

Olicom Reports Third Quarter 2002 Results

Copenhagen, Denmark, October 23, 2002 - Olicom A/S (OTC Bulletin Board: OLCMF) (“Olicom” or “the Company”) today announced a net loss for the quarter of 6.9 million Danish kroner (“DKK”), or US\$ 0.9 million. The loss per share was DKK 0.41, or US\$ 0.05 per share. For the first nine months of 2002 the Company reported a net loss of DKK 18.3 million, or US\$ 2.43 million. The loss per share during this period was DKK 1.07, or US\$ 0.14. All amounts expressed in dollar are calculated at the September 30, 2002, rate of exchange between the US dollar and the Danish krone.

As of September 30, 2002, Olicom had cash and restricted cash of DKK 112.4 million, or US\$ 14.9 million. Shareholders’ equity was DKK 226.2 million, or US\$ 30.0 million, at the end of September 2002, corresponding to DKK 13.34 per share, or US\$ 1.77 per share.

As announced previously, with effect from this fiscal year, it was decided to change Olicom’s accounting policy in order to better be able to present a fair view of the Company’s assets, financial position and results. The Company’s assets are now assessed by the estimated market value (“current value”).

For comparison reasons, the Company’s financial statements for 2001 have been adjusted in accordance with the new accounting policy. The adjusted financial statements record shareholders’ equity at year-end 2001 to be DKK 244.3 million, or US\$ 32.4 million, corresponding to DKK 16.3 million, or US\$ 2.2 million, more than reported in the financial statements for 2001.

The first 9 months result of 2002 was affected unfavourable by valuation adjustments of portfolio companies of DKK 19.1 million, or US\$ 2.5 million, of which DKK 10.8 million, or US\$ 1.4 million, relate to actual loss on settled investments whereas DKK 8.3 million, or US\$ 1.1 million, is valuation adjustments reflecting the estimated market value of the investments. The result is affected positively by DKK 8.2 million, or US\$ 1.1 million, from a continuously more favourable than expected settlement of undertakings of Olicom’s former businesses.

During the 3rd quarter, in general, Olicom’s portfolio companies have developed as expected. In September, Interactive Television Entertainment (ITE) released “The Evil Mirror”, its latest Hugo-game, which has been very well received by both critics and audience. Sifira, a supplier of advanced message services to telephone service providers, still meets strong interest among potential customers and is expected to enter into further supply agreements within 2002.

Olicom's two Swedish portfolio companies, Decuma and Scalado, are both among the 20 European companies that were nominated winners of the European Information Society Technology (IST) Prize 2003 in September. The IST-Prize is awarded by the EU-Commission and the European Council of Applied Sciences and Engineering (Euro-CASE). Every year, the prize is awarded the 20 most innovative European IT-products. This year, 437 companies from 27 countries participated. Decuma is awarded the prize for its unique handwriting recognition technology while Scalado is awarded the prize for its Image-Zoom, which enables effective display of interactive images over the Internet and mobile Internet.

The very low activity on the market for mobile data solutions led to the decision to close down the portfolio company GoPinocchio in September as it was estimated that it would not be possible to make operations profitable in the near future. At June 30, 2002, Olicom's investment in GoPinocchio was written off and thereby the closing down has not had any impact on the result for the 3rd quarter, 2002.

Olicom maintains its expectation of a net loss for the full year of approximately DKK 20 million, or US\$ 2.7 million. Steps have been taken to identify exit opportunities for some of the portfolio companies, but it is Olicom's position that the significant uncertainty linked to estimates of both timing of and proceeds from possible exits, means that out of prudence such possible exits cannot be included in the estimated result.

"Like most of our colleagues in the VC industry, we currently focus on the continued development of our existing portfolio companies", says Boje Rinhard, President and CEO of Olicom. "Taking the market conditions into consideration, I am content that the development in many of the companies look promising. We see the awarding of the prestigious IST-Prize to both Decuma and Scalado as a pleasant recognition of Olicom's focus on unique technology".

On the basis of a provisional notification from SEC, Olicom now expects that the deregistration of the Company's common shares in the United States will not be executed as fast as hoped for. Olicom will continue its efforts for the purpose of getting approval of its deregistration.

About Olicom

Olicom initiates or participates in the development of new products and services that leverage leading-edge communications technologies, primarily with a focus on satisfying the needs of mobile data communication users. 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.

