

TAA: REVENUE OF 368 MNOK WITH PRETAX PROFIT OF 84 MNOK IN 2Q03**Growing Interest in High-Value Collaborative Communication Solutions,
Despite Challenging Market for IT Spending**

OSLO and NEW YORK, July 9, 2003 – TANDBERG (OSLO: TAA.OL), a global provider of collaborative communication solutions, today announced financial results for the second quarter ended June 30, 2003.

Highlights for the second quarter include:

- **Revenue of NOK 368 million or USD 52.5 million on increased unit volume**
- **Pre-tax profit of NOK 84 million**
- **Maintained gross margins of 66.9%, demonstrating strength of operating model**
- **Strong cash flow generation with NOK 99.3 million net positive cash flow**
- **Company continues to invest in technology advancements and organizational productivity to expand market leadership**
- **Growing interest in collaborative solutions**

Discussing the second quarter results, Andrew Miller, Chief Executive Officer commented:

“The significant improvement in our second quarter results against the backdrop of a difficult market, clearly reflects the strength of TANDBERG’s robust business model. Our continuing focus on investing in sales and R&D to develop leading-edge solutions that meet our customers’ collaborative communications needs will position TANDBERG to benefit from improved order flow as demand for faster and efficient communications systems grows.”

FINANCIAL HIGHLIGHTS

Revenue in the second quarter of 2003 was NOK 367.9 million or USD 52.5 million compared with NOK 443.7 million or USD 54.2 million in the same quarter of 2002. Pre-tax profit was NOK 83.6 million, compared with pre-tax profit of NOK 140.2 million in the second quarter last year. Pre-tax earnings per share were NOK 0.63 compared with NOK 1.09 in the prior year quarter. Increased penetration in the Company’s judicial and manufacturing vertical segments helped to drive revenue growth in the quarter.

Revenues for the first six months totaled NOK 708.8 million and in USD 100.9 million, compared with NOK 850.8 million and in USD 99.9 million in the same period in 2002.

Second quarter gross margin was 66.9%, against 67.5% in the second quarter 2002. The solid gross margin is due in part to TANDBERG’s strong execution of sales opportunities combined with TANDBERG’s superior technology and delivery systems. For the second quarter, average selling prices were approximately NOK 68,100 or USD 9,730.

Selling, general & administrative (SG&A) expenses for the second quarter totaled NOK 168.8 million, compared with NOK 159.4 million in the same quarter last year. TANDBERG continues to invest in the Company’s future to support growing demand for industry-leading communications solutions.

The Company continues to generate strong cash flow, ending the quarter with cash reserves of NOK 1 505.0 million and an equity ratio of 85.3% as of June 30, 2003. Days sales outstanding decreased to 81 days compared to 91 days in first quarter 2003, marking continuous improvement in the Company’s efforts to improve its receivables.

MARKETS

During the quarter, TANDBERG saw continued volume improvement across its geographic markets. In North America and EMEA, customers increasingly focused on improving employee productivity through collaborative communication in a virtual business environment. In Asia, seasonal spending patterns drove revenue growth, compared with the prior quarter.

Revenue in North America amounted NOK 197.4 million (USD 28.2 million), compared with NOK 263.5 million (USD 32.3 million) in the same quarter last year. Compared with 1Q 2003 this represents 11.3%

growth, measured in NOK, reflecting slight increase in enterprise spending and the resumption of seasonal spending late in the quarter by federal market customers whose purchases were initially delayed by the conflict in Iraq.

Revenue in EMEA during the second quarter amounted to NOK 124.8 million compared with NOK 145.3 million in the same quarter last year. The decline reflects a continued challenging economic climate in Europe. The Company's focus on increasing sales to strategic accounts and new application products will positively impact performance in EMEA.

Revenue in Asia amounted to NOK 45.7 million (USD 6.5 million) compared with NOK 34.9 million (USD 4.3 million) in the same quarter last year. Compared with 1Q 2003 the growth was 129%, measured in NOK, reflecting seasonality fluctuations, social and political effects, such as SARS and early stage market adoption of videoconferencing as a productivity tool in Asia.

PARTNERS

To improve offerings to our customers and to open further sales opportunities TANDBERG maintains its commitment to provide interoperable and standard-based solutions through strategic partnerships. During the quarter TANDBERG continued to focus on key new channel partner relationships- IP Video/ Voice partners.

Technology Partnership highlights include:

- * In April, TANDBERG, and WebEx announced a comprehensive service for data, voice and video communication allowing enterprise customers to meet virtually by video, audio or web conferencing service through TANDBERG's videoconferencing platform and WebEx's MediaTone communications network.
- * In May, the Company announced See&Share™, based on technology licensed from SMART Technologies, enabling users to share sensitive presentation material in a secure videoconferencing environment.

PRODUCTS

During the quarter, the Company announced a number of new products and software enhancements across its portfolio of collaborative communications solutions, demonstrating TANDBERG's firm commitment to developing market-leading products and services.

Product highlights include:

- * In April, the Company introduced, the TANDBERG 7000, a more compact version of the TANDBERG 8000, to address growing demand for advanced videoconferencing systems in executive conference rooms.
- * In May, TANDBERG introduced the Tactical product line as a secure and mobile videoconferencing product for military and industrial applications.
- * In June, the Company introduced the TANDBERG Presenter Module, a plug-and-play module that combines the TANDBERG 6000 codec with multimedia tools in a secure conferencing environment. This will provide interactive capabilities within both the Enterprise and the Distance Educational market.

