

Year- end report

January – December 2010

Ray Mauritsson, CEO & President
Fredrik Sjöstrand, CFO



www.axis.com

This is Axis

- > Founded in 1984
- > IT company driving the network video market
- > Focused on Network Video Solutions
 - Market leader
- > Global partnerships through distributors, resellers and system integrators
- > Worldwide presence in more than 30 countries, 914 employees*
- > Listed on NASDAQ OMX, Nordic under the ticker AXIS

*December 30, 2010

www.axis.com



Highlights – October-December 2010

- > The strong close was due to
 - Strong market demand on all markets
 - High availability of Axis' network video products
- > Axis grew faster than the market
- > Axis strengthens the patent portfolio



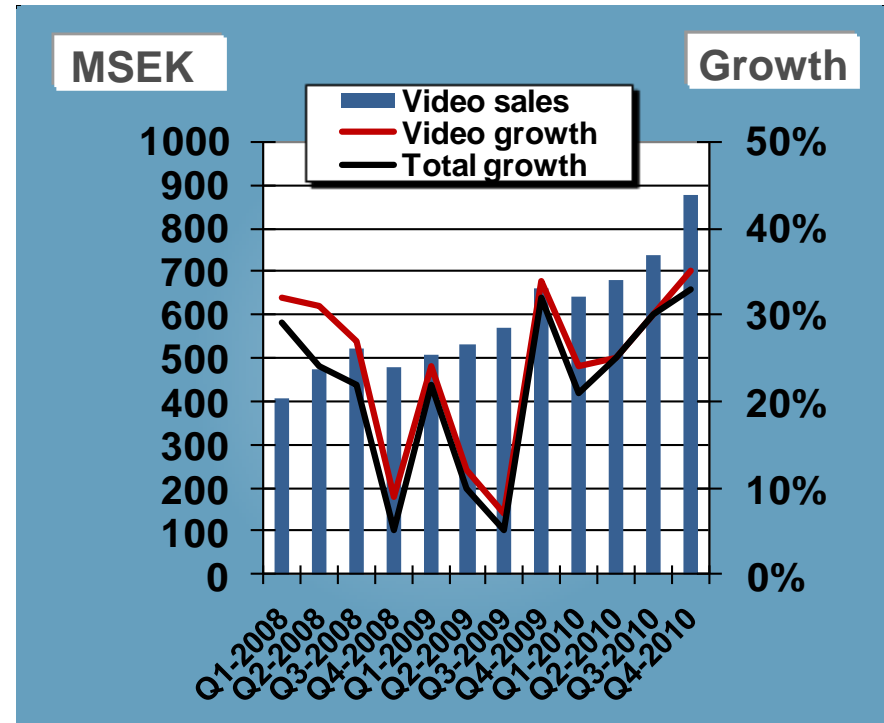
Sales

> January - December

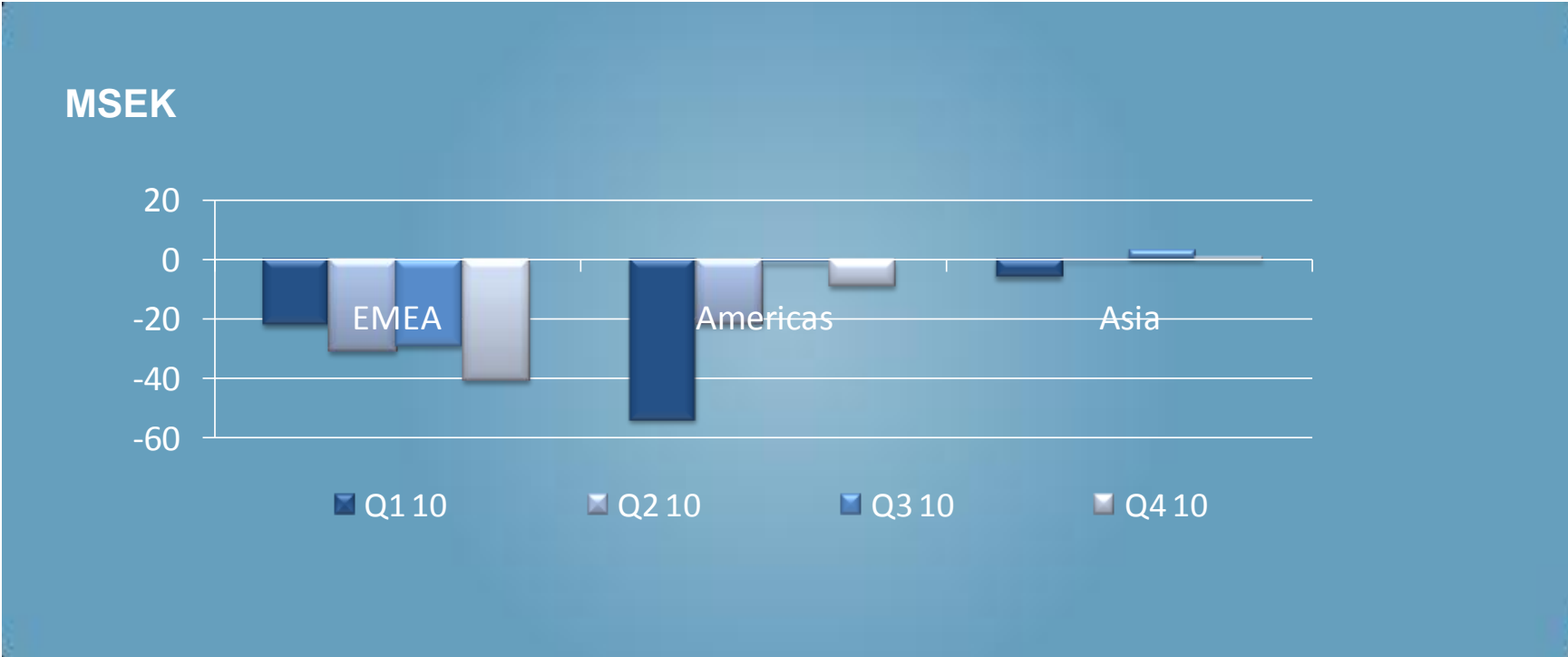
- 2 933 MSEK (2 301)
- Growth 27 %
- Currency effects, -209 MSEK

