



Tandberg Competitive Update

February, 2010

Competitive Overview - Tandberg

- LifeSize Consistently Delivers Highest Quality of Experience
 - **LifeSize** - all HD endpoints, all features included
 - **Tandberg** – expensive endpoints that can't match LifeSize's performance
- LifeSize More Flexible Throughout Full Solution
 - **LifeSize** – Highest performing Full HD embedded and standalone MCU. Only solution that can manage heterogeneous environments with easiest, most cost effective Outlook scheduling
 - **Tandberg** - bridge-centric approach to offset endpoint weaknesses with TMS used to lock-in customers through limited interop
- Ensure Customers Understand Total Cost of Ownership Comparisons
 - **LifeSize** – Price performance advantage will expand over time
 - **Tandberg** – Requires significant initial and ongoing investment in infrastructure to scale video networks

Outside-In – A Smarter Approach

Video Architecture Designed with Scalability in Mind

LifeSize Outside-In Approach

- Telepresence at the edge across the line ensures quality for users
- Standalone bridge capacity for large multi site meetings – not to improve the quality of experience
- AMC ensures motion quality can adapt to network conditions
- Management Controls all endpoints – not a lock in spec

Cost effective, highly scalable, open approach to building a video network

Tandberg Approach

- High variability at the edge – not built for consistent end user interaction
- Expensive bridge infrastructure required to maintain quality – scaling volume restricted by expensive port count
- Management applications designed to limit choice

Expensive, highly structured, limiting approach to building a video network

- Endpoints
- Telepresence
- Infrastructure
- Management
- Selling Tactics

Tandberg Product Line

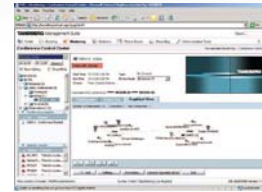
Infrastructure & Management:



Gatekeeper



Border
Controller



TMS



Gateway



MCU

- Tandberg's strengths are in video infrastructure and management. These products include TMS, VCS and MCUs
- Tandberg's endpoint business combines the new integrator optimized, C Series HD endpoints and the older MXP series technology packaged in a variety of form factors

Endpoints:



C Series



Edge MXP



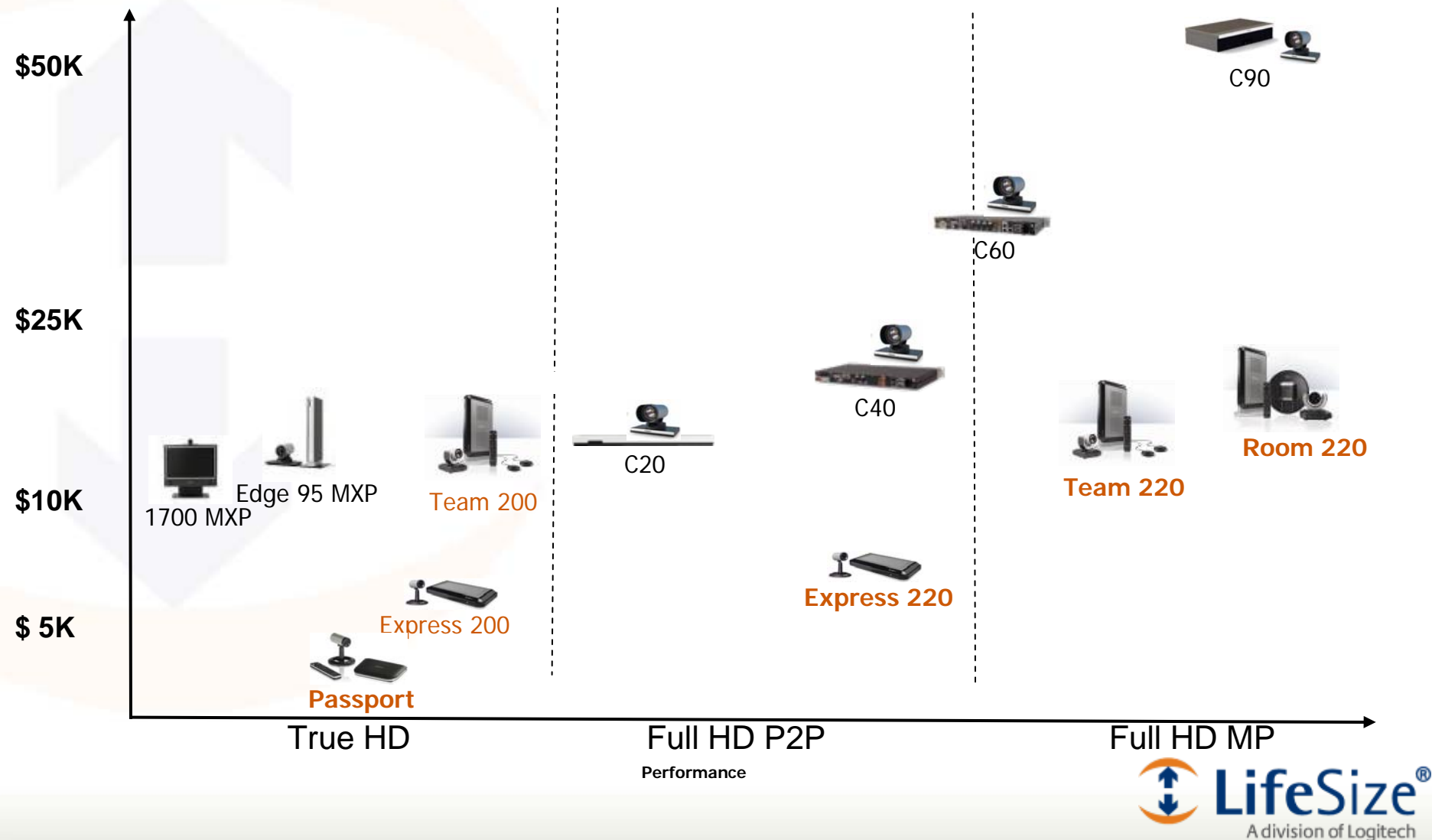
Profile



T Series

Unmatched Price/Performance

- 2x or greater price advantage for superior = higher margins and more success
- Competitive architectures can't match LifeSize performance



C20

Premium point to point endpoint for small to medium size conference rooms

- 720p30 video with optional upgrade to 720p60 and 1080p30
 - 1080p30 requires near 4 Mbps –option \$3,000
 - Max point to point bandwidth 6mbps
- Cameras
 - 4x Zoom Camera
 - 12x Zoom Camera (available with Quick Set c20plus)
- Outputs
 - 1 HDMI output for Single display
 - 1 HDMI output for dual display –option \$2,000
 - 2 Audio outputs (2 RCA/Phono, 1 HDMI main audio)
- Inputs
 - 2 HD inputs (1 HDMI, 1 DVI)
 - 3 Audio inputs (2 Mic, 2 RCA/Phono)
- Resolution Supported:
 - 1080p30, 720p60, 720p30, WXGA, XGA, SVGA, VGA, W576, 4CIF, W448, 448, W288, CIF, QCIF)
- Single display (dual display – option \$2,000)

Not Supported

- Internal Multipoint Calls



Pricing

- Quick Set C20: \$7,999 + ~\$1,600 required maintenance contract = ~\$8,599
 - 720p30, Single Display, 4x zoom camera, 1 mic
- Quick Set 1080p: \$7,999 + \$2,000 Dual Display + \$3,000 1080p30 upgrade + ~\$1,600 required maintenance contract = ~\$14,599
 - 1080p30, Dual display, 4x zoom camera, 1 mic

C40

Cost reduced integrator codec for conference room/boardroom applications

- Full 1080p30, 720p60, and 720p30 video
 - 1080p30 requires at least 2.5 Mbps (Option)
 - Max point to point bandwidth 6mbps
- 4CIF (576p) MultiSite with individual transcoding for up to 4 video sites (Option)
- Up to 1080p30 supported (option)
 - Data sharing with WSXGA resolution (Option-future)
- 3 HD source inputs and up to 2 microphones
 - Dual HD monitor support
 - Up to 2 microphones with XLR connectors, echo cancellation and stereo
- Resolution Supported:
 - 1080p30, 720p30, WSXGA, WXGA, SXGA, XGA, SVGA, VGA, W576, 4CIF, W288, W448, 448, CIF, QCIF

Not Supported

- 1080p30 multipoint calls (4CIF only)

Pricing

- C40 base price of codec \$13,900
 - C40 Integrator with 4x camera \$16,900
 - C40 Integrator with 10x camera 18,900
- Price for multipoint, dual display, 1080p upgrade and 1-yr support add \$10,000



C60

Premium integrator codec for conference room and boardroom applications

- Full 1080p30, 720p60, and 720p30 video
 - 1080p30 requires at least 2.5 Mbps (Option)
 - Max point to point bandwidth 6mbps
- 720p30 MultiSite with individual transcoding for up to 4 video sites (Option – Future)
- Up to 1080p30 supported simultaneously on primary and secondary channels
 - Data sharing with WSXGA resolution (Option - Future)
- 4 HD source inputs (3 simultaneous) and up to 4 microphones
 - Dual HD monitor support
 - Up to 4 microphones with XLR connectors, echo cancellation and stereo
- Resolution Supported:
 - 1080p30, 720p30, WSXGA, WXGA, SXGA, XGA, SVGA, VGA, W576, 4CIF, W288, W448, 448, CIF, QCIF)

Not Supported

- 1080p30 multipoint calls

Pricing

- Base price of codec and camera \$22K
- Price with multipoint, presentations, 1080p upgrade, 1Yr support = \$38K



C90

Positioned as “Telepresence Engine” for specialized, high end integration

- Full 1080p30, 720p60, and 720p30 video
 - 1080p30 requires at least 2.5 Mbps (Option)
- 1080p30 MultiSite with individual transcoding for up to 4 video sites (Option)
- Up to 1080p30 supported simultaneously on primary and secondary channels
 - Data sharing with WSXGA resolution (Option - Future)
- 12 HD source inputs (5 simultaneous) and up to 8 microphones
 - Dual HD monitor support
 - Up to 8 microphones with XLR connectors, echo cancellation and stereo
- Resolution Supported:
 - 1080p30, 720p60, 720p30, WSXGA, WXGA, SXGA, XGA, SVGA, VGA, W576, 4CIF, W288, W448, 448, CIF, QCIF)

Pricing

- Base price of codec and camera \$38K
- Price with multipoint, presentations, 1080p upgrade, 1Yr support = \$57K