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Statements of Income and Balance Sheet follow

OLICOM A/S

Condensed Consolidated Statements of Income

(In thousands except for amounts per share)

	Nine months			Three months		
	Ended September 30,			Ended September 30,		
	<u>2001</u>	<u>2002</u>	<u>2002</u> Convenience translation USD	<u>2001</u>	<u>2002</u>	<u>2002</u> Convenience translation USD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Valuation adjustments, affiliated companies	(14,949)	(19,101)	(\$2,536)	(12,458)	(5,159)	(\$685)
Gross profit	<u>(14,949)</u>	<u>(19,101)</u>	<u>(2,536)</u>	<u>(12,458)</u>	<u>(5,159)</u>	<u>(685)</u>
Operating expenses						
General and administrative	13,186	12,823	1,702	3,804	4,362	579
Restructuring charges	<u>(3,657)</u>	<u>(7,920)</u>	<u>(1,051)</u>	<u>(3,213)</u>	<u>(349)</u>	<u>(46)</u>
Total operating expenses	<u>9,529</u>	<u>4,903</u>	<u>651</u>	<u>591</u>	<u>4,013</u>	<u>533</u>
Income/(loss) from operations before interest and income taxes	(24,478)	(24,004)	(3,187)	(13,049)	(9,172)	(1,218)
Income from sale of activities	3,018	250	33	562	164	22
Interest income and other, net	<u>6,612</u>	<u>5,491</u>	<u>729</u>	<u>2,140</u>	<u>2,121</u>	<u>281</u>
Income/(loss) before income taxes	(14,848)	(18,263)	(2,425)	(10,347)	(6,887)	(915)
Income taxes	<u>(1,230)</u>	<u>43</u>	<u>6</u>	<u>(635)</u>	<u>13</u>	<u>2</u>
<u>Net income/(loss)</u>	<u>(13,618)</u>	<u>(18,306)</u>	<u>(\$2,431)</u>	<u>(9,712)</u>	<u>(6,900)</u>	<u>(\$917)</u>
Earnings/(loss) per share, basic	<u>(0.78)</u>	<u>(1.07)</u>	<u>(\$0.14)</u>	<u>(0.56)</u>	<u>(0.41)</u>	<u>(\$0.05)</u>
Earnings/(loss) per share, diluted	<u>(0.78)</u>	<u>(1.07)</u>	<u>(\$0.14)</u>	<u>(0.56)</u>	<u>(0.41)</u>	<u>(\$0.05)</u>
Weighted average shares outstanding including common stock equivalents, basic	<u>17,361</u>	<u>17,068</u>	<u>17,068</u>	<u>17,314</u>	<u>16,953</u>	<u>16,953</u>
Weighted average shares outstanding including common stock equivalents, diluted	<u>17,361</u>	<u>17,068</u>	<u>17,068</u>	<u>17,314</u>	<u>16,953</u>	<u>16,953</u>

The balance sheets and statements of income include a convenience translation for the most recent reporting period by applying the quarter-end exchange rate of DKK 7.5329 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

(in thousands)

	December 31 <u>2001</u>	September 30 <u>2002</u>	September 30 <u>2002</u> Convenience translation USD
	DKK (Audited)	DKK (Unaudited)	USD (Unaudited)
<u>ASSETS</u>			
Current assets:			
Cash	148,288	108,964	\$14,465
Restricted cash	21,679	3,393	450
Outstanding amounts, affiliated companies	24,589	35,342	4,692
Accounts receivable	638	227	30
Prepaid expenses and other current assets	28,767	4,578	608
Total current assets	223,961	152,504	20,245
Long-term assets			
Investments, property and equipment, net	969	402	53
Outstanding amounts, affiliated companies	0	10,000	1,328
Investments in affiliated companies	58,291	88,407	11,736
<u>Total assets</u>	286,898	254,115	\$33,734
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable and accrued liabilities	12,433	10,293	\$1,367
Total liabilities	12,433	10,293	1,367
Provisions:			
Restructuring charges	30,118	17,606	2,337
Total provisions	30,118	17,606	2,337
Shareholders' equity	244,347	226,216	30,030
<u>Total liabilities and shareholders' equity</u>	286,898	254,115	\$33,734

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Investment in Affiliated Companies as of September 30, 2002

Company	Shareholding (Non diluted)	Investment (DKK 1,000)
Danacell A/S	16.7%	1,229
Decuma AB	14.1%	9,759
Hymite A/S	19.3%	13,000
ITE ApS	100.0%	22,081
LH Comlog A/S	22.5%	12,500
Mobite A/S	17.2%	8,238
Scalado AB	22.2%	6,439
Sifira A/S	57.2%	17,961
T-Pack A/S	18.4%	5,500
Investments in total		96,707
Write-down		(8,300)
Write-up		0
Investments in Affiliated Companies		88,407