> October– December

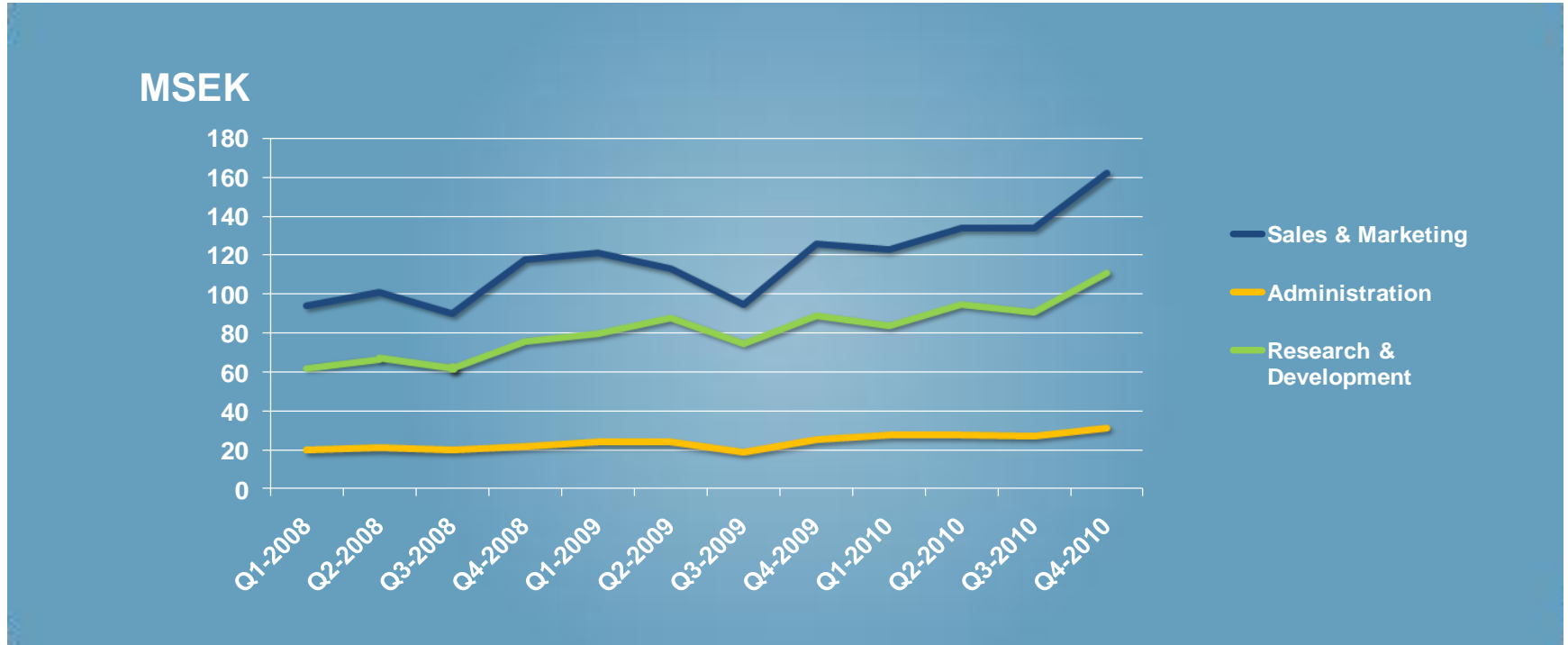
- 875 MSEK (659)
- Growth 33 %
- Currency effects, -48 MSEK