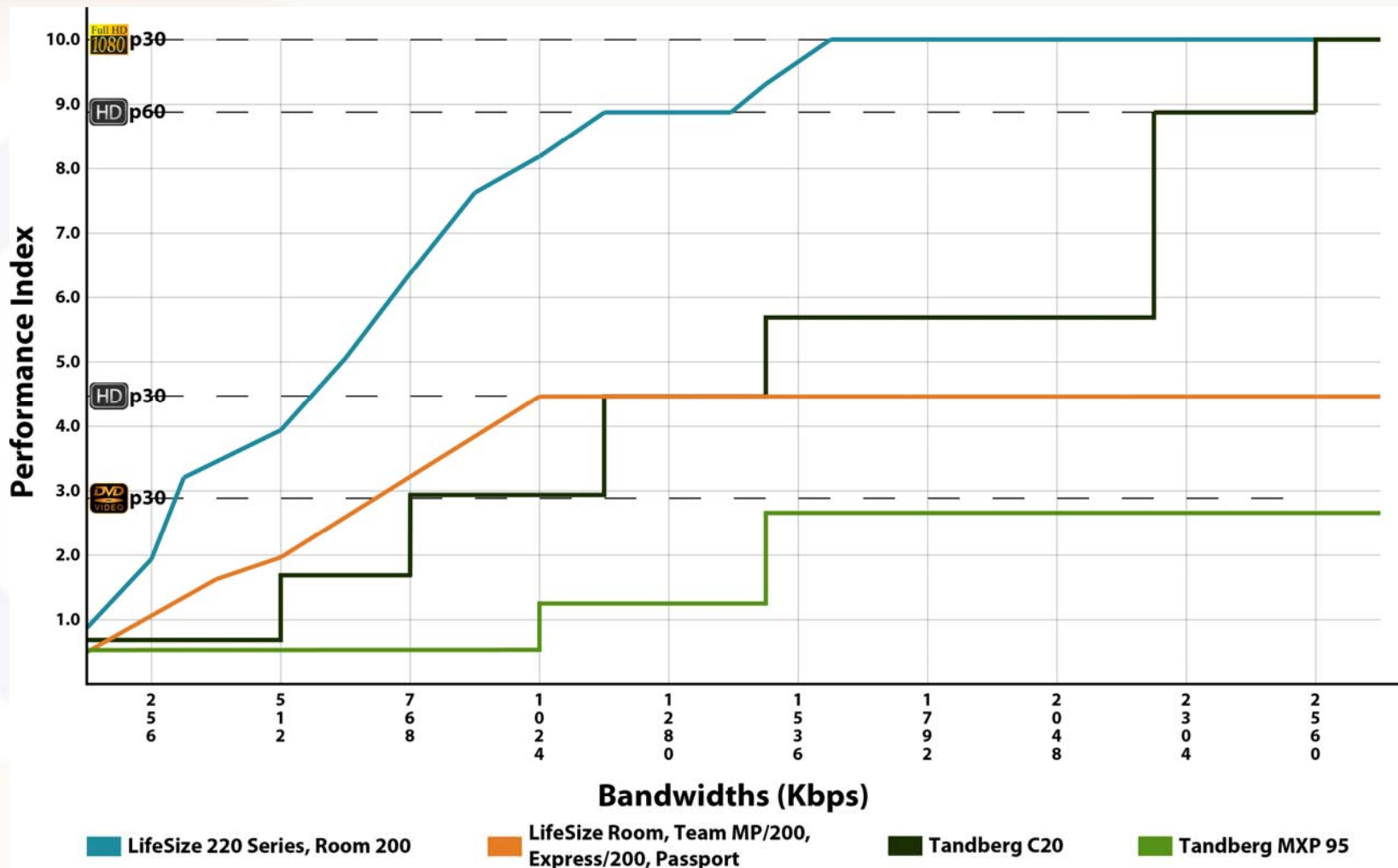
Room 200 vs Tandberg C Series

	LifeSize Express 220 / Team 220 / Room 220			Tandberg C20	Tandberg C40	Tandberg C60	Tandberg C90
HD Modes							
1920x1080 at 30fps (1080p30)	Yes			Yes - Option	Yes - Option	Yes - Option	Yes - Option
1280x720p at 60fps (720p60)	Yes			Yes - Option	Yes - Option	No	No
1280x720p at 30fps (720p30)	Yes			Yes	Yes	Yes	Yes
Dual Stream 1280x720p at 30fps	Yes			Yes	Yes	Yes	Yes
Spatial Resolutions Supported	>200			13	13	13	13
Bandwidth Efficiency							
1080p30	1700 Kbps			2560 Kbps	2500 Kbps	2500 Kbps	2501 Kbps
720p60	1100 Kbps			2200 Kbps	2200 Kbps	n/a	n/a
720p30	768 Kbps			1152 Kbps	tbd	tbd	tbd
Performance at 768 Kbps	1280x720 @ 30fps			1024x576 @ 30fps	tbd	tbd	tbd
Performance at 512 Kbps	1024x576 @ 30fps			768x448 @ 30fps	tbd	tbd	tbd
Performance at 384 Kbps	912x512 @ 30fps			512x288 @ 30fps	tbd	tbd	tbd
H.460 Support	Yes			Yes	Yes	Yes	Yes
HD Multi-Display	Yes			Yes	Yes	Yes	Yes
Maximum Presentation Resolution	1280x768			1280x768	1680x1050 (future)	1680x1050 (future)	1680x1050 (future)
	Express 220	Team 220	Room 220				
Max Call Rate (Point to Point)	4 Mbps	6 Mbps	8 Mbps	6 Mbps	6 Mbps	6 Mbps	6 Mbps
