

# Year-end report 2010



- Net sales during the year amounted to SEK 2,933 M (2,301), and sales amounted to SEK 875 M (659) for the fourth quarter.
- Operating profit for the year totaled SEK 415 M (308), and operating profit totaled SEK 125 M (121) during the fourth quarter.
- Profit before tax for the year amounted to SEK 413 M (307), and profit before tax amounted to SEK 125 M (120) for the fourth quarter.
- Profit after tax during the year totaled SEK 300 M (218), and profit after tax totaled SEK 90 M (85) during the fourth quarter.
- Earnings per share for the year amounted to SEK 4.32 (3.14).
- The board of directors proposes a dividend of SEK 4.50 of which SEK 3.00 represents an extra dividend (SEK 4.00 of which SEK 2.75 extra dividend).

## President's comments

Axis reports a strong close to 2010 with net sales of SEK 2,933 M (2,301). Continued high demand for Axis products on all markets, a good inventory position and high availability of Axis' network video products contributed to the strong close.

Growth amounted to 40 percent in local currencies during the fourth quarter. Axis estimates that its growth was faster than the market. The company has thus strengthened its position as the market-leading supplier of network video products. There has been considerable interest in all regions for in-

stallations of surveillance equipment within retail, city surveillance and the transport sector.

Axis strengthened its patent portfolio after the end of the period through acquisition of about twenty patents relating to network cameras.

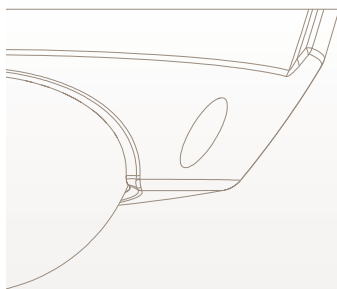
During the year Axis continued its global expansion and the company had 914 employees (774) at year-end.

Ray Mauritsson  
*President*

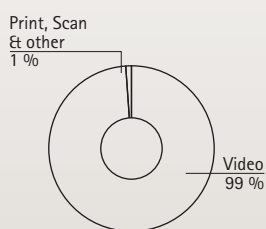
**About Axis Communications.** *Axis is an IT company offering network video solutions for professional installations. The company is the global market leader in network video, driving the ongoing shift from analog to digital video surveillance. Axis products and solutions focus on security surveillance and remote monitoring, and are based on innovative, open technology platforms.*

*Axis is a Swedish-based company, operating worldwide with offices in more than 20 countries and cooperating with partners in more than 70 countries. Founded in 1984, Axis is listed on the NASDAQ OMX, under the ticker AXIS. For more information about Axis, please visit our web site at [www.axis.com](http://www.axis.com).*



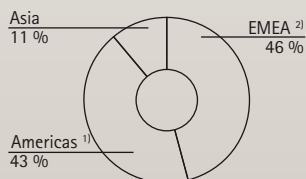


### Invoiced sales per product group, Q4 2010



Product area Video represents 98 % of Axis' sales.

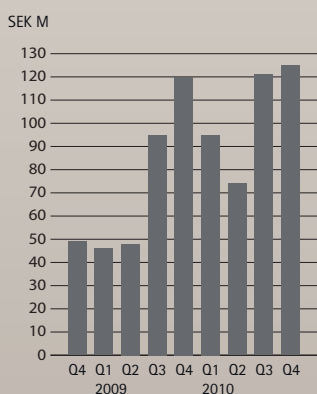
### Invoiced sales per region, Q4 2010



<sup>1)</sup> Incl North, South and Central America  
<sup>2)</sup> Incl Europe, the Middle East and Africa

EMEA is the largest region, followed by Americas and Asia.

### Operating profit / EBIT



## Sales

### Full-year 2010

Net sales for the year totaled SEK 2,933 M (2,301), an increase of 27 percent compared with the preceding year. Currency effects had a negative impact on sales of SEK 209 M.

Sales in the EMEA region amounted to SEK 1,260 M (1,001) for the full-year, representing growth of 26 percent. Growth totaled 38 percent in local currency terms. Sales in the Americas region amounted to SEK 1,373 M (1,085), corresponding to growth of 26 percent. Growth totaled 34 percent in local currency terms. The Asia region reported sales of SEK 300 M (214), generating growth of 40 percent. Growth totaled 41 percent in local currency terms.

### The fourth quarter

Net sales totaled SEK 875 M (SEK 659 M) during the fourth quarter, which is an increase of 33 percent compared with the same period of the preceding year. Currency effects during the period impacted sales negatively by SEK 48 M.