Currency effects on total sales by region

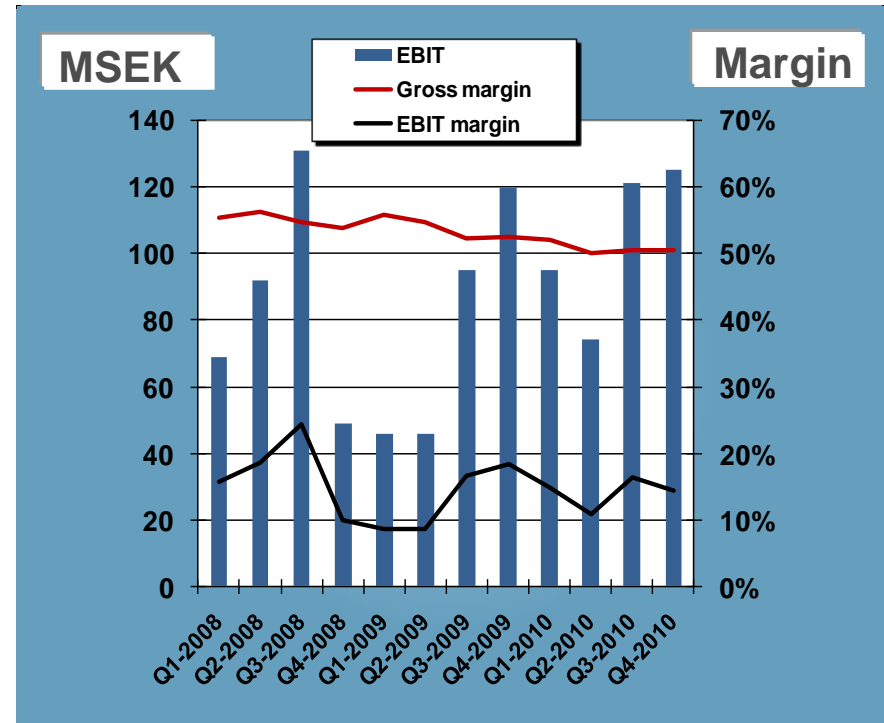


Operating expenses Q1 2008 – Q4 2010



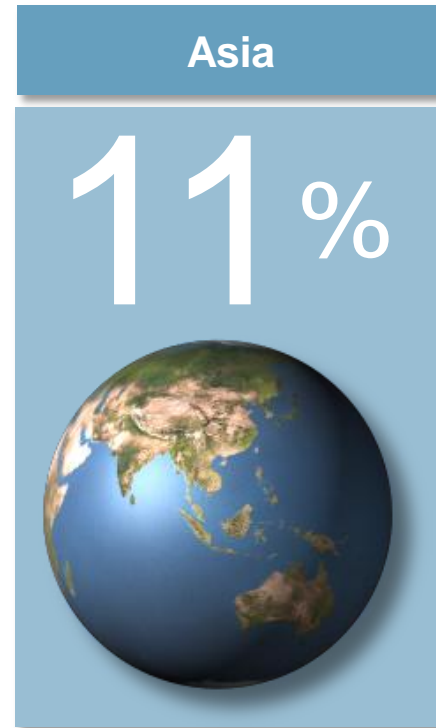
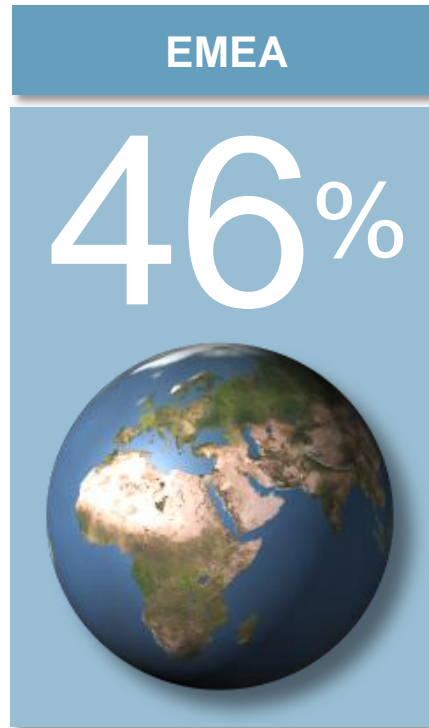
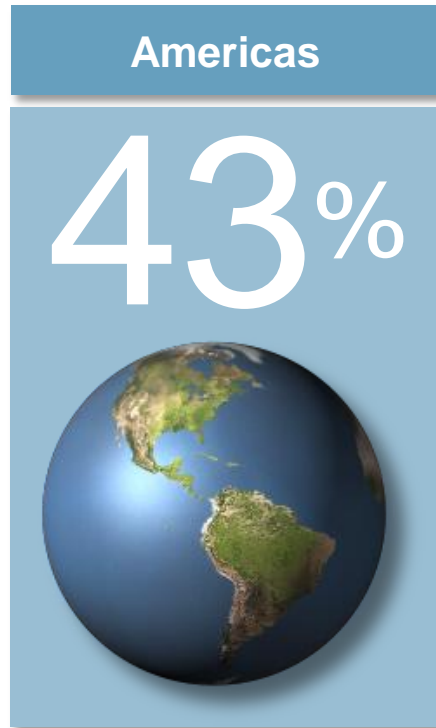
Margins*

- > Gross margin*
 - 50.5 % (52.5%)
- > Operating margin
 - 14.3% (18.3%)
- > Profit margin
 - 14.2% (18.2%)



