

# TANDBERG INDUSTRY PROFILE

## TANDBERG

See: **possibilities**



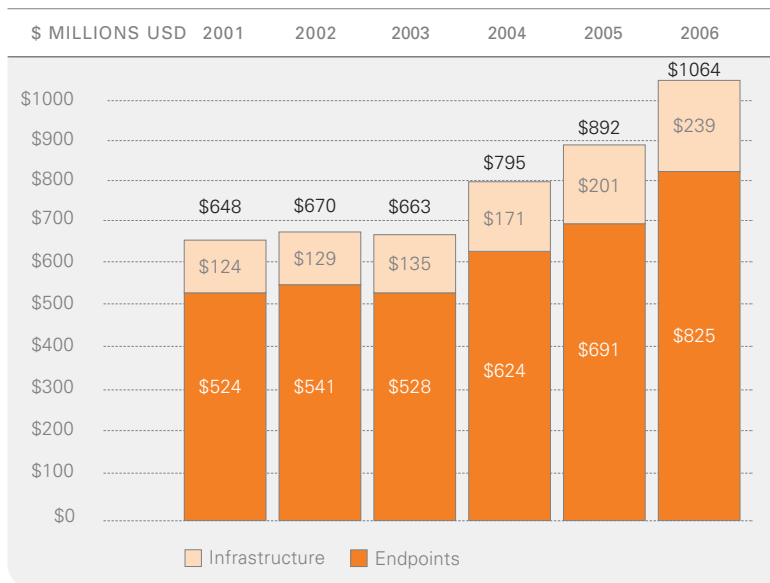
See: **performance**

TANDBERG operates in several areas within the visual communication industry as it is currently defined: Videoconferencing Endpoints (including systems used in meeting rooms, industry applications, and on personal desktops), and Infrastructure Products (Bridges, Gateways, Gatekeepers and Management Tools).

### OVERALL MARKET SIZE AND GROWTH

The total market size for the global video videoconferencing market in 2006 was \$1.06 billion. The compound annual growth rate for the period 2003 to 2006 is 17% for the market overall, 16% for endpoints and 21% for infrastructure.

### Global Videoconferencing Market Size History



### VIDEOCONFERENCING ENDPOINTS

The endpoint market had worldwide shipments of approximately 166,000 units in 2006, representing growth of 20% over the number of units sold in 2005. In terms of revenue, the global market reached \$825 million, a 19% increase over the previous year. TANDBERG's share of this market in 2006 was 37%. By Q4 2006, TANDBERG had become the market share leader in the global endpoint market, with 40% market share.

The largest region for endpoint sales is currently North America, with this region accounting for 42% of revenue. Europe, Middle East & Africa (EMEA) is the second largest region in terms of revenue, accounting for 29%, followed by Asia Pacific (APAC), with 26%. The remainder of the market is accounted for by the rest of the world (3%). The endpoint market is forecasted to reach a total of \$1.1 billion in 2009, with 275,000 units sold worldwide.

### INFRASTRUCTURE PRODUCTS

The infrastructure segment represented \$239 million worldwide in 2006 and is forecasted to grow to \$519 million by 2010. TANDBERG's share of the infrastructure market is currently 23%.

Within the infrastructure products market, Gateways and Bridges (also known as Multipoint Control Units) are dominant. They accounted for 74% of worldwide revenue within the infrastructure segment in 2006. The remainder of this market represented Gatekeepers, Management Software, and Streaming Solutions.

In 2006, North America accounted for 47%, EMEA 24% and APAC 27% of all infrastructure revenue generated.

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Sources: Wainhouse Research, Frost & Sullivan