Sales in the EMEA region amounted to SEK 403 M (320), representing growth of 26 percent. Growth totaled 39 percent in local currency terms. Sales in the Americas region amounted to SEK 380 M (267) during the fourth quarter, corresponding to growth of 42 percent. Growth totaled 46 percent in local currency terms. The Asia region reported sales of SEK 92 M (72), generating growth of 28 percent. Growth totaled 26 percent in local currency terms.

| Invoiced sales per product group, SEK M | Q4 2010 | Q4 2009 | 2010    | 2009    |
|---|---------|---------|---------|---------|
| Video                                   | 869.0   | 645.8   | 2,890.1 | 2,244.9 |
| Print                                   | 4.8     | 9.9     | 28.7    | 39.4    |
| Scan                                    | 1.5     | 3.1     | 10.2    | 12.7    |
| Other                                   | 0.0     | 0.0     | 4.0     | 3.7     |
| TOTAL                                   | 875.3   | 658.8   | 2,933.0 | 2,300.7 |

| Invoiced sales per region, SEK M | Q4 2010 | Q4 2009 | 2010    | 2009    |
|----------------------------------|---------|---------|---------|---------|
| EMEA                             | 403.4   | 319.9   | 1,259.6 | 1,001.1 |
| Americas                         | 379.9   | 266.8   | 1,373.0 | 1,085.4 |
| Asia                             | 92.0    | 72.1    | 300.4   | 214.2   |
| TOTAL                            | 875.3   | 658.8   | 2,933.0 | 2,300.7 |

## Operating profit

### Full-year 2010

The Group's operating profit for the year amounted to SEK 415 M (308), corresponding to an operating margin of 14.1 percent (13.4). The gross margin fell slightly during the year due to increased competition in the market and negative currency effects and amounted to 50.7 percent (53.7). Profit before tax was SEK 413 M (307) and profit after tax was SEK 300 M (218). Changes in foreign exchange rates had a negative impact of SEK 79 M on operating profit.

### The fourth quarter

Operating profit during the fourth quarter amounted to SEK 125 M (SEK 121), corresponding to an operating margin of 14.3 percent (18.3). Profit before tax was SEK 125 M (120). Profit after tax amounted to SEK 90 M (85). The gross margin totaled 50.5 percent (52.5). Changes in foreign exchange rates had a negative impact of SEK 40 M on operating profit.

| Condensed income statement, SEK M | Q4 2010       | Q4 2009       | 2010          | 2009          |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Net sales                         | 875.3         | 658.8         | 2,933.0       | 2,300.7       |
| Gross profit                      | 442.3         | 345.8         | 1,486.3       | 1,236.2       |
| <i>Gross margin</i>               | <i>50.5 %</i> | <i>52.5 %</i> | <i>50.7 %</i> | <i>53.7 %</i> |
| Operating profit                  | 125.3         | 120.6         | 415.0         | 308.1         |
| <i>Operating margin</i>           | <i>14.3 %</i> | <i>18.3 %</i> | <i>14.1 %</i> | <i>13.4 %</i> |
| Pretax profit                     | 124.7         | 120.1         | 412.8         | 306.7         |

## Cash flow, investments and financial position

The cash flow from operating activities for the year amounted to SEK 391 M (224). The favorable cash flow was mainly due to the strong operating profit. Net operating profit improved by SEK 23 M. Net investments amounted to SEK 53 M (62). Capitalized development expenses amounted to SEK 20 M (38) by the year-end. The cash flow from operating activities strengthened by SEK 332 M during the fourth quarter, of which SEK 197 M was attributable to improved working capital and SEK 135 M to the strong operating profit. The very strong sales trend at the end of the year contributed an increase in trade payables as well as a reduction in inventory levels. The considerable trade receivables which matured just after the end of the third quarter have been settled, while at the same time, the ongoing work on limiting the number of days of outstanding customer credit has continued successfully. Axis had SEK 366 M in cash and cash equivalents, as well as unutilized credit facilities of SEK 200 M. Accordingly, the company had a total of SEK 566 M at its disposal at December 31, 2010.

