy, Set Top Boxes based on the Open TV standard and Internet portals. ITE is one of few companies that possess the know-how and technology for developing multi-platform games and ITE expects to be able to capitalize on this advantage by forging strategic partnerships with other game vendors who are focused on a single platform. The company has a personnel headcount of 60 employees.

Hymite ApS

Olicom's investment in Hymite ApS amounts to DKK 9.0 million (\$1.1 million) and its shareholding is 16.9%. Hymite will provide complete solutions for manufacturing and packaging optical modules deployed within the high growth telecommunications market. Hymite's concept for multifunctional optical modules will provide drastic cost savings compared to existing state-of-the-art technologies where components are deployed separately. Hymite has several patents pending on the basis of its technology. The company has a personnel headcount of 19 employees.

LH Comlog A/S

Olicom has invested DKK 6.3 million (\$0.7 million) in LH Comlog A/S and owns a 14.5% holding in the company. Comlog is a wireless technology company that develops and markets fleet management systems. Comlog has developed fleet management software and a range of wireless data terminals based on Global System for Mobile Communications (GSM) and the Global Positioning System (GPS). While GSM lets a terminal communicate with a host computer from anywhere in Europe and most of the world, the GPS technology enables the terminal to determine its own position with an accuracy of a few meters. The company has a personnel headcount of 23 employees.

Scalado AB

Olicom has invested DKK 6.4 million (\$0.8 million) in the Swedish company Scalado AB in return for 22.2% of the shares in the company. Scalado, which is located in Lund, Sweden, has developed patent pending solutions for rendering and transferring digital image information independent of communication technology. Scalado's Image Zoom software minimizes the amount of data sent from a web server when a visitor views an

image and provides unique zooming functionality. Both image presentations on the Internet and within the emerging market for mobile data communication will benefit from the minimization of bandwidth. The company has a personnel headcount of 16 employees.

Mobite A/S

Olicom's investment in Mobite A/S amounts to DKK 8.2 million (\$1 million) and its shareholding is 17.2%. Mobite's enterprise software platform, TIMEngine™, is a service automation solution targeted at larger enterprises within the service industry.

TIMEngine™ facilitates the optimisation of service resource utilization and improved cost efficiency of service facilities. TIMEngine™ has been developed in cooperation with Mobite's American partner Xtime Inc., which is a significant shareholder in Mobite.

Mobite is the exclusive vendor of TIMEngine™ in Europe. The company has a personnel headcount of 17 employees.

Decuma AB

Olicom has invested DKK 5.0 million (\$0.6 million) in the Swedish company Decuma AB in return for 8.5% of the shares in the company. Decuma, which is located in Lund, Sweden, develops and markets handwriting recognition software for handheld devices like mobile phones, PDAs, PC Tablets and Digital Pens. Decuma's first customers are Japanese PDA manufacturer Casio and the Swedish Digital Pen manufacturer Anoto. Decuma's patented Geometrical Invariant Technology (GIT) ads several advantages compared to traditional methods for handwriting recognition, including higher precision in recognizing characters and recognition of rotated, angled and shaky writing. The company has a personnel headcount of 23 employees.

Danacell A/S

At the end of 2001, Olicom entered into an agreement to invest in Danacell A/S. The investment closed at the beginning of 2002. Danacell has developed and patented a new type of polymer-membrane electrolyte for use in rechargeable lithium polymer and lithium ion batteries. The advantages of the membrane are expected to be a substantially increased energy density as well as a substantially increased peak current. Danacell's immediate plan is to complete development of the Lithium polymer technology and license it to battery manufacturers. It is expected that the underlying principles for Danacell's patented polymer technology can be used to develop polymers that increase the efficiency of fuel cells.

Juize A/S

Olicom's first portfolio company Juize A/S was sold to the English public company RTS NetWorks PLC ("RTSe") in July 2001. The consideration received by Olicom consisted of shares in RTSe, and as part of the agreement Olicom further subscribed for additional new shares in RTSe. Subsequently, RTSe experienced considerable financial difficulties; as a result, Olicom determined to write off its shareholding in RTSe.

