

ERICSSON 

TAKING YOU FORWARD



Henry Sténson

Senior Vice President Communications



Safe Harbor Statement

This presentation contains forward looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business.

Please read our earnings reports and our most recent annual report for a better understanding of these risks and uncertainties.



Carl-Henric Svanberg

President and CEO





Public offer to acquire Tandberg Television

TANDBERG television **TANDBERG** television **TANDBERG** television
television **TANDBERG** television **TANDBERG** television
TANDBERG television **TANDBERG** television **TANDBERG** television

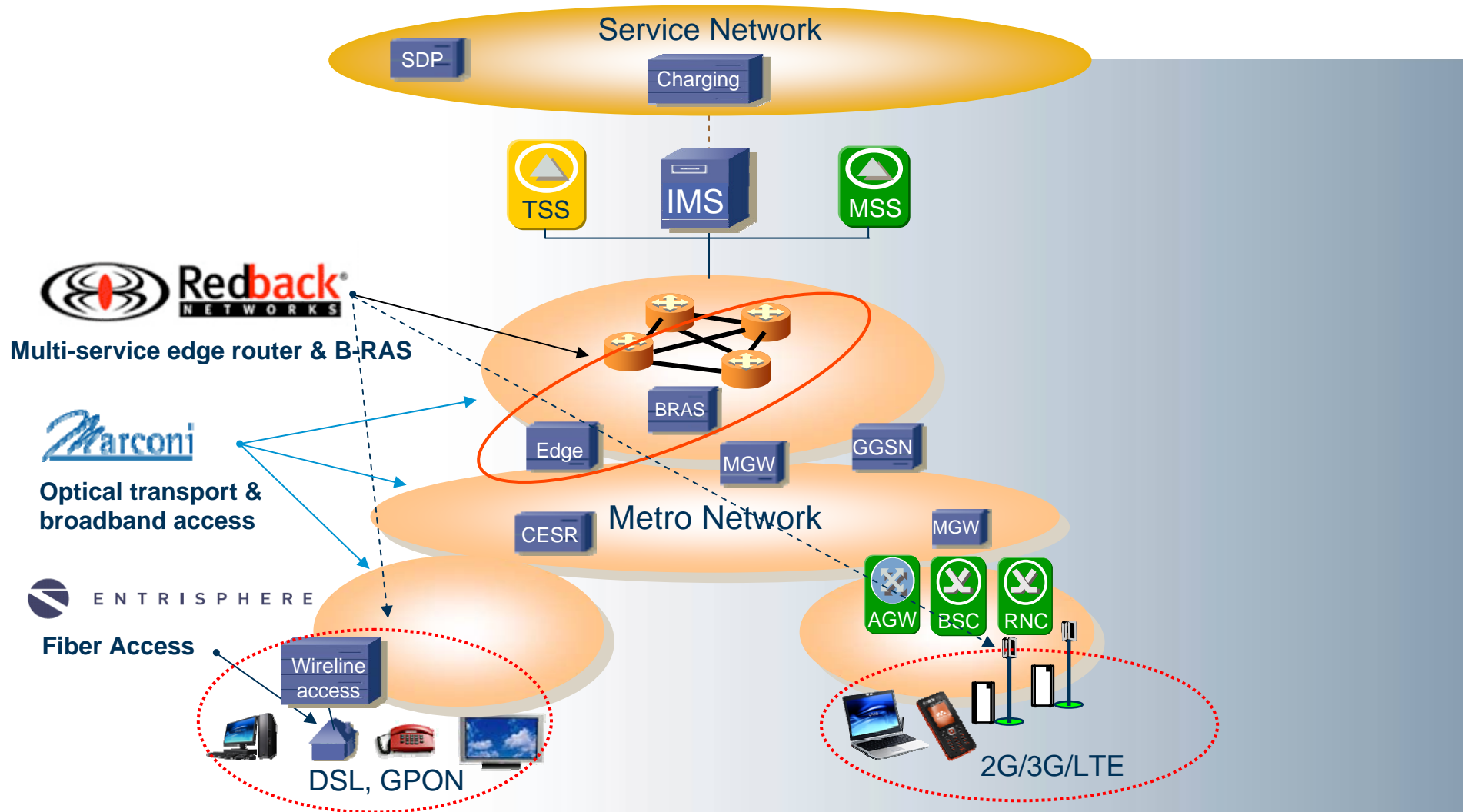
Telecom trends

The build out of mobile and fixed broadband...
and the migration to all-IP in networks and services...
open up a new world of multimedia opportunities

