

TANDBERG Reports First Quarter 2008 Results

Revenue of 178.1 MUSD and Operating Profit of 37.4 MUSD in 1Q08

OSLO and NEW YORK, April 17, 2008 – TANDBERG® (OSLO: TAA.OL), today announced unaudited financial results for the first quarter ended March 31, 2008.

Overview of 1Q08:

- **Revenue of 178.1 MUSD with volume of 15,077 units**
- **Operating profit of 37.4 MUSD and pre-tax profit of 34.7 MUSD**
- **Cash flow from operations of 23.7 MUSD**

FINANCIALS

First quarter revenues were 178.1 MUSD compared with 128.5 MUSD in the same quarter last year, representing 38.7% year-over-year growth. Gross margin for the quarter was 65.6%, compared with 67.2% in the same quarter last year. Selling, general & administrative (SG&A) expenses for 1Q08 totaled 69.8 MUSD, compared with 51.6 MUSD in the same quarter last year. Operating profit was 37.4 MUSD compared with 29.2 MUSD in the same quarter last year. Earnings per share (after tax) were 0.221 USD in 1Q08 compared with 0.195 USD in the same quarter last year.

The Company generated cash flow from operations of 23.7 MUSD in the quarter which after a net cash outflow from investments and financing of 49.1 MUSD, gave a total cash outflow of 25.4 MUSD. As of March 31, the Company had a cash balance of 59.6 MUSD and an equity ratio of 66.4%.

OPERATIONS

Reviewing first quarter results, Fredrik Halvorsen, Chief Executive Officer, stated, “Our customers report that video is moving from a nice-to-have to an essential tool for transforming their businesses. In addition, our alliance partners recognize the value of integrating TANDBERG video into their unified communications platforms. The Company’s solid performance in the first quarter reflects this increasing importance of video communication for our customers and our strategic partners.

“In the quarter, TANDBERG delivered interoperability with Microsoft Office Communications Server 2007, enabling users of Microsoft Office Communicator 2007 to seamlessly connect face-to-face with other team members that use TANDBERG room-based video and telepresence systems. The Company also announced development of the first high-

definition webcam for Microsoft, enabling high-definition mass adoption of video, and licensed the Microsoft RT Video codec and Microsoft RT Audio codec. In addition, Nortel and TANDBERG announced joint delivery of fully-managed telepresence and high-definition (HD) videoconferencing solutions to enterprises worldwide.

“The Codian acquisition significantly strengthened the total solution and credibility within the infrastructure space. The integration of the two organizations has been a success and is progressing ahead of plan.”

MARKETS

In 1Q08, TANDBERG sold 15,077 units compared with 12,866 units in the same quarter last year, a 17.2% increase. The Company experienced significant growth of 56% in EMEA, and noted 22% growth in the Americas.

AMERICAS

Revenue in the Americas during 1Q08 totaled 80.4 MUSD compared with 65.9 MUSD the same quarter last year. Regional and vertical diversification enabled a steady performance. Canada performed well, while Latin America executed below target. Select global accounts showed countercyclical behavior in the quarter.

The Theatre saw continued traction in value-based selling, and customers responded favourably to interoperability with Microsoft OCS. Green initiatives are gaining traction across the Americas' client base.

The Americas team will continue to focus on selling infrastructure solutions and to execute on new channel programs. In preparing for 2H08, the Theatre will continue to ramp up the Federal sales and channel team.

EMEA

Revenue in EMEA during 1Q08 totaled 77.7 MUSD, compared with 49.8 MUSD in the same quarter last year. The Theatre executed well across all regions, with particularly strong performance in Spain, Benelux and the Nordic region.

The EMEA Channels team showed steady progress in developing Systems Integrator and Service Provider partners. A new and more scalable organization, including a strengthened management team, provides a good foundation for continued growth.

The Theatre is continuing to build out the team and expand geographically, and will focus on Channels execution to drive sales of infrastructure products.