Divested and discontinued business operations

In 2001, Olicom continued to fulfill the obligations the Company assumed in connection with transactions implemented in 1999 with respect to the divestiture of certain business activities (“the 1999 Transactions”) as well as other agreements relating to discontinued business operations. The Company's restructuring has generally been completed with lower costs than expected when the Company announced its 2000 full year results.

Accordingly, part of the provisions with respect to the 1999 Transactions and subsequent restructuring has 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.

Olicom's discontinued production of equipment used in local area networks was undertaken by contract manufacturers in Thailand, from which the equipment was imported to Denmark. For this import, the Company paid customs duty in accordance with the rating specified by Danish customs authorities. In 2001, the EU Court of Justice rendered a judgment that directed that a lower rate of customs duty be utilized with respect to the importation of the abovementioned equipment than the one applied by Olicom from 1996 to 1999. In this connection, Olicom made a demand for a refund of excess customs duties paid from 1996 to 1999. On the basis of the available information from the customs authorities, the Company has recorded DKK 29 million (\$3.4 million) as income in the Financial Statements for 2001, representing the expected refund with the addition of interest till year-end. DKK 7.8 million (\$0.9 million) of this amount was received at the end of 2001.

Also at year-end, Olicom received DKK 3 million (\$0.4 million) from the refund of VAT relating to the Company's canteen.

Results

For 2001, Olicom's net result was a loss of DKK 10.4 million (\$1.2 million). The result exclusive of the result from affiliated companies was a profit of DKK 32.7 million (\$3.9 million) which compares to the earlier announced expectation of a loss of approximately DKK 5 million (\$0.6 million). This positive deviation is primarily caused by the recognition of the earlier announced claim for refund of customs duty in the amount of DKK 29 million (\$3.4 million). The result from affiliated companies, which comprises Olicom's share in the operating result, amortization of goodwill and write-downs, amounted to a loss of DKK 43 million (\$5 million).

Financial income and tax

Financial income. Financial net income amounted to DKK 7 million (\$0.8 million) in 2001 compared to a net income of DKK 26 million (\$3 million) in 2000.

The Group had an interest net income of DKK 7 million (\$0.8 million) in 2001 compared to DKK 6 million (\$0.7 million) the year before.

In 2001, the Group had a net gain of DKK 0.1 million relating to foreign currency contracts and exchange rate adjustments of monetary assets in US dollars.

Income taxes. The result for 2001 is not taxable, due to loss carryforwards.

Cash Flow

The Group's total cash position by the end of the year amounted to DKK 170 million (\$20 million). During 2001, Olicom had a negative cash flow of DKK 19 million (\$2.2 million) from operating activities (including discontinued operations). Investments in portfolio companies amounted to DKK 64 million (\$7.6 million).

The Company used DKK 2.7 million (\$0.3 million) for the purchase of treasury shares.

Shareholders' equity

Shareholders' equity at year-end was DKK 228 million (\$27 million) corresponding to 84% of total assets of DKK 271 million (\$32 million). By year-end 2000, the shareholders' equity was DKK 242 million (\$29 million).

Cash and Cash Equivalents

At the end of 2001, cash and cash equivalents amounted to DKK 170 million (\$20 million) corresponding to 62% of total assets. The outstanding booked customs duty refund of DKK 21 million (\$2.5 million) is expected to be received during the first quarter of 2002.

Developments in 2002

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

Expectations for 2002

With a present portfolio of 11 companies, Olicom expects its efforts to be concentrated on the continued development of its portfolio companies. As a result, the Company's new investments in 2002 are expected to be less than in 2001. Olicom therefore expects to be making 2 to 4 investments in new portfolio companies in 2002. These investments and additional investments in existing portfolio companies are expected to be in the range of DKK 75 million (\$9 million) in total.

Olicom's existing portfolio companies are still primarily in the establishment phase and are in total expected to record a negative result in 2002. In the Company's opinion two or three investments may be exited in late 2002. As a matter of caution, however, such possible profits are not included in the expected result for 2002. On the basis of these assumptions, the Company expects to report a net loss in the range of DKK 60 million (\$7 million) for 2002. This loss will primarily stem from Olicom's share in the affiliated companies' operating result and amortization of goodwill.

