

Cisco to proceed with \$3.4 billion Tandberg deal

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(AP) -- Cisco Systems Inc. says it is waiving its condition that 90 percent of shareholders of Norwegian videoconferencing equipment firm Tandberg ASA back its \$3.4 billion takeover offer and will close the deal as soon as possible.

Cisco, the world's largest computer networking equipment maker, said holders of 89 percent of Tandberg shares have agreed to the company's \$30.32-per-share offer as of Thursday, when the bid expired following a two-day extension. That is just shy of the 90 percent threshold [Cisco](#) had set to complete the acquisition.

Cisco, based in San Jose, has struggled to gain shareholder approval of the deal. It sweetened the offer on Nov. 16 after its original bid of about \$3 billion was approved by Tandberg's board but attracted less than 10 percent of the Norwegian company's shareholders.

When tendering the new bid, Cisco said 40 percent of Tandberg's shareholders backed the new offer, including the largest minority shareholders - Folketrygdfondet, Norway's domestic pension fund, and OppenheimerFunds.

Earlier this week, as acceptances crept up to 84 percent, the company said it would decide Thursday whether to withdraw the offer or waive the 90 percent condition. The waiver will lead to negotiations with the remaining shareholders.

Cisco has been focusing on the high end of the [videoconferencing](#) market, selling so-called "TelePresence" systems with multiple plasma screens that present life-size images of the participants to provide the illusion of face-to-face communication. With Tandberg, Cisco will get the leading maker of video systems ranging from small "videophones" to full conference-room setups.

The deal also will let the company spend some of the cash that has been piling up in its overseas subsidiaries. By buying an international company, Cisco will avoid the U.S. taxes it would have to pay to bring the money home.

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