ASIA PACIFIC

Revenue in APAC during 1Q08 totaled 20.0 MUSD, compared with 12.7 MUSD in the same quarter last year. The current performance in APAC reflects investment in the region. A new set of investment in channels and organization is needed for growth and sustainability. South Asia continued its strong performance, concluding the quarter with a successful technology office opening in India.

STRATEGIC INITIATIVES

TANDBERG is establishing a distinct position as a provider of high-definition video and telepresence. Within the expanding unified communications market, IP telephony, service provider and software players are looking to video as a key new offering for their customers.

To leverage this market opportunity, TANDBERG has laid out the following priorities for 2008:

- 1) *Capture the market expansion* by developing global services capabilities, executing on our channel strategy and investing in productivity-based selling and marketing;
- 2) *Deepen Strategic Partnerships* through advancing the strategies of VOIP players, continuing to lead in seamless Microsoft integration, and developing a credible service provider partnering proposition;
- 3) *Enable True Unified Communications* through leadership in scalable, robust infrastructure, improving ease of use, and developing telepresence grade network solutions.

OSLO and NEW YORK, April 17, 2008

The Board of Directors of TANDBERG asa

Jan Chr. Opsahl (sign.)
Chairman

Fredrik Halvorsen (sign.)
Chief Executive Officer

WEBCAST/CONFERENCE CALL DETAILS

Today at 5:00 pm Central European Time and 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 +1.617.614.2715 (international), +1.800.659.2090 (U.S. callers) and 0808.234.7616 (U.K. callers). The audience passcode for the call is TANDBERG. An online archive of the broadcast will be available within one business day.

For further information please contact Elin Nokleby, ph. + 47 98 28 98 04.

Second quarter results will be presented on July 14, 2008 at 5:00 pm CET / 11:00 am ET

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, 2007. The enclosed consolidated condensed financial statements should be read in conjunction with the 2007 annual financial statements, which include a full description of the Group's accounting policies.

ABOUT TANDBERG

TANDBERG is a leading provider of telepresence, high-definition videoconferencing and mobile video 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.

TANDBERG is a registered trademark or trademark in the U.S. and certain other countries. All other trademarks are property of their respective owners.

TANDBERG GROUP, JANUARY - MARCH 2008 (IFRS - non audited figures)

PROFIT AND LOSS	JAN - MAR		JAN - DEC
	2008	2007	2007
Figures in USD million			
Operating revenues	178.1	128.5	630.5
Cost of goods sold	61.3	42.2	211.7
Operating expenses	69.8	51.6	245.7
Depreciation	9.6	5.5	27.0
Operating profit	37.4	29.2	146.1
Net financial items	(2.7)	0.2	(4.1)
Profit before tax	34.7	29.5	142.0
Tax*	9.7	8.3	39.6
Profit after tax	25.0	21.2	102.4

* Estimated tax for quarterly results is 28%

QUARTERLY RESULTS	2007				2007	2008
	Q1	Q2	Q3	Q4		Q1
Operating revenues (USD million)	128.5	143.8	165.3	192.9	630.5	178.1
Operating profit (USD million)	29.2	33.3	38.7	44.9	146.1	37.4
Operating margin (%)	22.8	23.2	23.4	23.3	23.2	21.0
Pre-tax profit margin (%)	22.9	22.4	20.0	24.3	22.5	19.5
EPS after tax (USD)	0.195	0.213	0.218	0.297	0.930	0.221
EPS after dilution (USD)	0.193	0.210	0.215	0.294	0.918	0.219

SEGMENT INFORMATION**JAN - MAR 2008**

Figures in USD million	Americas	EMEA	APAC	Products	Unallocated/ Eliminations	Total
Operating revenues						
Endpoints	56.8	55.2	11.6	-	-	123.5
Network	11.4	12.4	5.4	-	-	29.1
VAS	12.2	10.2	3.1	-	-	25.5
Total	80.4	77.7	20.0	110.2	(110.2)	178.1
Operating profit	1.7	10.1	(0.1)	30.7	(5.0)	37.4

