

TANDBERG Reports First Quarter 2007 Results

Revenue of 128.5 MUSD and Operating Profit of 29.2 MUSD in 1Q07

OSLO and NEW YORK, April 19, 2007 – TANDBERG® (OSLO: TAA.OL), today announced financial results for the first quarter ended March 31, 2007.

Overview of 1Q07:

- Revenue of 128.5 MUSD with volume of 12,866 units
- Pre-tax profit of 29.5 MUSD
- Operating expenses reflect investments in strategic initiatives
- Cash flow from operations of 9.9 MUSD (after non-recurring \$12mn cash settlement costs)
- Business priorities for 2007 defined and communicated

FINANCIALS

First quarter revenues were at 128.5 MUSD compared with 82.7 MUSD in the same quarter last year. Gross margin for the quarter was 67.2%, compared with 69.1% in the same quarter last year. Selling, general & administrative (SG&A) expenses for 1Q07 totaled 51.6 MUSD, compared with 36.2 MUSD in the same quarter last year. Operating profit was 29.2 MUSD compared with 17.7 MUSD in the same quarter last year. Earnings per share (after tax) were 0.195 USD in 1Q07 compared with 0.113 USD in the same quarter last year.

The Company generated cash flow from operations of 9.9 MUSD in the quarter, inclusive of non-recurring settlement costs and the impact of taxes and changes in working capital amounting to 30.5 MUSD. Investments amounted to 9.1 MUSD and the net repurchase of shares amounted to 9.8 MUSD, resulting in a total cash outflow of 9.1 MUSD. As of March 31, the Company had a cash balance of 140.3 MUSD and an equity ratio of 61.9%.

OPERATIONS

Discussing first quarter results, Fredrik Halvorsen, Chief Executive Officer, stated, "The market drivers and solid execution enabling TANDBERG's growth in the second half of 2006 continued into 2007. In addition, the industry continued its rapid movement towards converged IP communications, with video becoming an integral part of a total communication solution.

To capitalize on this momentum, TANDBERG will continue to step up investment in R&D, marketing, sales and operations. The Company also announced targeted strategic initiatives to drive a distinct position within the changing competitive landscape.

While inventory levels increased, continued tight working capital management is evident from the balance sheet as DSO reached a low of 60.2 days.

MARKETS

In 1Q07, TANDBERG sold 12,866 units compared with 8,124 units in the same quarter last year, a 58.4% increase.

AMERICAS

Revenue in the Americas Theatre during 1Q07 totaled 65.9 MUSD compared with 42.9 MUSD the same quarter last year, with continued strong sales performance and pipeline development. The Theatre experienced balanced growth and consistent execution across the Enterprise sector, especially in Canada and the Pacific Northwest.

The Americas team experienced solid traction with the end-to-end solution, which now includes Experia, TANDBERG's telepresence offering, and Movi, the Company's PC video solution which is being trialed with customers. New Executive Briefing Centers showcasing the solutions, and the TANDBERG 1700 MXP, the only High Definition executive desktop system on the market, have been very well received by customers.

Enterprise channel development remains a key focus for the Americas, and a new VP of Channels was hired in the first quarter.

EMEA

Revenue in EMEA during 1Q07 totaled 49.8 MUSD, compared with 31.7 MUSD in the same quarter last year. All regions performed well in the Theatre, particularly Northern Europe and the UK.

The EMEA team is experiencing good traction in developing large accounts, and in leveraging a usage and adoption program to assist existing customers in driving business benefits.

Strengthening the channel delivery model for total solution sales continues to be a key area of focus. A new head of Channels was appointed during the quarter to lead this initiative.

ASIA PACIFIC

Revenue in APAC during 1Q07 totaled 12.7 MUSD, compared with 8.1 MUSD in the same quarter last year. South Asia and Australia continued to show traction while North Asia is performing at expectation, but still below potential.

In North Asia, predominantly in China and Japan, the focus remains on building the organization. The Company continues to invest in the region.

STRATEGIC INITIATIVES

IP communication is now being rapidly embraced, driving convergence of voice, video, and desktop collaboration. To establish a distinct position in this market, TANDBERG will provide a Natural Communication experience to customers, enabling customers to engage in every interaction as though it were an intimate, face-to-face discussion.