MCU	n/a	4CP	8 CP/VAS	n/a	4 CP	4 CP	4 CP
1080p30	n/a	Yes	Yes	n/a	No	No	Yes
720p60	n/a	Yes	Yes	n/a	No	No	No
720p30	n/a	Yes	Yes	n/a	No	Yes	Yes
Max Bandwidth per CP Participant	n/a	4way @ 2000Kbps	4way @ 2000 Kbps	n/a	4way @ 2500 Kbps	4way @ 2500 Kbps	4way @ 2500 Kbps
Transcoding Video/Audio	n/a	Yes	Yes	n/a	Yes - 4 streams	Yes - 4 streams	Yes - 4 streams
HD Multi-camera	n/a	Yes	Yes	No	Yes	Yes	Yes
MSRP - Hardware	\$6,999	\$12,999	\$16,999	\$7,999	\$16,900	\$21,900	\$37,900
Speaker Phone	optional	standard	standard	Not Available	Not Available	Not Available	Not Available
Software	standard	standard	standard	\$5,000	\$10,000	\$14,000	\$17,000
1yr SW support	\$525	\$975	\$975	\$1,490	-\$1,800	\$2,200	\$3,400
MSRP - Hardware	\$7,524	\$13,974	\$17,974	\$14,599	\$26,900	\$37,900	\$57,400

*Note: Estimated price includes features standard from LifeSize: Multipoint, Presentation Sharing, Bandwidth, Conference Phone and 1-yr maintenance



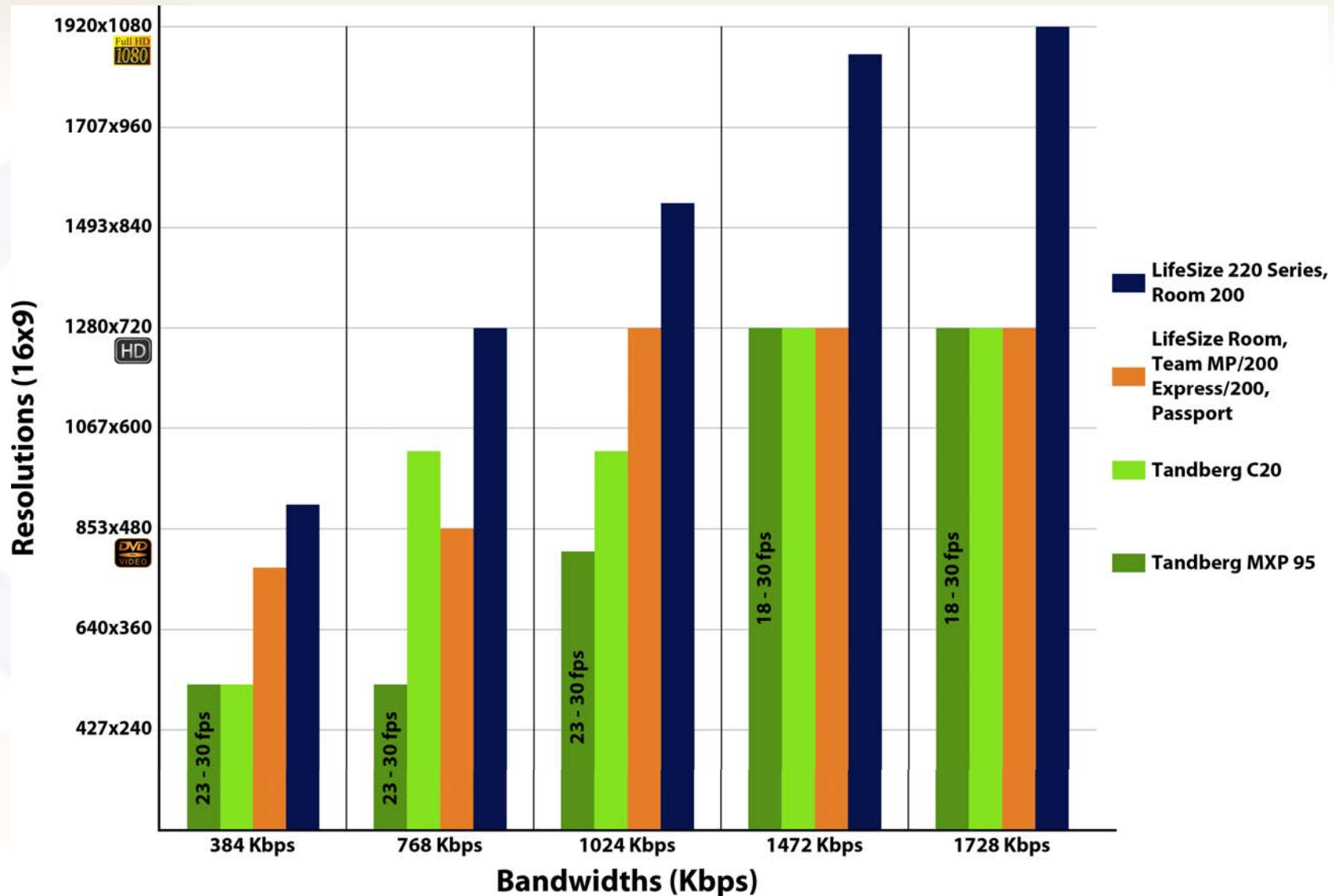
LifeSize Performance Advantage



Index = (video width * video height * fps) / (1920 * 1080 * 30fps) * 10
 Example: Room 200 720p60 = (1280 * 720 * 60fps) / (1920 * 1080 * 30fps) * 10 = 8.89



