



TANDBERG CUSTOMER PROFILE

Mittal Steel South Africa



Africa's largest steelmaking company uses video communication to link distant plants

- **CLIENT:** The largest steel producer in Africa, with 11,400 employees; part of the world's largest steel company, whose annual revenues exceed \$22 billion
- **ACTION:** Installed seven TANDBERG video communication systems, including six set-top TANDBERG 880 units and a high-bandwidth TANDBERG 6000 as well as the TANDBERG Multipoint Control Unit and the TANDBERG Management Suite
- **RESULT:** Less travel, enhanced productivity and improved collaboration among four major steelmaking plants across South Africa

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CHRISTO MASWATTIE, MITTAL SOUTH AFRICA

SEEING STEEL'S FUTURE

The steel industry is undergoing rapid consolidation. International mergers and acquisitions as well as improved coordination within steel groups have produced efficiencies of scale crucial to keeping the industry healthy. The prime example is Mittal Steel Co. N.V. It has become the world's largest steel producer through a series of daring acquisitions, including a major one in South Africa.

When Mittal began its investment in four South African steel plants, it insisted that they cut costs, modernize production and improve steel quality. Since gaining majority control in 2004, Mittal has operated the South African plants as a single business called Mittal South Africa and boosted annual output to more than 7 million tons. The success can be attributed in part to increased collaboration among the four distant steelmaking sites -- a collaboration underpinned by TANDBERG video communication systems.

VIDEO COMMUNICATION "ON THE RISE"

"We have adopted a 'one company philosophy,' which aims to break down the barriers between different parts of the business and improve coordination and efficiency," Mittal South Africa explained in a recent strategy presentation.

Communicating openly by video is an important part of the strategy. Managers at the Vanderbijlpark and Saldanha steel mills (both of which make flat-steel products) use versatile TANDBERG 880 video communication systems to share operational tips and coordinate relations with suppliers and customers. The company's long-steel plants at Newcastle and Veeriling are similarly equipped. So is an office in the South African capital of Pretoria. In all, Mittal South Africa has seven video communication systems,



TANDBERG 880 set-top unit

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including a powerful, high-bandwidth TANDBERG 6000 boardroom unit.

"Our video systems are put to use daily, and usage is on the rise," says Christo Maswattie, Senior Infrastructure Specialist at Mittal South Africa. "The managers are very enthusiastic because it helps them be more productive. They travel less and communicate more between the business units."



TANDBERG 6000

THE WORLD LEADER

The operational consolidation of Mittal Steel South Africa is representative of how the parent company rose on the global stage. It began as a single small mill in India in 1971. As the industry struggled in the 1990s, Mittal hit its stride, buying up distressed mills from Mexico to Romania and restructuring them. The company's strict business regimen -- now directed from Rotterdam, the Netherlands, and London, UK -- has become a showcase for the revival of steel's fortunes. With the acquisition of the U.S.-based International Steel Group, Mittal now has steelmaking facilities in 14 countries and sales and marketing offices in 11 more. Its revenues in 2004 exceeded \$22 billion, and it employed some 175,000 people -- 11,400 of them in South Africa.

TIGHTER BONDS, MORE CLARITY

According to Mr. Maswattie, the exact return on the South African company's video investment is hard to calculate. Savings on travel, in any case, are not the whole story. Meeting frequently by video has helped tighten the bonds between far-flung South African managers, he says. Looking one another in the eye has helped avert misunderstandings of the kind that sometimes occur over the telephone, especially during conference calls.

With the TANDBERG Multipoint Control Unit, all seven of Mittal South Africa's video communication sites can be linked for important discussions on the company's future. But most day-to-day meetings are between two points. Managers schedule them using the highly automated TANDBERG Management Suite. This web-based software also enables Mr. Maswattie to keep usage statistics, monitor the network and occasionally provide remote assistance to users.

Mr. Maswattie says the company chose TANDBERG "because of its cost-effective solutions and its good reputation in South Africa."

ABOUT TANDBERG

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

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