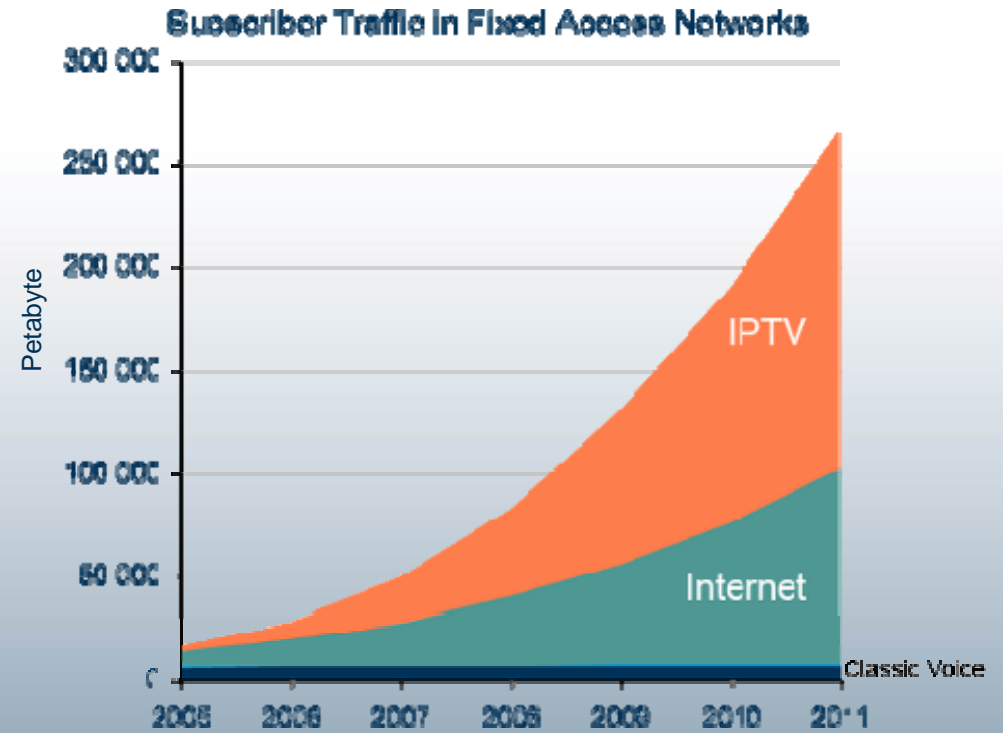
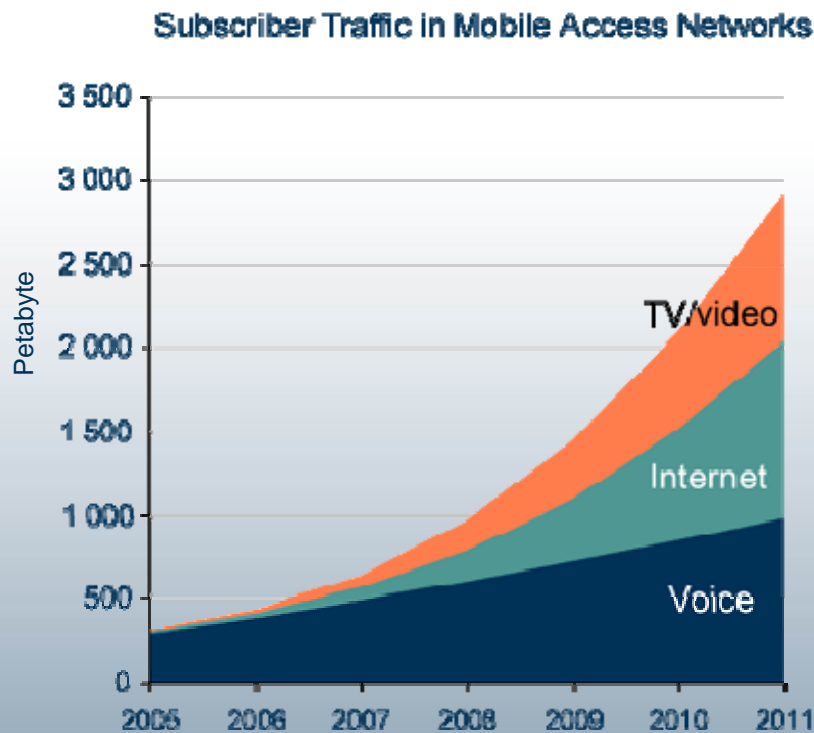