LifeSize Performance Advantage



Edge 95 MXP

Mainstream endpoint for small to medium conference rooms

- 1280x720p video
 - Max point to point bandwidth 2mbps
- MultiSite for up to 4 video sites at max 480p resolution (Option)
- Data sharing up to 1024 x 768 resolution
- 2 Digital video inputs and up to 2 microphones
 - Single HD monitor supported. 2nd display is SD
 - Up to 2 microphones with XLR connectors, echo cancellation and stereo
- Resolution Supported:
 - 720p30, W576p, W448p, W288p, XGA, SVGA, VGA, 448p, 4CIF, CIF, QCIF, SOCIF

Not Supported

- HD (1280x720) MultiSite
- Dual HD Displays
- HD presentation sharing (1280x1024)
- With motion, the frame rate will degrade below HD quality (<24fps) when set to sharpness to sustain 1280x720p resolution

Pricing

- Base price of codec and camera \$9.5K
- Price with multipoint, presentations, bandwidth, 1Yr support = \$16.5K



Centric 1700 MXP

All-in-one solution desktop video conferencing system

- 1280x720p video
 - Max point to point bandwidth 2mbps
- MultiSite for up to 4 video sites at max 480p resolution (Option)
- Data sharing up to 1024 x 768 resolution
- 1 HD video input and 2 built-in mics with echo cancellation and stereo
- Resolution Supported:
 - 720p30, W576p, W448p, W288p, XGA, SVGA, VGA, 400p, 4SIF, SIF

Not Supported

- HD presentation sharing (1280x1024)
- High quality native PC resolutions. 1024x768 maximum PC resolution drives many customers to use purely for video conferencing
- With motion, the frame rate will degrade below HD quality (<24fps) when set to sharpness to sustain 1280x720p resolution

Pricing

- Base price of codec and camera \$7.9K
- Price with multipoint, presentations, bandwidth, 1Yr support = \$13.4K



LifeSize vs Tandberg MXP

	LifeSize Passport	LifeSize Express 220	LifeSize Team 220	Tandberg 1700 MXP	Tandberg Edge 95
HD Modes					
1920x1080p at 30fps (1080p30)	No	Yes	Yes	No	No
1280x720p at 60fps (720p60)	No	Yes	Yes	No	No
1280x720p at 30fps (720p30)	Yes	Yes	Yes	Yes**	Yes**
Dual Stream 1280x720p at 30fps	No	Yes	Yes	No	No
Spatial Resolutions Supported	>200	>200	>200	TBD	17
Bandwidth Efficiency					
1080p30	N/A	1700 Kpbs	1700 Kpbs	n/a	n/a
720p60	N/A	1100 Kpbs	1100 Kpbs	n/a	n/a
720p30	1 Mbps	768 Kpbs	768 Kpbs	1472	1472
Performance at 768 Kbps	1088x608@30fps	1280x720@30fps	1280x720@30fps	512x288@30fps	704x480@30fps
Performance at 512 Kbps		1024x576@30fps	1024x576@30fps	512x288@30fps	512x288@30fps
Performance at 384 Kbps		912x512@30fps	912x512@30fps	512x288@30fps	512x288@30fps
H.460 Support	Yes	Yes	Yes	Yes	Yes
HD Multi-Display	Yes	Yes	Yes	No	No
Max Presentation Resolution	1280x768	1280x768	1280x768	1024x768	1024x768
Max Call Rate (Point to Point)	2 Mbps	4 Mbps	6 Mbps	2 Mbps (optional)	2 Mbps (optional)
HD MCU	n/a	n/a	4CP	4 CP	4 CP
1080p30	n/a	n/a	Yes	No	No
720p60	n/a	n/a	Yes	No	No
720p30	n/a	n/a	Yes	No (SD 480p)	No (SD 480p)
Max Bandwidth per CP Participant	n/a	n/a	4way@2000 Kbps	4way @768 Kbps	4way @768 Kbps
Transcoding Video/Audio	n/a	n/a	Yes	No	No
HD Multi-camera	No	n/a	Yes	No	No
MSRP - Hardware	\$2,499	\$6,999	\$12,999	\$7,990	\$16,000
Speaker Phone	Not Available	Optional	Standard	Not Available	Not Available
Software	Standard	Standard	Standard	\$5,000	\$6,000
1yr SW support	Standard	Standard	Standard	\$500	\$500
MSRP - Hardware	\$2,499	\$6,999	\$12,999	\$13,490	\$22,500

*Note: Estimated price includes features standard from LifeSize: Multipoint, Presentation Sharing, Bandwidth, conference phone, and 1yr SW Support