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 - DEC 2007

Figures in USD million	Americas	EMEA	APAC	Products	Unallocated/ Eliminations	Total
Operating revenues						
Endpoints	235.9	177.0	48.4	-	-	461.3
Network	43.1	33.2	9.2	-	-	85.5
VAS	43.3	31.0	9.4	-	-	83.7
Total	322.3	241.2	67.0	390.8	(390.8)	630.5
Operating profit	21.0	27.5	1.1	123.1	(26.6)	146.1

BALANCE SHEET	31 MAR		31 DEC
Figures in USD million	2008	2007	2007
ASSETS			
<i>Non-current assets</i>			
Intangible assets			
Goodwill, patents and development	386.2	86.9	385.0
Deferred income tax assets	6.1	11.4	7.1
Tangible assets	20.8	12.4	20.0
Financial assets	-	-	-
<i>Total non-current assets</i>	413.1	110.7	412.1
<i>Current assets</i>			
Inventory	52.7	41.3	45.6
Accounts receivable	125.8	85.9	124.0
Other current assets	14.8	10.2	10.2
Cash and bank deposits	59.6	140.3	85.2
<i>Total current assets</i>	252.9	277.8	265.0
TOTAL ASSETS	666.0	388.5	677.1
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	12.3	13.4	12.3
Treasury shares	(0.3)	(2.0)	-
Share premium	144.0	29.1	142.1
Other equity	286.2	200.0	280.7
<i>Total equity</i>	442.2	240.5	435.1
<i>Non-current liabilities</i>			
Non-current liabilities	22.0	1.0	21.7
<i>Total non-current liabilities</i>	22.0	1.0	21.7
<i>Current liabilities</i>			
Accounts payable	46.7	32.4	44.0
Tax deductions and duties payable	(0.5)	(1.6)	(0.7)
Taxes payable	22.8	26.5	30.3
Other current liabilities	132.8	89.6	146.7
<i>Total current liabilities</i>	201.8	147.0	220.3
TOTAL EQUITY AND LIABILITIES	666.0	388.5	677.1
CHANGES IN EQUITY	JAN - MAR		JAN - DEC
Figures in USD million	2008	2007	2007
Equity as of 1 January	435.1	227.0	227.0
Repurchase of shares (net)	(21.5)	(9.9)	(9.9)
Dividend	-	-	(14.6)
Proceeds from share issue	-	0.1	114.1
Profit after tax	25.0	21.2	102.4
Share-based payments	1.0	2.7	9.1
Currency translation differences	2.6	(0.5)	7.0
Equity as of end of period	442.2	240.5	435.1

CASH FLOW ANALYSIS**JAN - MAR**

Figures in USD million

2008**2007****Cash flow from operations**

Profit before tax	34.7	29.5
Taxes paid	(18.7)	(12.8)
Ordinary depreciation/ amortization	3.8	2.0
Amortization of capitalized development	5.8	3.5
Share-based incentive program	1.5	2.7
Change in receivables/ payables/ inventories	(6.2)	(5.8)
Non-recurring settlement costs	-	(12.0)
Change in other accounts	(0.6)	2.4
Effect of changes in exchange rates	3.4	0.5
Net cash flow from operations	23.7	9.9

Cash flow from investments

Investments in tangible/ intangible assets	(2.5)	(3.6)
Capitalized development	(7.4)	(5.5)
Investments in subsidiaries	(17.8)	-
Net cash flow from investments	(27.7)	(9.1)

Cash flow from financing

Proceeds from share issue	-	0.1
Repurchase of shares	(21.4)	(9.9)
Dividend paid	-	-
Net cash flow from financing	(21.4)	(9.8)

Net change in liquid assets during the period

Net change in liquid assets during the period	(25.4)	(9.1)
Liquid assets opening balance	85.2	149.6
Effect of exchange rate on cash	(0.2)	(0.1)
Liquid assets at end of period	59.6	140.3