

Company Announcement No. 29/2008
Copenhagen, Denmark
December 15, 2008

Financing and Cash Position Issues in Olicom A/S

In light of the current difficult conditions in the financial markets and since some of the Company's bankers have presented a wish to reduce existing facilities the Company has chosen to release the present announcement regarding the Company's financing and cash position.

The Company's activities are real-estate investments and development of real-estate projects, which exposes the Company to risks concerning both financing and cash position. Real-estate investments and development are activities that require significant financing and the Company is thus impacted by the lending opportunities offered by the financial markets. During times of difficult conditions in the financial markets these conditions impact the Company's activities. In such situations the Company strives to minimize the negative effects by adjusting projects in progress to meet market conditions through prolonging or delaying the implementation of the projects.

As it is customary for the industry the Company is financed through short term bank loans and the Company is thus dependant upon such facilities not being terminated before the revenue from sales has been realized in accordance with plans.

Lately the Company has experienced that it has become increasingly difficult and expensive to obtain financing for real-estate investments and projects. In addition the general focusing on the banks' exposure to real-estate investments and projects has lead to one of the Company's banks presenting a wish to reduce its exposure to the Olicom Group.

Olicom has met all its obligations as required under the terms of the facilities and interpret the bank's wish as a result of a general policy of reducing the bank's exposure to the real-estate industry. The Company thus maintains that the bank's wish is without legal justification.

The Company is also in a dialogue with one of Aktiv Gruppen's banks. The bank has still not executed certain transactions that was agreed between the bank and the parties to Olicom's acquisition of Aktiv Gruppen on June 30, 2008. This means that contrary to agreement certain guarantees issued by Aktiv Gruppen relating to companies not acquired by Olicom have not been released by the bank. Also Olicom maintains that the bank is not entitled to terminate its loans to Aktiv Gruppen except as agreed in connection with the acquisition. The parties disagree on this point and the bank has given notice of termination regarding certain loans. Olicom maintains that the bank is without legal justification for such termination. The Company cannot exclude the possibility that the bank's breach of agreements will cause the Company to suffer a loss for which compensation will be claimed.

The Company is in ongoing dialogues with both banks mentioned above and the Company expects that these will result in solutions that are acceptable to the parties as a legal confrontation will result in loss of value for both the banks and the Company. In the Company's opinion the current difficult conditions in the financial markets require all parties involved to support already initiated projects. This will be – and always have been – the best solution.

Further information about Olicom can be found at www.olicom.com or obtained by contacting CEO Per Brøndum Andersen tel. +45 4527 0000 or e-mail pba@olicom.com.