- Endpoints
- Telepresence
- Infrastructure
- Management
- Selling Tactics

Tandberg Telepresence T3

- Tandberg Telepresence offerings branded under total telepresence solution
 - **Telepresence T3** – Multi-monitor room-based solution
 - Telepresence T1 – Single monitor room or executive office solution
- Newest offering: Tandberg Telepresence T3
 - Integrates latest Codec C90 Full HD technology (1080p30)
 - 6-seat version (T3) now available. T1 version under development.
- Tandberg T3 Features:
 - High Definition: 1080p30/720p30
 - Standards-based: H.323/SIP (H.264)
 - Bandwidth Capacity: Minimum 3Mbps (widescreen 448p30*) to maximum 18Mbps (1080p30)
 - Seating Capacity: 6
 - Codecs: 3 x Codec C90
 - Cameras: 3 x PrecisionHD 1080p cameras
 - Video Monitors: 3 x 65" displays
 - Content Monitors: 3 x 22" HD touch panel displays
 - Management: Touch Panel Control System
 - Audio: Wideband (20Hz) AAC-LD stereo codec
 - 6 x integrated microphones
 - 3 x Speaker modules
- MSRP (US): \$299,000
 - Optional Environment Kit: \$39,000 (Nordic blue walls/chairs/lights)



* W448p = 768x448p30

Product Comparison Chart

	LifeSize Conference 200	Tandberg Telepresence T3
Video Quality	1080p30, 720p60 720p30	1080p30, 720p30
Audio Quality	AAC-LC	AAC-LD
Bandwidth Requirements	5 - 6 Mbps	8 - 10 Mbps
Video Displays	3 65" LCD/Plasmas	3 65" Plasmas
Content Displays	1 x 50" LCD/Plasma	1 x 50" Plasma
Seating Capacity	6	6
Interoperable	Yes	Yes
Multipoint	No	Optional
Room Controls	AMX Touch Panel	Touch Panel
Product Price	\$49,999*	\$299,000
Service Price	\$3,500/Year (Maintenance)	\$20,000/Year (Maintenance)

* LifeSize MSRP to Integrator. ASP to customer \$80,000

- Endpoints
- Telepresence
- Infrastructure
- Management
- Selling Tactics

LifeSize Infrastructure and Management



Tandberg Codian 4200

Target Market

Small to Medium Enterprises who are beginning to trial HD systems; however, still use a significant amount of legacy SD equipment.



- MCU bridge series that utilize a shared DSP architecture, delivering low frame rate HD, and high frame rate SD bridging

→ Strengths:

- Capacity Model: Flat
- Bundled 25 port Gatekeeper
- Built in native streaming
- Web conferencing option, provides content streaming, annotation and chat capabilities

→ Weaknesses:

- Flat capacity does not hold true for frame rate. HD 720p video starts at 15 fps and decreases as capacity increases.

→ Options

- Gatekeeper upgrade to 100: \$3,500
- Gatekeeper upgrade to 300: \$8,000
- Conference director software: \$7,000

Video Firewall splitting	
4203	\$5,000
4205	\$8,000
4210	\$16,000
4215	\$16,000
4220	\$16,000

Performance	
Capacity model	Flat 0:1:1 (1080:720:4CIF:CIF)
Capacity offering @ 720p	6,12,20,30,40
Max CP bandwidth	2Mbps
Max VAS bandwidth	2Mbps
Value Add Software	
Internal gatekeeper	25 registrations
Streaming	24,24,40,60,80
Firewall Splitting	(optional)
Conference director software	(optional)
Models and Pricing	
4203 (0:6:6:6)	\$23,000
4205 (0:12:12:12)	\$42,000
4210 (0:20:20:20)	\$63,000
4215 (0:30:30:30)	\$94,000
4220 (0:40:40:40)	\$126,000
Average price per port	
1080p ports	N/A
720p ports	\$3,500
SD ports	\$3,500

Tandberg Codian 4500

Target Market

Medium to Large Enterprises who have already deployed or are looking to deploy significant amounts of HD video equipment within 1 year. Legacy SD systems may exist; however, are used less often.



- MCU bridges that utilize multiple TI Himalaya DSPs per port, delivering high frame rate HD and SD bridging

→ Strengths:

- Capacity Model: Flat - does not change based on resolutions, bandwidth, or frame rate. End users can expect the same quality whether in a 2 way or 40 way conversation.
- Encoder per participant
- Bundled 25 port Gatekeeper
- Built in native streaming
- Web conferencing option, provides content streaming, annotation and chat capabilities
- 1080p capable

→ Options

- Gatekeeper upgrade to 100: \$3,500
- Gatekeeper upgrade to 300: \$8,000
- Video Firewall splitting: \$14,000

	1080p30 Upgrade	Conference Director
4501	+ 6 Ports \$112,000	\$1,900
4505	+ 6 Ports \$66,000	\$1,900
4510	+ 10 Ports \$110,000	\$3,100
4515	+ 15 Ports \$165,000	\$4,700
4520	+ 20 Ports \$220,000	\$6,300

Performance

Capacity model	Flat 1:1:1:1 (1080:720:4CIF:CIF)
Capacity offering @ 720p	12,20,30,40
Max CP bandwidth	5Mbps
Max VAS bandwidth	5Mbps

Value Add Software

Internal gatekeeper	25 registrations
Streaming	24,40,60,80
Firewall Splitting	(optional)
Conference director software	(optional)