Accelerating multimedia market – increasing network demands

Investing in next generation networks



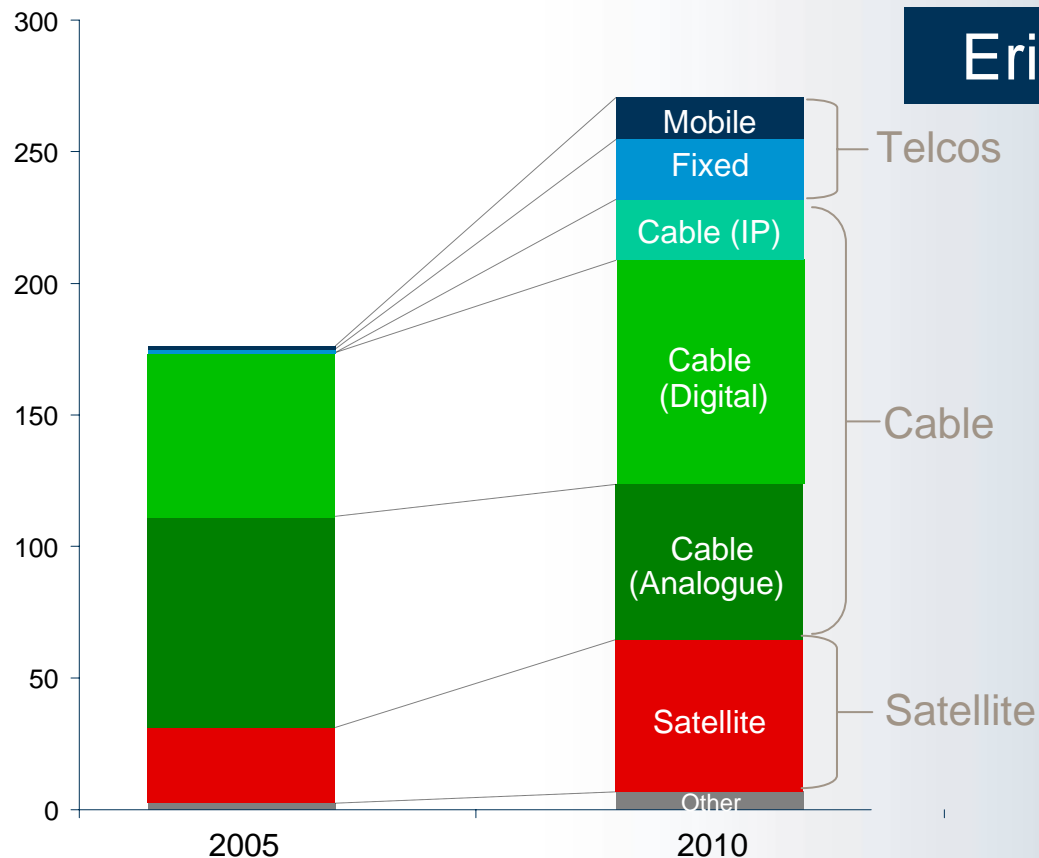
Network traffic growth



Addressing TV critical in networked multimedia

Consumer TV spending (USD b.)