To deliver on Natural Communication, the Company will develop technology and partner to offer a total solution for video-centric converged IP communication that focuses on seamless interoperability, utility-like reliability, scalability and ease of use.

TANDBERG has laid out the following priorities for 2007:

- **Sustain strong operating fundamentals.** The Company will uphold consistent behaviour in the field to maintain long-term/short-term balance.
- **Address areas of opportunity in the core business in 2007**, expanding at the high-end with telepresence, driving our global accounts business, and growing business in Asia.
- **Invest aggressively to capture the converged IP communication opportunity.** In the area of technology development and innovation, the Company will build video-centric solutions and provide visual communication for voice- and desktop-centric applications for converged IP communication. In marketing, TANDBERG will establish a distinct position in the IP communication market. And TANDBERG will build competence and capabilities in its service delivery model and among its channel partners, sales force and the broader organization.

WEBCAST/CONFERENCE CALL DETAILS

Today at 5:00 pm Central European Time or 11:00 am Eastern Time, Fredrik Halvorsen, Chief Executive Officer, will host a live webcast/conference call from Oslo, Norway. Additionally, a PowerPoint presentation will accompany the webcast/conference call. To access the webcast, please visit:

<https://tandbergevents.webex.com>

For those who prefer to dial-in, the conference call can be accessed at +1.617.614.3680 (international) or at +1.800.203.2706 (U.S. callers). The audience passcode for the call is TANDBERG. An online archive of the broadcast will be available within one business day.

OSLO and NEW YORK, April 19, 2007

The Board of Directors of TANDBERG asa

Jan Chr. Opsahl (sign.)
Chairman

Fredrik Halvorsen (sign.)
Chief Executive Officer

For further information please contact Senior Vice President of Operations Terje Rogne, ph. + 47 98 28 98 02.

Second quarter results will be released on July 11, 2007.

TANDBERG GROUP, JANUARY - MARCH 2007 (IFRS - non audited figures)

PROFIT AND LOSS	JAN - MAR		JAN - DEC
	2007	2006	2006
Figures in USD million			
Operating revenues	128.5	82.7	419.7
Cost of goods	42.2	25.6	136.9
Operating expenses	51.6	36.2	185.2
Depreciation	5.5	3.2	15.7
Operating profit	29.2	17.7	81.8
Net financial items	0.2	1.4	4.3
Profit before tax	29.5	19.1	86.2
Estimated tax*	8.3	5.4	25.1
Profit after estimated tax	21.2	13.8	61.1

* Estimated tax for quarterly results is 28%

SEGMENT INFORMATION

JAN - MAR 2007

Figures in USD million	Americas	EMEA	APAC	Products	Unallocated/ Eliminations	Total
Operating revenues						
Endpoints	49.3	38.7	8.6	-	-	96.6
Network	7.8	5.0	2.2	-	-	15.1
VAS	8.7	6.1	1.9	-	-	16.7
Total	65.9	49.8	12.7	87.6	(87.6)	128.5
Operating profit	3.3	6.0	(0.7)	27.1	(6.4)	29.2

JAN - MAR 2006

Figures in USD million	Americas	EMEA	APAC	Products	Unallocated/ Eliminations	Total
Operating revenues						
Endpoints	31.6	24.5	5.9	-	-	61.9
Network	5.0	3.1	1.1	-	-	9.2
VAS	6.4	4.2	1.0	-	-	11.6
Total	42.9	31.7	8.1	47.2	(47.2)	82.7
Operating profit	2.9	0.7	(0.2)	16.2	(2.0)	17.7

JAN - DEC 2006

Figures in USD million	Americas	EMEA	APAC	Products	Unallocated/ Eliminations	Total
Operating revenues						
Endpoints	164.6	113.4	27.9	-	-	305.9
Network	33.4	17.0	5.3	-	-	55.7
VAS	31.1	21.9	5.1	-	-	58.1
Total	229.1	152.3	38.3	265.9	(265.9)	419.7
Operating profit	15.7	11.5	(1.0)	81.4	(25.7)	81.8