Models and Pricing

4501 (6:6:12:12)	\$52,000
4505 (6:12:12:12)	\$90,000
4510 (10:20:20:20)	\$146,000
4515 (15:30:30:30)	\$212,000
4520 (20:40:40:40)	\$279,000

Average price per port

1080p ports	\$15,000
720p ports	\$7,500
SD ports	\$7,500

Bridge Differentiation

	LifeSize Multipoint 230	Tandberg Codian 4500
High Definition up to 1080p	Yes	Yes
Flexible HD Capacity	Yes	No
Carrier grade chassis	Yes	No
Field replaceable parts	Yes	No
Increased capacity option	4x to 120 ports	No
Supported video bitrate	Up to 12Mbps	Up to 5Mbps
Price per 1080p port	\$13,000	\$15,000
Price per 720p port	\$6,500	\$7,500
Overall Price	\$197,000	\$212,000

Multipoint Solutions

LifeSize MCU Solution Provides Superior Value

Multipoint Solution (24 and 230)	Codian 4200 & 4500
Conference Streaming (Included) Conference Recording (Optional Key)	IPVCR – (Additional Cost)
Desktop H.264 Soft Client (included)	Movi – (Additional Cost)
Soft Client Firewall Traversal (included)	VCS & Boarder Controller – (Additional Cost)
LifeSize Gatekeeper (included) Outlook Meeting Plug-in (included)	Limited internal gatekeeper included Outlook requires TMS – (Additional Cost)
Multipoint MCU	Codian series MCU

- LifeSize Multipoint Solution
 - ➔ Components designed together to deliver seamless functionality
 - ➔ Superior price performance versus comparable Tandberg offering
 - ➔ Best suite of value added software (Multipoint Extension, Gatekeeper)



LifeSize Multipoint Solution

- Lead with the total infrastructure story
 - ➔ LifeSize Multipoint 230 supports 15 ports at 1080p 30fps and 30 ports at 720p30*
 - ➔ World-class gatekeeper with 50 users / 250 registrations*
 - ➔ Best-in-class server based HD video desktop endpoint, Multipoint Extension. Deployable on an unlimited number of computers within the customer's network
 - ➔ Streaming enabled any Multipoint Extension enabled desktop*
 - ➔ Optional recording license, up to 10 simultaneous recordings
- Pivot speeds and feeds conversations to solution conversations
 - ➔ Competing against Codian 4200? Highlight the following:
 - LifeSize Multipoint 24 is the highest quality entry level HD bridge.
 - Better frame rate and port capacity than the Codian 4200
 - Lowest cost per HD port at \$3,125 per port
 - Best suite of value-add software included...(Multipoint Extension, streaming, recording)
 - ➔ Competing against Codian 4500? Highlight the following:
 - LifeSize Multipoint 230 is a Full HD bridge that offers superior price performance
 - Lowest cost HD bridge at \$6,500/port for 720p30 and \$13,000/port for 1080p30
 - Multipoint provides a high value infrastructure solution to compliment LifeSize's market leading line of HD endpoints
 - Best suite of value-add software included...(Multipoint Extension, streaming, recording, Gatekeeper)

* Note: 1080p patch as well as ECS Gatekeeper and Multipoint Extension bundle will be available with Multipoint 230 in Q4 2009

- Endpoints
- Telepresence
- Infrastructure
- Management
- Selling Tactics

Tandberg Management System

- Tandberg Management System (TMS) is the market leader in video network monitoring, management and scheduling
- Tandberg has strictly limited its multi-vendor support in TMS to only Tandberg and select Polycom equipment
- TMS offers Microsoft Exchange integration
 - Requires Exchange patches
 - Triples the cost per seat to ~\$600 for Microsoft Exchange integration
 - Outlook integration requires changes to PC images and user training

LifeSize Control

- Superior Quality of Experience
 - LifeSize Control is the only true multi-vendor management platform
 - LifeSize Control manages LifeSize, Polycom, Tandberg and Sony endpoints
 - LifeSize Control manages LifeSize, Tandberg, and Radvision infrastructure
 - We will continue to expand the models and vendors supported by Control
- Unique Flexibility
 - Control's Microsoft Exchange integration is the easiest to install and use
 - No Microsoft Exchange patches, No Microsoft Outlook plug-ins
 - No end user training. Anyone who knows how to book a conference room knows how to book video
- Unmatched Price Performance
 - No additional charges.
 - Microsoft Exchange integration is a standard feature

- Endpoints
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Tandberg Selling Tactics

Highlight that TMS Excludes LifeSize Systems

Response:

- Tandberg has chosen to exclude LifeSize systems from its Management System despite requests from LifeSize and joint customers
- Contrary to claims that Tandberg field sales teams may make, LifeSize has offered to work together on integration and we have made our API publicly available for the last three years
- Network and systems management systems should help administrators perform their jobs more efficiently not attempt to lock them into a vendor. LifeSize Control reflects our commitment to open management
 - ➔ Open platform allows management and control of heterogeneous environments including LifeSize, Polycom, Radvision and Tandberg systems
 - ➔ Smart Schedule makes scheduling video calls easy for administrators and users
 - ➔ Unmatched simplicity to deploy for administrators since it seamlessly integrates with Microsoft Outlook and Exchange without desktop plugins or server patches
 - ➔ No end user training. Anyone who knows how to book a conference room knows how to book video
 - ➔ No additional equipment required, no hidden costs

