

Tpack A/S completes DKK 45.2 M (5.5 M \$) in Funding
Company receives strong backing for Network Optimization

Copenhagen, Denmark, May 29 2002 – Today, Tpack announced support from Scandinavian investors ACR Capital / Slottsbacken, Innfond P/S and Olicom. The investors have committed 45.2 Million Danish Kroner in support of Tpack. Tpack also announced an alliance with Tellabs. The alliance will enable Tpack to evaluate its technology in Tellabs' optical transport equipment.

Tpack is developing solutions that enable existing and new SDH / Sonet equipment to provide intelligent IP / Ethernet data services such as bandwidth provisioning, traffic shaping and Quality of Service. SDH / Sonet equipment is the largest installed base of network equipment in the world. Tpack's technology extends the life of this investment for telecommunication service providers.

In comparison to today's alternatives of investing in pure IP networks or just adding more IP routers, the Tpack solution induces a cost savings factor of 4 to 6 times, offers better utilization of already installed equipment and more functionality. Basing development upon international standards such as MPLS, GMPLS, LCAS and Virtual concatenation enables Tpack solutions to enhance legacy equipment and co-exist with future implementations of IP networks.

"Our team has demonstrated true commitment and entrepreneurship over the last 10 months and the completion of our initial round of funding confirms that the Tpack solution is right on target," says Henrik Nordvig, CEO of Tpack. "I am encouraged to see our group of investors acknowledge that we provide a unique value proposition. Further, the technical alliance gives us the opportunity to prove the levels of efficiency that Tpack solutions induce. I extend a warm welcome to our new business partners and we look forward to future cooperation."

"As an investor, we see a significant and sustainable opportunity for Tpack with a business focus of optimizing bandwidth and installed system utilization," says Jørgen Høg, CTO for one of the investment firms. "We have tracked their progress for the last 8 months and find Tpack not only has well founded ideas, but also has a team focused upon one thing – execution."

Proceeds from the funding will be used to fund development, working capital and marketing activities. The company is now well funded to complete initial product development, upcoming customer trials, technical certifications and commercial delivery of initial product families.

About Tpack

Tpack is enabling intelligent data services in existing and new SDH / Sonet equipment. This new class of infrastructure solution provides IP / Ethernet services in the transport network and everything is based upon standards such as MPLS, GMPLS, LCAS and Virtual concatenation. Tpack architecture enables carriers to remove complexity, reduce costs and increase efficiency.

The Tpack team has a unique combination of experience and expertise in networking solutions from Hardware, ASIC, Software and Management perspectives. Per Flemming Hansen (CTO), Kim Gormsen (CIO), Søren Hansen (CFO) and Henrik Nordvig (CEO) founded the company in August 2001. Today Tpack is staffed by 20 people from companies such as Siemens, Intel, IBM, MIPS Technologies and Tellabs.

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About ACR Capital / Slottsbacken

ACR Capital manages the Slottsbacken Funds. With offices located in Denmark, Finland and Sweden, ACR Capital is actively investing 100 Million EUR, which has been committed through several institutional investors in the Nordic Region for Slottsbacken Fund II.

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About InnFond

InnFond P/S is an early stage / seed capital investment fund with the purpose of investing in new, innovative and technology oriented Danish companies which are positioned in growth markets. The aim of InnFond is to assist the business to develop both financially and operationally to a point at which it becomes a suitable prospect for subsequent rounds of venture capital investment.

The capital base is DKK 300 million contributed by the Danish Growth Fund (Vækstfonden) and NOVI A/S.

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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 mobile data communication. Business opportunities are identified both through Olicom's internal research and through the solicitation of ventures with start-up companies. Once Olicom decides to invest, the new companies are offered seed and venture financing and access to Olicom's established business network and infrastructure. (OTC Bulletin Board: OLCMF)

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About Tellabs

Tellabs provides innovative bandwidth management solutions to help carriers around the world move communication most efficiently and effectively. The world communicates through Tellabs – most telephone calls and Internet sessions in several countries, including the United States, flow through the company's equipment. Tellabs employee-owners develop and deploy solutions that provide aggregation, grooming and business services in metro/regional networks in more than 100 countries. (NASDAQ: TLAB)

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