Cable, satellite and telecom operators



Ericsson current market focus



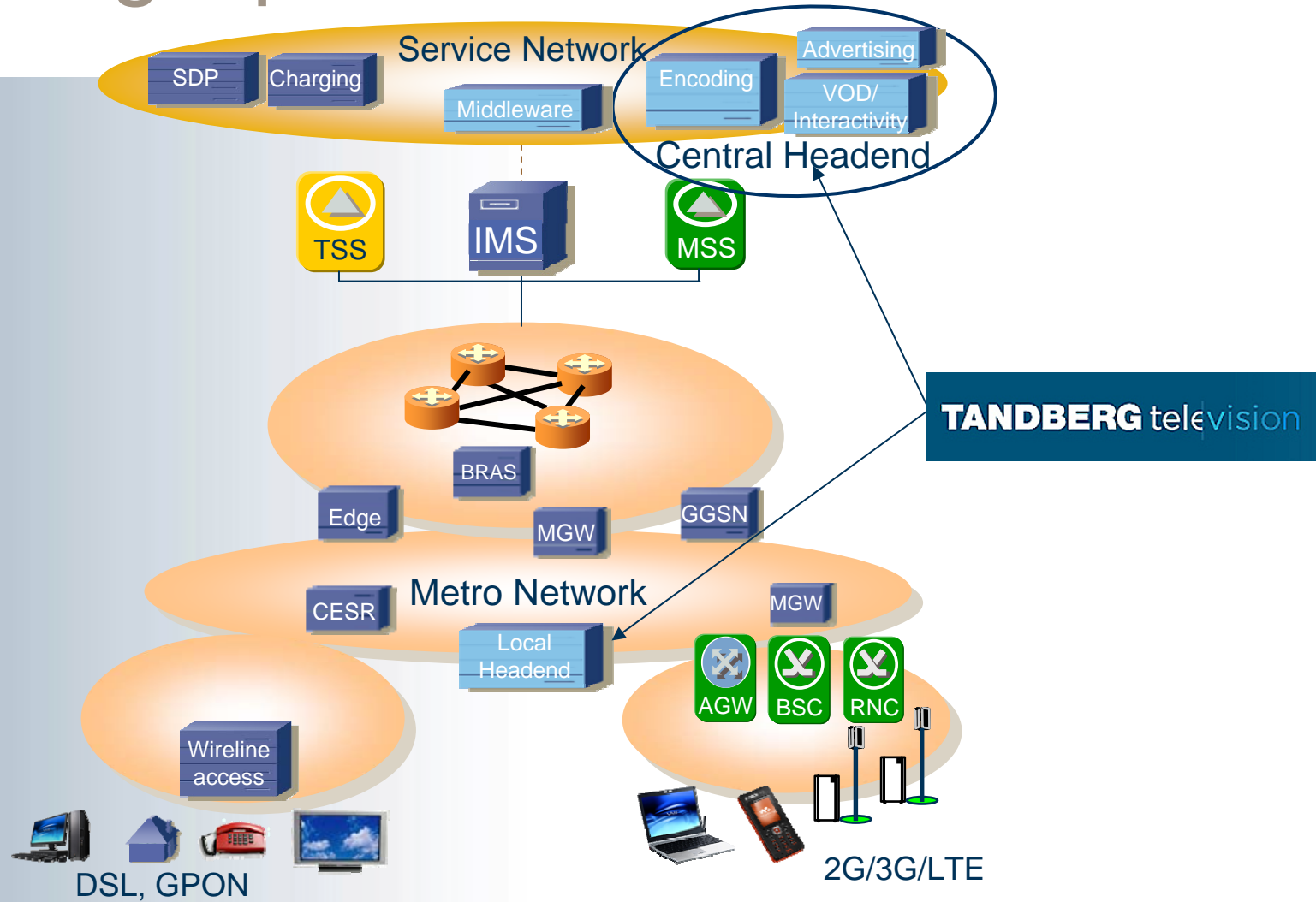
Ericsson wants to address high growth segments by adding:

- TV competence
- Cable operators
- US presence

Large potential to expand market

Source: PWC, Infonetics, Analysis, Pyramid, Ovum, Ericsson

Tandberg's position in the network

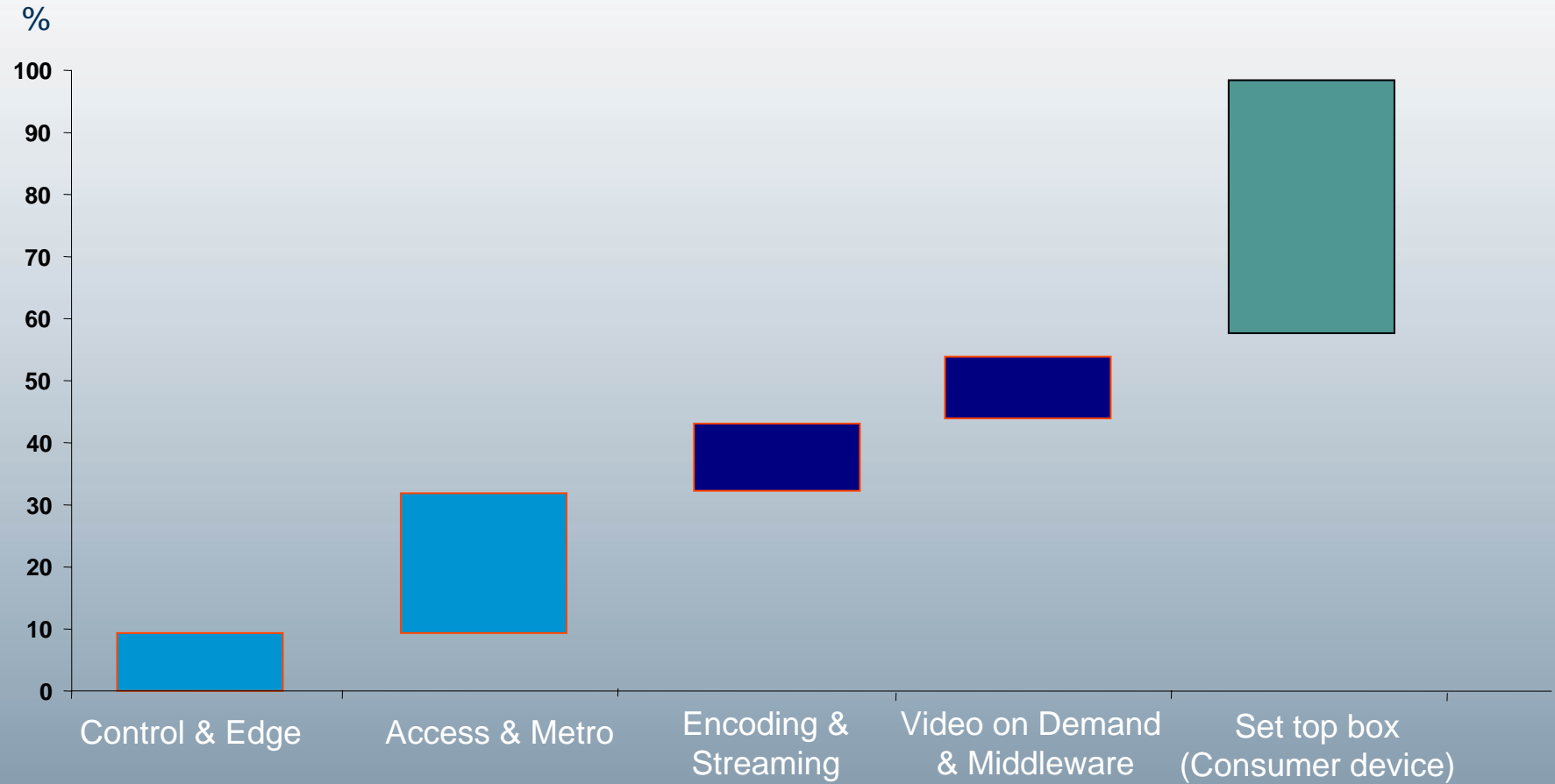


TANDBERG television

Establishes strong position in IPTV and video

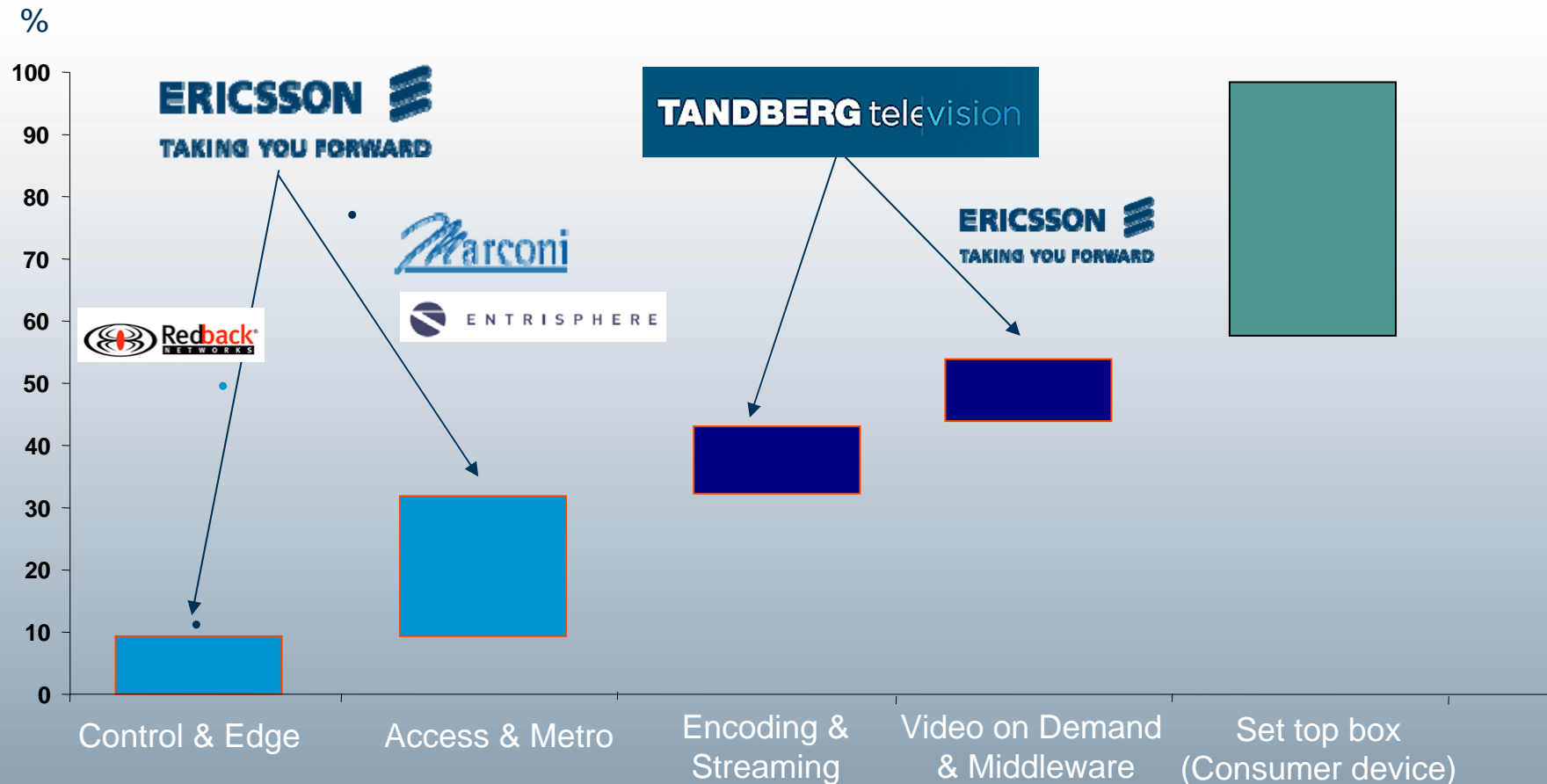
Operator investment for IPTV

Estimated distribution



Operator investment for IPTV

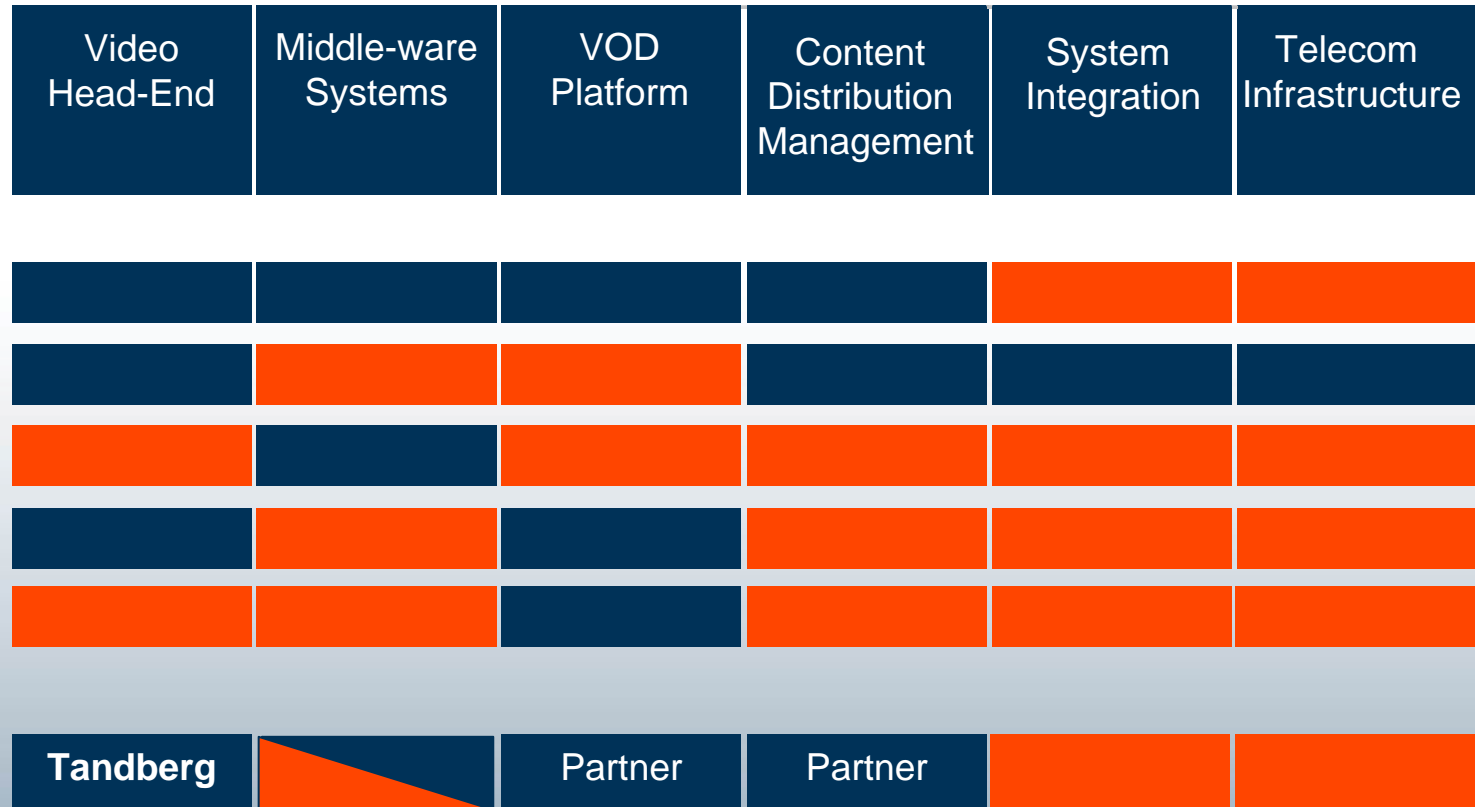
Estimated distribution



A compelling combination for IPTV network solutions

The competitive landscape

Alcatel-Lucent, Cisco, Nokia Siemens, Microsoft TV, Motorola



Inhouse Partner

The competitive landscape

Alcatel-Lucent, Cisco, Microsoft TV, Motorola, Nokia Siemens

	Video Head-End	Middle-ware Systems	VOD Platform	Content Distribution Management	System Integration	Telecom Infrastructure
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Competitor 1



Competitor 2



Competitor 3



Competitor 4



Competitor 5



Inhouse Partner