## Shareholders' equity

Consolidated equity amounted to SEK 627 M (608) by the year-end. The total number of shares at year-end was 69,461,250 (69,375,700). Axis has no outstanding stock option programs. The Group's equity/assets ratio was 49.0 percent (54.4) at December 31, 2010.

| (SEK M)                                   | Share capital | Other contributed capital | Other reserves | Retained earnings | Total equity |
|---|---------------|---------------------------|----------------|-------------------|--------------|
| Opening balance at Jan 1, 2009            | 0.7           | 275.0                     | -36.8          | 202.2             | 441.1        |
| Total comprehensive income for the period | -             | -                         | 36.2           | 217.8             | 254.0        |
| Dividend                                  | -             | -                         | -              | -86.7             | -86.7        |
| Closing balance at Dec 31, 2009           | 0.7           | 275.0                     | -0.6           | 333.3             | 608.4        |
| Opening balance at Jan 1, 2010            | 0.7           | 275.0                     | -0.6           | 333.3             | 608.4        |
| Total comprehensive income for the period | -             | -                         | -7.7           | 299.8             | 292.1        |
| Exercise of warrants                      | -             | 4.2                       | -              | -                 | 4.2          |
| Dividend                                  | -             | -                         | -              | -277.5            | -277.5       |
| Closing balance at Dec 31, 2010           | 0.7           | 279.2                     | -8.3           | 355.6             | 627.2        |

## Significant events during the fourth quarter

The global expansion has continued at a high pace. 26 people were employed during the quarter. Accordingly, the number of employees totaled 914 at December 31, 2010. Recruitments have occurred within research and development with assignment to the headquarters in Lund and also within the global sales organization.

During the quarter, Axis continued its high release rate of high-quality network video products. AXIS P3346 network camera was released in October which delivers HDTV-quality video and is designed for efficient installation in demanding environments both indoors and outdoors. The AXIS P3346 network camera strengthens Axis' already broad product portfolio



with network video products which deliver HDTV-quality material.

## Events after the year-end

Axis further strengthened its patent portfolio after the end of the period through acquisition of a patent portfolio from Hoya/Pentax and its affiliate. The acquisition consists of about twenty patents and includes patents relating to network communication and cameras which deliver images over networks, e.g. using different network protocols.

After the year-end, Axis Communications received the award of "Listed Company of the Year" from the Swedish business magazine, Veckans Affärer. The motivation was: "No other company on the Stockholm Stock Exchange has displayed a better combination of earnings, growth, profitability and price trends during a longer, sustained period of time. Axis is a company that delivers no matter what happens and is one of the very few, worthy heirs to our many century-old Swedish big business successes".

## Outlook

There was a progressive and stable macroeconomic recovery in the majority of Axis' main markets during 2010. At present, it is our assessment that there is a good basis for a continued positive trend within network video in 2011. Axis and external market research institutions estimate the yearly growth potential of the network video market to be 25–30 percent in the next few years.

The shift from analog video solutions to network systems continues to imply a long-term growth potential. During 2011, Axis will continue to develop and release a large number of innovative products, advance and broaden the extensive partner network which has been built up in previous years, and will continue to recruit personnel and expand globally.

Axis overall goal remains unchanged. The goal is to strengthen the company's position as the market-leading supplier of network video solutions.

## The Axis share

The company's share is listed on the OMX Nordic Exchange, Stockholm AB on the Mid Cap segment, under the ticker AXIS. During 2010, Axis' share had a turnover of 45,396,941 shares which gave an average turnover of 179,435 shares per trading day, at a value of SEK 4,695,265,994 during the year and SEK 18,558,364 per day. The average price of the share during 2010 was SEK 101.31.

## Nomination Committee

Axis' nomination committee is composed of representatives from the three largest shareholders: Therese Karlsson (LMK Industri AB), Christer Brandberg (Inter Indu (Luxembourg) S.à.r.l.) and Martin Gren (AB Grenspecialisten). Christer Brandberg is Chairman and Convener. Proposals and viewpoints from shareholders concerning the composition of the board of directors may be submitted in writing to the following address: Axis AB, attn. Adrienne Jacobsen, Emdalavägen 14, 223 69 Lund, Sweden, or by phone on +46 46 272 18 00.

## Accounting policies

This year-end report is prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. For information on the accounting policies applied, see the 2009 Annual Report. The accounting policies are unchanged, compared with those applied in 2009.

## Risks and uncertainties

Axis' operations are subject to a number of risks and uncertainties, which are described in the Annual Report for 2009. As of December 31, it is our assessment that no new significant risks or uncertainties have arisen.

## The Parent Company

The parent company's operations are primarily focused on company-wide administration. The parent company has no employees. Sales totaled SEK 0 M (0). Operating profit amounted to SEK -4 M (-3). Cash and cash equivalents totaled SEK 175 M (147) and borrowing was 0 (0). No investments have taken place during the year.