*Q4 2010

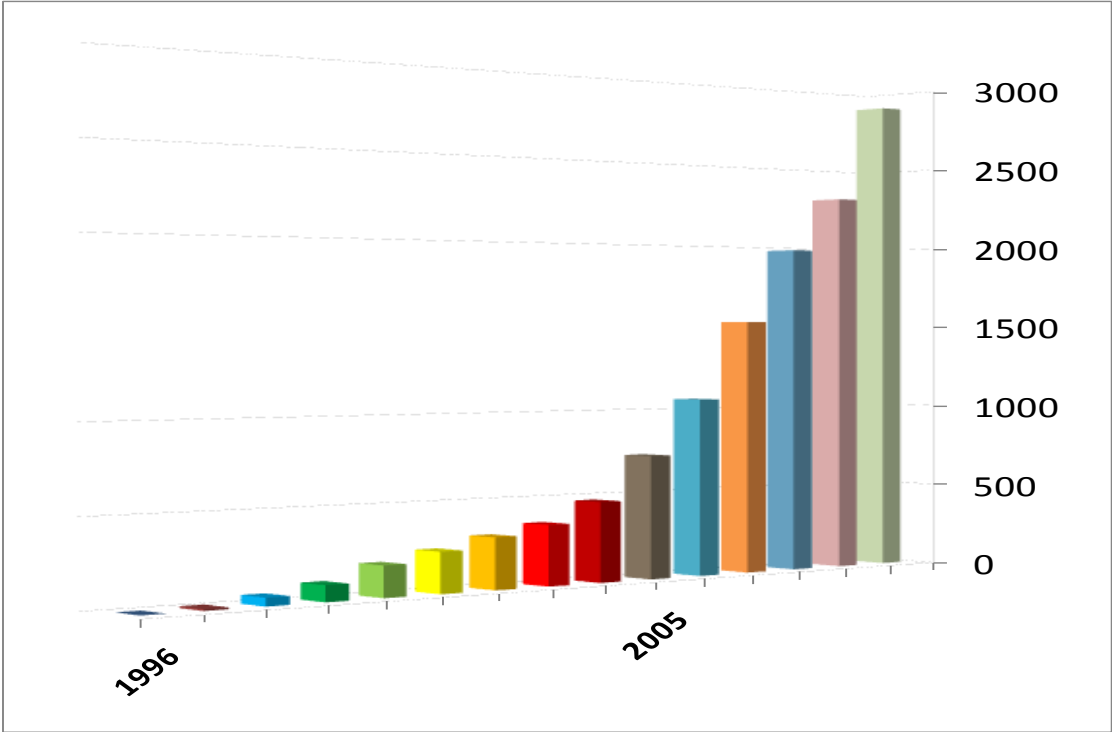
Sales in the regions*



*Q4 2010

www.axis.com

Axis video sales 1996-2010



Axis strategy

Partner network



Broad and innovative product portfolio



Global expansion



Global expansion, employees

**914 employees,
140 hired in
2010, in more than
30 countries**



Global expansion, partners

35,000 partners
covering **179**
countries,
distributors
in **70** countries



Educating the market

30 major trade shows

140 segment shows

775 other events



The market's broadest network video portfolio

Fixed

AXIS 207W/MW	AXIS M1103/M1113	AXIS P1311	
AXIS M1011/-W	AXIS M1104/M1114	AXIS P1343/-E	AXIS P1347/-E
AXIS M1031-W	AXIS 210	AXIS P1344/-E	AXIS 221
AXIS M1054	AXIS 211//211W/211M	AXIS P1346/-E	AXIS Q1755/-E



Fixed domes

AXIS M3011	AXIS M3113-R/M3114-R		
AXIS M3014	AXIS 216FD/-V		AXIS P3343/-V/-VE
AXIS 209FD	AXIS 216MFD/-V	AXIS P3301/-V	AXIS P3344/-V/-VE
AXIS 209MFD	AXIS M3203/M2304/-V	AXIS P3304/-V	AXIS P3346/-V/-VE



