



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, MARCH 29, 2010
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JUSTICE DEPARTMENT WILL NOT CHALLENGE CISCO'S ACQUISITION OF TANDBERG

Justice Department and European Commission Cooperate Closely to Resolve Competition Issues

WASHINGTON – The Department of Justice announced today that it will not challenge Cisco Systems Inc.'s acquisition of Tandberg ASA. The department has concluded that the proposed deal is not likely to be anticompetitive due to the evolving nature of the videoconferencing market and the commitments that Cisco has made to the European Commission (EC) to facilitate interoperability.

During the course of its investigation the Department of Justice cooperated closely with the EC in its parallel review of the transaction, aided by waivers from the parties and industry participants. This permitted the agencies to share information and assessments of likely competitive effects and potential remedies.

“This investigation was a model of international cooperation between the United States and the European Commission,” said Christine Varney, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “The parties should be commended for making every effort to facilitate the close working relationship between the Department of Justice and the European Commission.”

The Department of Justice’s Antitrust Division analyzed the effect of combining the videoconferencing businesses of Cisco and Tandberg, focusing on a type of videoconferencing known as “telepresence,” in which Cisco and Tandberg are competitors. Telepresence is a form of high-definition videoconferencing that provides an immersive experience to users, simulating face-to-face meetings. The department conducted an extensive investigation of this dynamic marketplace, including numerous interviews of industry participants and customers, and review of documents provided by the parties and other firms in the videoconferencing business.

The EC also announced today that it has cleared the transaction. Cisco has made commitments to facilitate interoperability between its telepresence products and those of other companies as part of the EC’s merger clearance process. The commitments are designed to foster the development of open operating standards. The department views those commitments as a positive development that likely will enhance competition among producers of telepresence systems. Open standards lower barriers to entry, and can be especially procompetitive in rapidly

evolving high technology markets. The department has taken the commitments into account, along with various market factors, such as the evolving nature of the telepresence business, in reaching its decision to close its investigation.

Cisco, based in San Jose, Calif., is the leading manufacturer of networking equipment and solutions for the Internet, with annual revenues of approximately \$35 billion in 2009. It is also the largest provider of telepresence equipment worldwide.

Tandberg, which has dual headquarters in Oslo, Norway, and New York had annual revenues of approximately \$900 million in 2009, and is the largest provider of videoconferencing equipment overall worldwide.

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