## Reporting dates

Axis will report on the following dates during the 2011 financial year:

Interim report, January–March: Wednesday, April 13

Interim report, January–June: Friday, July 8

Interim report, January–September: Thursday, October 20

Year-end report will be released in February 2012.

## Annual General Meeting

Axis' Annual General Meeting will take place on April 14 at 5 p.m. in Lund. Venue to be announced subsequently.

## Dividend

The board of directors proposes a dividend of SEK 4.50 (4.00), of which SEK 1.50 constitutes an ordinary dividend in line with Axis' dividend policy and SEK 3.00 represents an extra dividend. Axis' dividend policy is to declare an ordinary dividend amounting to approximately one third of the profit for the year after tax, taking the Group's long-term target equity/assets ratio into consideration.

The parent company's unappropriated earnings amounted to SEK 319 M at December 31, 2010. The board anticipates a continued positive trend during the 2011 fiscal year. The view of the board of directors is that the proposed dividend will not prevent the company from fulfilling its obligations over the short or long term or from making necessary investments.

Lund, February 3, 2011

*The Board of Directors of Axis AB and the President*

## Consolidated income statement

| (SEK M)   | Q4 2010      | Q4 2009      | 2010           | 2009           |
|---|--------------|--------------|----------------|----------------|
| Net sales   | 875.3        | 658.8        | 2,933.0        | 2,300.7        |
| Cost of sold products and services                              | -433.0       | -313.0       | -1,446.7       | -1,064.5       |
| <b>Gross profit</b>   | <b>442.3</b> | <b>345.8</b> | <b>1,486.3</b> | <b>1,236.2</b> |
| Other revenues and changes in value                             | -12.2        | 15.3         | -22.3          | -49.2          |
| Selling and marketing costs                                     | -162.3       | -126.5       | -553.6         | -455.5         |
| Administrative costs  | -31.0        | -25.0        | -113.3         | -91.3          |
| Research and development costs                                  | -111.4       | -89.0        | -382.1         | -332.1         |
| <b>Operating profit *</b>                                       | <b>125.3</b> | <b>120.6</b> | <b>415.0</b>   | <b>308.1</b>   |
| Financial expenses  | -0.6         | -0.5         | -2.2           | -1.4           |
| <b>Pretax profit</b>  | <b>124.7</b> | <b>120.1</b> | <b>412.8</b>   | <b>306.7</b>   |
| Tax   | -34.9        | -35.0        | -113.0         | -88.9          |
| <b>Net profit for the period</b>                                | <b>89.8</b>  | <b>85.1</b>  | <b>299.8</b>   | <b>217.8</b>   |
| <b>Other comprehensive income</b>                               |              |              |                |                |
| Cash flow hedges  | 0.1          | -14.9        | 1.2            | 51.2           |
| Hedging of net investments                                      | 0.0          | -2.9         | 0.3            | 6.9            |
| Exchange rate differences                                       | 5.7          | -2.7         | -8.8           | -6.6           |
| Tax attributable to components in other comprehensive income    | 0.0          | 4.7          | -0.4           | -15.3          |
| <b>Other comprehensive income for the period, net after tax</b> | <b>5.8</b>   | <b>-15.8</b> | <b>-7.7</b>    | <b>36.2</b>    |
| <b>Net profit for the period</b>                                | <b>95.6</b>  | <b>69.3</b>  | <b>292.1</b>   | <b>254.0</b>   |
| Total comprehensive income attributable to:                     |              |              |                |                |
| The Parent Company's shareholders                               | 95.6         | 69.3         | 292.1          | 254.0          |
| Earnings per share before dilution, SEK                         | 1.29         | 1.23         | 4.32           | 3.14           |
| Earnings per share after dilution, SEK                          | 1.29         | 1.23         | 4.32           | 3.14           |
| Average number of shares before dilution, thousands             | 69,461       | 69,374       | 69,406         | 69,374         |
| Average number of shares after dilution, thousands              | 69,461       | 69,423       | 69,406         | 69,423         |

\* Net effects of hedging and changes in exchange rates in underlying liabilities and receivables denominated in foreign currencies have impacted operating profit negatively by SEK 13 M (positively by 14) for the fourth quarter and negatively by SEK 23 M (negatively by 51) for 2010.