Dividends

It is proposed that no dividends are paid for 2001.

Financial Statements

The Company's printed financial statements are expected to be available on February 21, 2002. The present announcement and the complete financial statements will be available on Olicom's web site www.olicom.com.

Annual General Meeting

Olicom's Annual General Meeting will be held at the Radisson SAS Falconer Center, Falkoner allé 9, 2000 Frederiksberg, Denmark on Thursday, March 21, 2002 at 3.00 p.m.

Attachments

The Group Income Statement and Balance Sheets are enclosed as attachments.

Lyngby, February 6, 2002

The Board of Directors

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About Olicom A/S

Olicom initiates or participates in the development of new products and services that leverage leading-edge communications technologies, primarily with a focus on mobile data communication. Business opportunities are identified both through Olicom'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 about 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 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 U.S. 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.

OLICOM A/S

Condensed Consolidated Statements of Income

	Twelve months		
	Ended December 31,		
	<u>2000</u>	<u>2001</u>	<u>2001</u>
	(In thousands DKK)		Convenience translation USD
	(Audited)		(Unaudited)
Income/(loss) from affiliated company	(3,635)	(43,025)	(\$5,116)
Net sales	74,147	0	0
Cost of sales	45,966	0	0
Special charges related to inventories	(20,967)	0	0
	<u>45,513</u>	<u>(43,025)</u>	<u>(5,116)</u>
Operating expenses			
Sales and marketing	3,299	0	0
Research and development	430	0	0
General and administrative	35,617	17,235	2,049
Restructuring charges	1,214	(36,962)	(4,395)
Total operating expenses	<u>40,560</u>	<u>(19,727)</u>	<u>(2,346)</u>
Income/(loss) from operations before interest and income taxes	4,953	(23,298)	(2,770)
Income from sale of activities	54,168	4,824	574
Interest income and other, net	28,545	6,921	823
	<u>87,666</u>	<u>(11,553)</u>	<u>(1,373)</u>
Income/(loss) before income taxes	87,666	(11,553)	(1,373)
Income taxes	7,209	(1,186)	(141)
	<u>80,457</u>	<u>(10,367)</u>	<u>(1,232)</u>
Income/(loss) before minority interests in income of consolidated subsidiary	80,457	(10,367)	(1,232)
Net income/(loss)	<u>80,457</u>	<u>(10,367)</u>	<u>(1,232)</u>
Basic earnings/(loss) per share, basic and diluted	<u>4.54</u>	<u>(0.60)</u>	<u>(0.07)</u>
Weighted average shares outstanding including common stock equivalents	<u>17,726</u>	<u>17,294</u>	<u>17,294</u>

The balance sheet and statements of income include a convenience translation for the most recent reporting period by applying the quarter-end rate of DKK 8,4095 per US\$ 1.00. This translation should not be construed to imply that the DKK amounts actually represent, or have been or could have been converted to, U.S. dollars.

OLICOM A/S

Condensed Consolidated Balance Sheets

	December 31	December 31	December 31
<u>ASSETS</u>	<u>2000</u>	<u>2001</u>	<u>2001</u>
		(In thousands)	
	DKK	DKK	Convenience
	(Audited)	(Audited)	translation
			USD
			(Unaudited)
Current assets:			
Cash and cash equivalents	213,586	148,288	\$17,633
Restricted cash	64,049	21,679	2,578
Accounts receivable	2,956	638	76
Prepaid expenses and other current assets	5,784	53,356	6,345
Total current assets	286,375	223,961	26,632
Long-term assets	0	3,677	437
Investments, property and equipment, net	188	969	115
Investments in affiliated companies	20,681	41,991	4,994
Total assets	307,244	270,598	32,178
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable and accrued liabilities	65,171	42,551	\$5,060
Total current liabilities	65,171	42,551	5,060
Shareholders' equity	242,073	228,047	27,118
Total liabilities and shareholders' equity	307,244	270,598	32,178

The balance sheet and statements of income include a convenience translation for the most recent reporting period by applying the quarter-end rate of DKK 8,4095 per US\$ 1.00. This translation should not be construed to imply that the DKK amounts actually represent, or have been or could have been converted to, U.S. dollars.