Encoders/decoders

AXIS 241Q/241QA	AXIS Q7404	AXIS Q7900 Rack	
AXIS 240Q	AXIS Q7401	AXIS 3U Video Server Rack	
AXIS 243SA	AXIS Q7406 Blade	AXIS 291 1U Rack	
AXIS M7001	AXIS 243Q Blade	AXIS P7701	
AXIS 241S	AXIS 241Q Blade		
AXIS 247S	AXIS 240Q Blade		



PTZ/ PTZ domes

AXIS 212 PTZ/-V	AXIS 233D/+
AXIS 213 PTZ	AXIS P5534
AXIS 214 PTZ	AXIS P5532
AXIS 215/-E PTZ	AXIS Q6032-E
	AXIS Q6034/-E



Thermal

AXIS Q1910-E
AXIS Q1910
AXIS Q1921-E
AXIS Q1921



Software & recording

AXIS Camera Station
AXIS Camera Management
AXIS Mobile Monitor
AXIS Q8108-R Network Video Recorder
ADP > 800 partners



Accessories



The latest innovations from Axis – summary

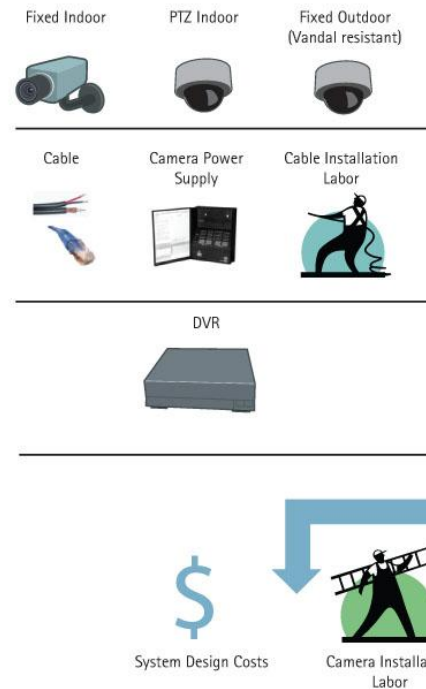
- > HDTV image quality in all new camera series
- > P-iris control for image clarity
- > H.264 streaming in all new products for minimized storage and bandwidth need
- > Power over Ethernet in all new cameras
- > Easy installation of cameras with many out-of-the-box, outdoor-ready models
- > Remote focus, remote zoom, focus assistant and pixel counter enable easy and accurate image settings
- > Field tools such as AXIS T8412 for efficient & easy installation



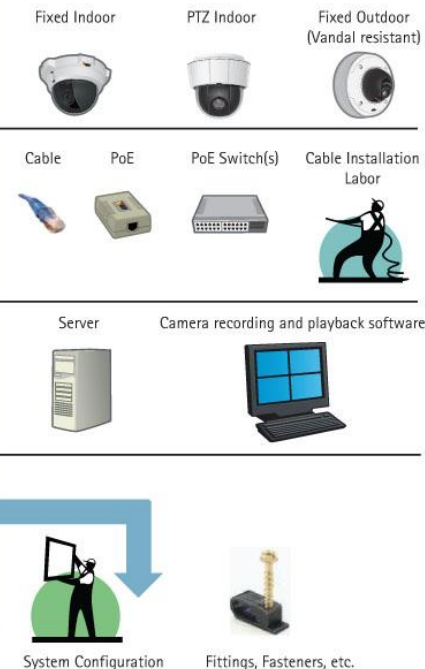
Cost comparison of video surveillance systems

Analog-digital	2007	2010
Greenfield installation:	School building	Retail
	32 network cameras	14 network cameras