Tandberg Selling Tactics

Drive Customers to Build from the Network Out

Response:

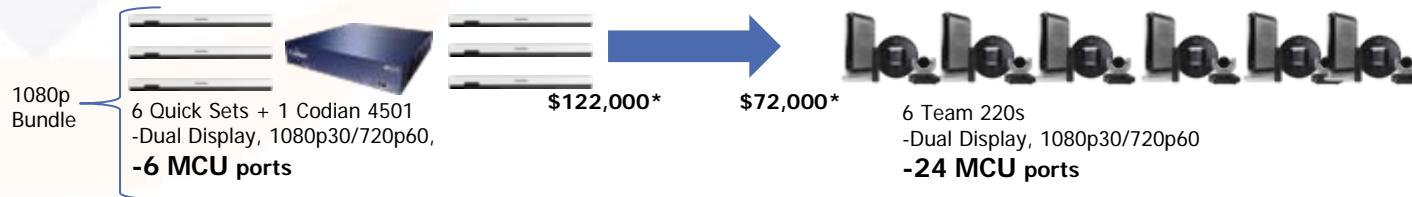
- Tandberg focuses customer discussions on starting with a “Total Solution” built from the center of the network out to the endpoint
 - ➔ This highlights their expensive Codian bridges and Video Communication Servers (VCS) while masking the HD performance limitations of their MXP endpoints and the high price of their new C series
- LifeSize provides a Full HD solution with no tradeoffs from HD bridging to NAT/Firewall traversal, gatekeepers and gateways
- We think most environments are better served by starting with the highest quality experience for the user at the endpoint and building the infrastructure to scale that model
 - ➔ Quality and flexibility at the endpoint are critical because it provides the experience that motivates people to change their work habits to leverage video communications. The quality of experience that LifeSize delivers is unparalleled
 - ➔ Our pay as you grow approach gets users working with the LifeSize HD video experience sooner, resulting in more immediate ROI from travel avoidance and increased productivity
 - ➔ Administrators can gain experience with real usage patterns and build their infrastructure accordingly rather than potentially over provisioning their network

Tandberg Sales Tactic

Bundle Inferior C Series Endpoints with Codian 4501 Bridge

LifeSize Team 220 Offers:

- Unmatched performance
 - Team 220 has symmetrical, Full HD bridge supporting 1080p30 and 720p60 up to 4 sites
- Unmatched Full HD port capacity
 - Tandberg's bundle supports 6 sites total to share between the 6 C20.
 - Each LifeSize Team 220 supports 4 sites in Full HD. Room 220 supports 8 sites
- Unmatched flexibility
 - LifeSize customers can buy what they need today and scale MCU capacity with endpoints
- Unmatched Value – No Hidden Costs!
 - What if a Tandberg customer wants 3 endpoints or 7 endpoints? - \$14k per unit
 - What if you need more than 6 MCU ports? - \$112K upgrade



Tandberg Selling Tactics

Attempt to portray LifeSize as a risky choice

Response:

- Educate customers with facts. Customers see competitive attacks like this for what they are
- Make sure your customers know the facts. LifeSize is the fastest growing company in the video communication industry:
 - Global presence and distribution with 13 offices worldwide
 - Over 30,000 units shipped to more than 8,000 customers
 - Extensive partner network with products sold in over 80 countries
 - Key strategic partners including CSC, Dell, Hitachi, Siemens and TechData
 - Global support staff with three support centers across EMEA, APAC and AMERICAS
- We believe that customers determine what is a smart choice for their environment. Customers from the largest enterprises to small organizations are choosing LifeSize because we provide high definition video communication without compromises

Tandberg



High cost, network centric solutions

- “Multiway” architecture forces interactions through expensive bridges to offset more limited endpoints



Rigid, highly structured communications

- TMS and VCS required for most deployments. High cost, limited interop, locks-in customers



Trade off quality and flexibility for access

- Highest quality shouldn't be limited by price or bandwidth

Conclusion

Make Sure Competitive Comparisons are Accurate

- Tandberg tries to force interactions through an expensive centralized bridge to compensate for the deficiencies of its endpoints in delivering a quality experience
 - Tandberg compares older MXP and point to point C series endpoints bundled with a centralized bridge. This delivers lower performance multipoint (LifeSize offers 1080p/720p60) and fewer multipoint ports at higher cost than the LifeSize
- Ask about how Tandberg's quality of experience compares to LifeSize
 - Why do they offer only ~15 resolutions compared to the more than 200 from LifeSize?
 - Ask about motion handling. Can they sustain 720p30 send/receive with MXP systems that are still the bulk of their sales? Can they do this and interop with LifeSize or Polycom?
 - Ask why Tandberg limits interoperability of TMS to only some Polycom systems? Major customers worldwide have asked them to support broad interoperability. LifeSize Control is open and flexible, why not TMS?
- Make sure that customers understand that LifeSize provides Unconstrained Collaboration delivering consistently higher quality, flexibility and ease of use. We don't use our management platform to lock in customers or try to offset older, less capable endpoints with expensive, centralized bridges
- LifeSize: A Better, More Flexible, More Cost effective Approach to Video Networks