Tandberg in brief

- Leading in TV and video technology
 - Unique video encoding competence, MPEG 2, MPEG 4
 - Key components of IPTV solutions
- Sales in over 100 countries
 - 40% Americas, 45% Europe, 15% APAC
 - Majority of sales in cable/satellite, growing telecom business
- 870 skilled employees - four major locations in UK and US
- 2006 sales SEK 2.4 b. - 21% growth – EBITDA 21%
- 2007* projected sales SEK 2.8 b. – EBITDA 21%

TANDBERG television TANDBERG television TANDBERG tele

Market leader with strong financial performance

*Thomson Consensus Estimates

Premiere customer base

Cable



Satellite






Broadcaster



Telco



Premiere customer base

Cable	Satellite	Broadcaster	Telco
			
			
			
			

Broadening our customer base

The offer

- Public cash offer for 100% of Tandberg Television's shares
 - Offer at NOK 106 per share
 - Offer value of NOK 7.8 b. (SEK 8.9 b.), excl. cash
- Subject to customary approvals
 - 90% share holder acceptance within two weeks
 - Regulatory approvals



The business case

- Company with strong growth and high profitability
- EPS accretive from 2007
 - excl. possible depreciation of intangibles
- Cross sales opportunities
 - IPTV solutions to telecom operators
 - Telecom equipment to cable operators



Solid company – getting even stronger with Ericsson

Acquisition rationale

- IPTV the biggest networked multimedia opportunity
 - Drives business and dimensions networks
- Unique ability to offer complete IPTV solutions
 - TV technology, IP networks, IMS and global reach
- Expands Ericsson's customer base
 - Cable and satellite operators as well as media companies
- Combining two strong companies
 - Leading technology and profitability



Process going forward

- Offer presented on February 26, 2007
- 11.7% of outstanding shares acquired
- 13.0% additional shares in irrevocable acceptances
- Completion expected by Q2 2007





TANDBERG television

Questions & Answers



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