OUTLOOK

For the third quarter the Company expects revenues at the same level as in the second quarter due to quarterly seasonal buying patterns in Europe, offset by an increase in Federal spending in the U.S and a stable enterprise market. The Company maintains an aggressive, long-term view toward the market for collaborative communications solutions and continues to invest in new technology to grow the market and adoption across its vertical segments. The Company has a solid pipeline, and implementation of H.264 (International Telecom Union standard) will have a positive impact on revenue growth in 2004.

OSLO and NEW YORK, July 9, 2003

The Board of Directors of TANDBERG asa

Jan Chr. Opsahl (sign.)
Chairman

Andrew M. Miller (sign)
Chief Executive Officer

TANDBERG GROUP, JANUARY - JUNE 2003 (non audited figures)

PROFIT AND LOSS	APRIL - JUNE			JAN - JUNE			JAN - DEC
	2003	2002	2001	2003	2002	2001	2002
Figures in NOK million							
Operating revenues	367.9	443.7	289.7	708.8	850.8	543.4	1 830.6
Cost of goods	121.9	144.4	101.5	235.3	282.8	196.6	604.4
Operating expenses	168.7	159.4	113.1	321.5	306.4	210.0	652.8
Depreciation	10.8	9.0	8.9	21.7	18.4	17.5	39.4
Operating profit	66.5	130.9	66.2	130.3	243.2	119.3	534.0
Net financial items	17.1	9.3	23.5	40.9	30.1	33.8	38.7
Profit before tax	83.6	140.2	89.7	171.2	273.3	153.1	572.8
Estimated tax	25.1	42.0	26.9	51.4	81.9	45.9	155.3
Profit after estimated tax	58.5	98.2	62.8	119.9	191.4	107.2	417.5

BALANCE SHEET 30 JUNE 31.12

Figures in NOK million	2003	2002	2002
Fixed assets	315.6	311.7	333.4
Inventory	116.0	95.8	118.7
Accounts receivables	330.8	283.7	362.2
Other current assets	1 568.3	1 889.5	1 331.6
Total assets	2 330.7	2 580.7	2 145.9
Equity	1 989.1	2 210.5	1 783.4
Long term debt	-	14.4	-
Short term debt	341.6	355.8	362.5
Total liability and assets	2 330.7	2 580.7	2 145.9

GROUP EQUITY JAN - JUNE

Figures in NOK million	2003
Equity as of 01.01.03	1 783 377
Capital increases in 2003	75 575
Repayment of equity	-
Profit for the year	119 825
Conversion of diff. and miscellaneous	10 318
Equity as of 30.06.03	1 989 095

QUARTERLY RESULTS

Figures in NOK million	2001				2002				2003	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenues	253.6	289.7	319.1	416.6	407.1	443.7	468.4	511.4	341.0	367.9
EBIT	53.1	66.2	75.7	106.5	112.3	130.9	145.2	145.6	63.9	66.5
Pre-tax profit	63.4	89.7	99.7	127.2	133.1	140.2	151.1	148.2	87.7	83.6
Profit margin	25.0%	31.0%	31.2%	30.5%	32.7%	31.5%	32.3%	28.9%	25.7%	22.7%
Pre-tax earnings per share	0.57	0.75	0.80	1.02	1.05	1.09	1.18	1.15	0.68	0.63

TANDBERG GROUP APRIL – JUNE 2003 Figures in NOK 1000 (non audited)

CASH FLOW ANALYSIS

	2Q 2003
Cash flow from operations	
Profit before tax	83.6
Taxes paid	(37.7)
Ordinary depreciation	10.8
Write-down/ loss on shares/ receivables	0.8
(Gain)/loss on sales fixed assets	(0.2)
Change in receivables/ payables/ inventories	27.2
Change in other accounts	17.4
Effect of changes in exchange rates	(4.0)
Net cash flow from operations	97.9
Cash flow from investments	
Proceeds from sales of assets	0.2
Investments in fixed assets	(2.3)
Change in other investments	0
Net cash flow in investments	(2.1)
Cash flow from financing	0
Net change in liquid assets during the quarter	95.8
Liquid assets at 1.4	1 405.7
Effect of exchange rate on cash	3.5
Liquid assets at 30.06	1 505.0

Pro forma figures in USD

PROFIT AND LOSS

	APRIL – JUNE			JAN – JUNE			JAN - DEC
	2003	2002	2001	2003	2002	2001	2002
Operating revenues	52.5	54.2	31.5	100.9	99.9	60.0	231.9
Cost of goods	17.4	17.6	11.1	33.5	33.2	21.7	76.5
Operating expenses	24.0	19.5	12.3	45.7	36.0	23.2	82.6
Depreciation	1.4	1.1	0.9	2.8	2.2	1.9	5.0
Operating profit	9.7	16.0	7.2	18.9	28.5	13.2	67.7

QUARTERLY RESULTS

	2001				2002				2003	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenues	28.5	31.5	35.4	46.8	45.7	54.2	62.3	69.8	48.3	52.5
EBIT	6.0	7.2	8.4	11.5	12.5	16.0	19.3	19.9	9.2	9.7

For further information please contact Chief Financial Officer Terje Rogne, tel. + 47 98 28 98 02

ABOUT TANDBERG

TANDBERG is a leading global provider of collaborative communication solutions. The company designs, develops and manufactures videoconferencing systems and video management software. TANDBERG's Architecture for the Collaborative-Communications Enterprise (ACE) - the industry's first solution architecture that embraces open standards, promotes multi-vendor interoperability, and leverages existing network infrastructure - allows customers to develop strategic, comprehensive and fully integrated Web, voice and video collaborative solutions. The Company provides sales, support and value-added services in more than 90 countries worldwide. With dual headquarters in New York and Norway, the Company has major offices in the United Kingdom, Sweden, Italy, Canada, China and Japan. TANDBERG is publicly traded on the Oslo Stock Exchange under the ticker TAA.