## Cash-flow statements

| (SEK M)  | Q4 2010      | Q4 2009     | 2010        | 2009        |
|--|--------------|-------------|-------------|-------------|
| Cash flow from operating activities before change in working capital | 134.1        | 96.0        | 368.6       | 299.2       |
| Change in working capital  | 197.0        | -10.3       | 22.8        | -75.2       |
| Cash flow from operating activities                                  | 331.1        | 85.7        | 391.4       | 224.0       |
| Cash flow from investment activities                                 | -19.2        | -23.0       | -51.7       | -62.2       |
| Cash flow from financing activities                                  | -27.7        | 3.8         | -275.2      | -73.4       |
| <b>Cash flow for the period</b>                                      | <b>284.2</b> | <b>66.5</b> | <b>64.5</b> | <b>88.4</b> |
| Cash and cash equivalents, beginning of period                       | 82.1         | 235.3       | 301.8       | 213.4       |
| Cash and cash equivalents, end of period                             | 366.3        | 301.8       | 366.3       | 301.8       |

## Consolidated balance sheet

| (SEK M)                                   | Dec 31, 2010   | Dec 31, 2009   |
|---|----------------|----------------|
| Fixed assets                              | 141.4          | 130.9          |
| Inventories                               | 294.2          | 224.0          |
| Accounts receivable and other receivables | 477.0          | 461.6          |
| Cash and cash equivalents                 | 366.3          | 301.8          |
| <b>Total</b>                              | <b>1,278.9</b> | <b>1,118.3</b> |
| Shareholders' equity                      | 627.2          | 608.4          |
| Long-term liabilities                     | 92.9           | 61.7           |
| Current liabilities                       | 558.8          | 448.2          |
| <b>Total</b>                              | <b>1,278.9</b> | <b>1,118.3</b> |

## Key figures

|  | Q4 2010 | Q4 2009 | 2010  | 2009  |
|--|---------|---------|-------|-------|
| Net sales growth (%)                         | 32.9    | 31.6    | 27.5  | 16.5  |
| Gross margin (%)                             | 50.5    | 52.5    | 50.7  | 53.7  |
| Operating margin (%)                         | 14.3    | 18.3    | 14.1  | 13.4  |
| Profit margin (%)                            | 14.2    | 18.2    | 14.1  | 13.3  |
| Depreciation/amortization (SEK M) *          | 41.1    | 38.7    | 41.1  | 38.7  |
| Shareholders' equity (SEK M)                 | 627     | 608     | 627   | 608   |
| Capital employed (SEK M)                     | 720     | 683     | 720   | 683   |
| Net debt (SEK 000s) **                       | 366     | 302     | 366   | 302   |
| Total assets (SEK M)                         | 1,279   | 1,118   | 1,279 | 1,118 |
| Return on capital employed (%) *             | 59.2    | 53.4    | 59.2  | 53.4  |
| Return on total capital *                    | 34.6    | 31.2    | 34.6  | 31.2  |
| Return on equity (SEK M) *                   | 49.3    | 43.1    | 49.3  | 43.1  |
| Interest-coverage ratio (times) *            | 191.4   | 220.1   | 191.4 | 220.1 |
| Equity/assets ratio (%)                      | 49.0    | 54.4    | 49.0  | 54.4  |
| Share of risk-bearing capital (%)            | 54.9    | 58.8    | 54.9  | 58.8  |
| Capital turnover ratio (times)               | 4.2     | 4.0     | 4.2   | 4.0   |
| Number of employees (average for the period) | 906     | 774     | 848   | 764   |
| Sales per employee (SEK M) *                 | 3.2     | 3.0     | 3.5   | 3.0   |
| Operating profit per employee (SEK M) *      | 0.5     | 0.4     | 0.5   | 0.4   |

\* The key figures have been recalculated to full-year values.

\*\* Refers to net interest-bearing receivables and liabilities.

## Per-share data

|   | Dec 31, 2010 | Dec 31, 2009 |
|---|--------------|--------------|
| Share price at end of period, SEK                   | 122.50       | 83.75        |
| Dividend, SEK                                       | 4.00         | 1.25         |
| P/E multiple  | 28           | 27           |
| Earnings per share before dilution, SEK             | 4.32         | 3.14         |
| Earnings per share after dilution, SEK              | 4.32         | 3.14         |
| Average number of shares before dilution, thousands | 69,406       | 69,374       |
| Average number of shares after dilution, thousands  | 69,406       | 69,423       |
| Number of shares outstanding (thousand)             | 69,461       | 69,376       |