QUARTERLY RESULTS	2006				2006	2007
	Q1	Q2	Q3	Q4*		Q1
Operating revenues (USD million)	82.7	96.5	109.6	130.8	419.7	128.5
Operating profit (USD million)	17.7	20.7	24.9	31.5	81.8	29.2
Operating margin (%)	21.4	21.5	22.7	24.1	19.5	22.8
Pre-tax profit margin (%)	23.1	22.2	24.0	24.9	20.5	22.9
EPS after tax (USD)	0.113	0.128	0.164	0.214	0.524	0.195
EPS after dilution (USD)	0.113	0.128	0.163	0.211	0.517	0.193

*Excludes non-recurring item of MUSD 13.1

BALANCE SHEET	31 MAR		31 DEC
	2007	2006	2006
Figures in USD million			
Non-current assets			
Intangible assets			
Goodwill, patents and development	86.9	73.5	84.9
Deferred income tax assets	11.4	3.4	10.5
Tangible assets	12.4	5.4	10.7
Financial assets	-	-	-
Current assets			
Inventory	41.3	30.7	29.6
Accounts receivable	85.9	71.4	90.8
Other current assets	10.2	7.5	8.2
Cash and bank deposits	140.3	197.5	149.6
Total assets	388.5	389.3	384.3
Equity			
Share capital	13.4	15.6	13.4
Treasury shares	(2.0)	(2.0)	(1.9)
Share premium	29.1	98.0	28.9
Other equity	200.0	173.4	186.5
Non-current liabilities	1.0	-	0.8
Current liabilities			
Accounts payable	32.4	21.0	31.4
Tax deductions and duties payable	(1.6)	(0.9)	0.6
Taxes payable	26.5	15.3	29.2
Other current liabilities	89.6	69.0	95.4
Total equity and liabilities	388.5	389.3	384.3

CHANGES IN EQUITY	JAN - MAR		JAN - DEC
	2007	2006	2006
Figures in USD million			
Equity as of 1 January	227.0	295.7	295.7
Treasury shares (net)	(9.9)	(13.6)	(130.2)
Dividend	-	(12.1)	(12.2)
Profit after est. tax year-to-date	21.2	13.8	61.1
Share-based payments	2.7	-	5.4
Translation differences	(0.4)	1.2	7.5
Equity as of end of period	240.5	285.0	227.0

CASH FLOW ANALYSIS

JAN - MAR

Figures in USD million	2007	2006
Cash flow from operations		
Profit before tax	29.5	19.1
Taxes paid	(12.8)	(5.9)
Ordinary depreciation/ amortization	2.0	1.3
Amortization of capitalized development	3.5	1.9
Share-based incentive program	2.7	-
Change in receivables/ payables/ inventories	(5.8)	1.9
Non-recurring settlement costs	(12.0)	-
Change in other accounts	2.4	(3.4)
Effect of changes in exchange rates	0.5	(0.5)
Net cash flow from operations	9.9	14.5
Cash flow from investments		
Investments in tangible/ intangible assets	(3.6)	(1.5)
Capitalized development	(5.5)	(4.5)
Net cash flow from investments	(9.1)	(6.0)
Cash flow from financing		
Proceeds from sale of treasury shares	0.1	-
Repurchase of shares	(9.9)	(13.6)
Dividend paid	-	-
Net cash flow from financing	(9.8)	(13.6)
Net change in liquid assets during the period	(9.1)	(5.1)
Liquid assets opening balance	149.6	202.8
Effect of exchange rate on cash	(0.1)	(0.2)
Liquid assets at end of period	140.3	197.5

FINANCIAL STATEMENTS - BASIS FOR PREPARATION

The enclosed consolidated condensed financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting".

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the financial statements are consistent with the policies used in the annual financial statements for the year ended December 31, 2006. The enclosed consolidated condensed financial statements should be read in conjunction with the 2006 annual financial statements, which include a full description of the Group's accounting policies.

ABOUT TANDBERG

TANDBERG is a leading global provider of visual communication products and services. The Company has dual headquarters in New York and Oslo. TANDBERG designs, develops and markets systems and software for video, voice and data communication. The Company provides sales, support and value-added services in more than 90 countries worldwide. TANDBERG is publicly traded on the Oslo Stock Exchange under the ticker TAA.OL. Please visit www.tandberg.com for more information.

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