Analog Camera + DVR System

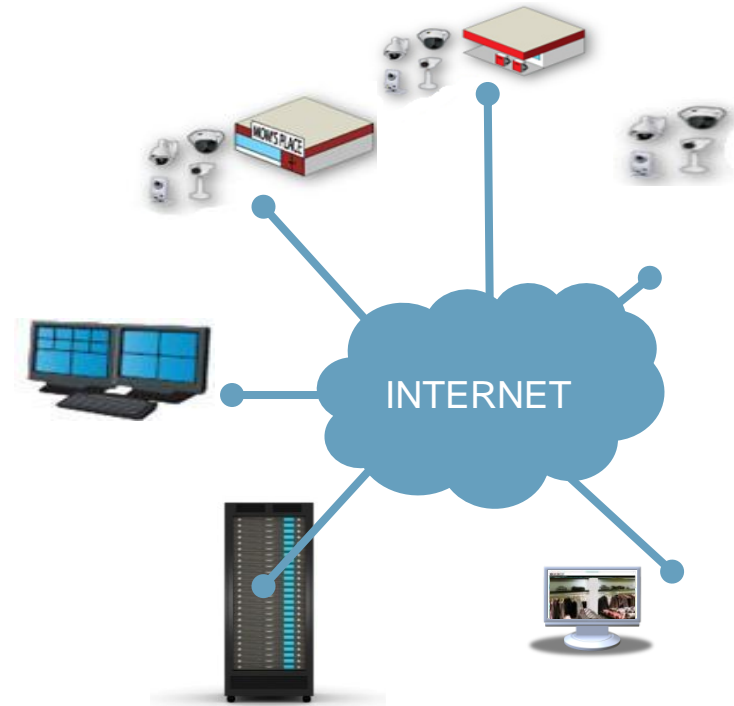


IP System



Hosted video for smaller business

- > Axis Hosted Video System (AVHS), for smaller businesses
- > Ease of installation (One-Click Configuration)
- > Live view recordings and notifications directly in PC or mobile phone browser
- > Maintenance and storage handled by a service provider



Stronger patent portfolio

- > Acquisition of “Internet Camera Portfolio” from Hoya Corporation and its affiliate
- > About twenty patents
- > Patents related to network camera technology



High interest for network video solutions

Retail



Transportation



City surveillance



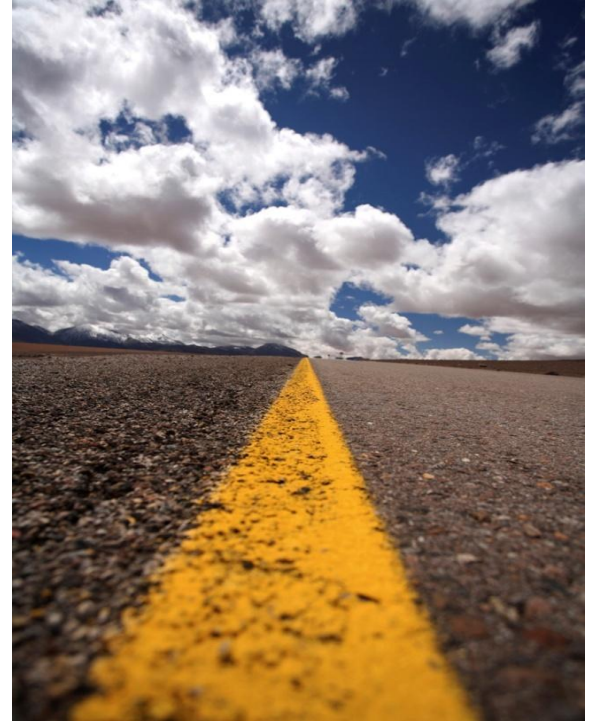
Future outlook

Short-term perspective

- > Good market conditions for a continued positive trend towards network video
- > Continue to launch innovative products
- > Expand presence with employees and partners

Long-term perspective

- > 25-30 percent growth potential in the network video market
- > Axis' goals remain unchanged



Get the Axis picture. Stay one step ahead.

partner network
Axis
open
megapixel
camera
HDTV
competence
worldwide
network video
leader
easy installation
convergence
intelligent
Thank you!
safe
innovation
environment
protect
leader
thermal
global
outdoor
ease of use
H.264
integration
image usability
focus
video encoder