## Quarterly data

| Invoiced sales per product group (SEK M) | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | Q1 2010 | Q2 2010 | Q3 2010 | Q4 2010 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Video                                    | 409.5   | 472.9   | 522.4   | 480.4   | 509.7   | 531.3   | 558.1   | 645.8   | 633.1   | 665.0   | 722.1   | 869.0   |
| Print                                    | 13.6    | 12.0    | 10.6    | 10.8    | 11.0    | 9.5     | 9.0     | 9.9     | 5.9     | 9.1     | 9.0     | 4.8     |
| Scan                                     | 12.2    | 5.9     | 7.3     | 7.5     | 8.2     | 0.8     | 0.6     | 3.1     | 1.4     | 2.8     | 4.5     | 1.5     |
| Other                                    | 2.3     | 3.0     | 2.8     | 1.7     | 2.7     | 0.6     | 0.3     | 0.0     | 2.2     | 1.4     | 1.2     | 0.0     |
| TOTAL                                    | 437.5   | 493.8   | 543.0   | 500.4   | 531.6   | 542.2   | 568.0   | 658.8   | 642.6   | 678.3   | 736.8   | 875.3   |

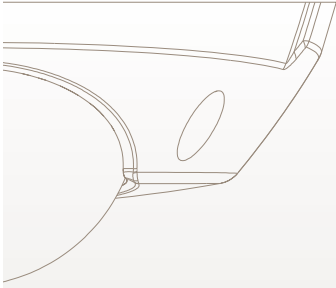
| Invoiced sales per region (SEK M) | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | Q1 2010 | Q2 2010 | Q3 2010 | Q4 2010 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| EMEA                              | 220.5   | 249.0   | 234.7   | 243.2   | 223.0   | 222.5   | 235.6   | 319.9   | 291.0   | 265.2   | 300.0   | 403.4   |
| Americas                          | 173.8   | 211.7   | 263.4   | 203.6   | 259.2   | 277.8   | 281.6   | 266.8   | 285.2   | 347.6   | 360.3   | 379.9   |
| Asia                              | 43.3    | 33.1    | 44.9    | 53.7    | 49.4    | 41.9    | 50.8    | 72.1    | 66.4    | 65.5    | 76.5    | 92.0    |
| TOTAL                             | 437.5   | 493.8   | 543.0   | 500.5   | 531.6   | 542.2   | 568.0   | 658.8   | 642.6   | 678.3   | 736.8   | 875.3   |

### Parent Company income statement

| (SEK M)                                       | 2010  | 2009  |
|---|-------|-------|
| Net sales                                     | 8.1   | 10.9  |
| Gross profit                                  | 8.1   | 10.9  |
| Administrative costs                          | -11.6 | -14.3 |
| Operating profit                              | -3.5  | -3.4  |
| Result from participations in Group companies | 327.2 | 306.4 |
| Financial income                              | 66.9  | 132.7 |
| Financial expenses                            | -22.3 | -80.3 |
| Pretax profit                                 | 368.2 | 355.4 |
| Change in tax allocation reserve              | -92.8 | -76.2 |
| Tax   | -74.0 | -76.6 |
| Net profit for the period                     | 201.4 | 202.6 |

### Parent Company balance sheet

| (SEK M)                                   | Dec 31, 2010 | Dec 31, 2009 |
|---|--------------|--------------|
| Fixed assets                              | 2.3          | 2.3          |
| Receivables from Group companies          | 525.6        | 529.5        |
| Accounts receivable and other receivables | 0.8          | 0.6          |
| Tax receivables                           | 0.0          | 0.8          |
| Cash and cash equivalents                 | 174.9        | 146.9        |
| Total                                     | 703.6        | 680.1        |
| Shareholders' equity                      | 319.7        | 391.7        |
| Untaxed reserves                          | 356.4        | 263.6        |
| Tax liabilities                           | 1.0          | 1.1          |
| Current liabilities                       | 26.6         | 23.7         |
| Total                                     | 703.6        | 680.1        |



## Review report

We have reviewed this report for the year 2010 for Axis AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the year-end report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Lund, February 3, 2011

Öhrlings PricewaterhouseCoopers AB

Bertil Johanson

*Authorised Public Accountant*

*Auditor in charge*

## Analyst & press conference

Axis will hold a teleconference for media and financial analysts today, February 3 at 10 a.m.

A presentation is available on <http://www.axis.com/corporate/investor/index.php>

Time: 3 February at 10 a.m.

Phone number: +46 (0)8 505 201 14

Specify Axis Communications.

Or contact:

Margareta Lantz

Manager, Investor Relations & Corporate Communications

Phone: +46 (0)708 90 18 92

