

### **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 Stockholm under the ticker AXIS.

For more information about Axis, please visit our website at [www.axis.com](http://www.axis.com).

### **Axis mission**

To be the driving force in bringing customers the full benefits of intelligent network video solutions.

### **Axis goal**

Axis has the overall long-term financial goal of achieving a total average annual growth of at least 20 percent for the Group, a profit margin of at least 10 percent, and an equity/assets ratio in excess of 50 percent.

In the short term, the overall objective is to maintain and strengthen the company's position as the leader in the network video market. This is a market that analysts expect will grow by around 40 percent annually over the next few years, and Axis' ambition is to grow with the market. Growth, continued profitability, and a stable financial base will create the right conditions for long-term growth in value for shareholders.

### **Business concept**

Axis' business concept is to develop intelligent network-based products and solutions. The company is focused primarily on the rapidly growing market for network video solutions.

In addition, Axis has a leading position as a supplier of print servers.

Axis' products are primarily used in network applications for security systems and remote monitoring. The products provide maximum customer value through effective surveillance solutions, reduced costs, and increased flexibility and performance, such as in the form of scalable systems.

### **Product portfolio**

As a leading expert in network video, Axis develops innovative products, and offers the market's broadest product portfolio. The range of products includes network cameras, video servers, video management software, and a full range of audio and video accessories. In addition, Axis has the market's broadest range of print servers.

Axis was the first to bring the benefits of network video technology to professional video surveillance, and remote monitoring application. Since 1996, the company has been the leader in network video solutions. Axis designs and builds fixed cameras, network dome cameras, PTZ (pan, tilt, zoom) cameras, cameras for day and night, indoors and outdoors. Axis also offers a full range of video servers that helps users to cost effectively migrate analog CCTV systems into IP based video solutions. Axis also supplies video management software for remote viewing, recording, and powerful event management, which

complements the company's network cameras and video servers.

For several years, Axis has been one of the world's leading brands in print servers, providing cost-efficient and user-friendly print functions without regard to network environment or printer type. With the market's broadest range of external print servers, Axis can meet the requirements of small customers, as well as large companies and organizations.

### **Business model**

Axis uses a two-tier business model, using distributors to reach resellers and system integrators.

All of Axis' branded products are sold through the channels of distributors and resellers whereas system integrators use Axis' products as integrated parts of larger system installations. These include distributors such as Ingram Micro, Tech Data, and Anixter.

Axis has more than 24,000 system integrators world-wide to ensure the best and most complete solution for every purpose. Axis has partners that include prominent companies such as Securitas, IBM, and Honeywell. The company also forms partnerships with consultants, application developers and others, to secure the quality and availability of the whole spectrum of network solutions, from customized video management application to networking infrastructure, system integration and more.

To further strengthen partner relations, Axis has developed two specialized partner programs. In the Channel Partner Program, customers are brought to the right level of recognition and resources to ensure success in their business. The program for Application Development Partners (ADP) is an initiative that brings application developers closer to Axis while ensuring that there is a broad range of applications that includes the company's products.

### **Customers**

Axis' end users range from large multinational corporations to small-to-midsize enterprises, which use the easy-to-install and safe Axis' products and systems solutions in their installations to optimize their business processes. Axis prioritizes six primary end-user segments for products sold under Axis' own brands. The segments are - **Education** (universities, schools, educational institutes), **Banking & Finance** (banks, post offices, insurance companies), **Retail** (stores, gas stations, supermarkets), **Transportation** (airports, railways, harbours, traffic surveillance, toll stations), **Government** (authorities, police, city surveillance, health care, prisons, museums, casinos), and **Industrial** (process industries, engineering, construction, pharmaceutical, energy companies).

### **Technology leadership**

The core of the Axis product offering is its in-house-developed IP-based technology platform. Axis' ETRAX and ARTPEC chips are regarded as industry-benchmark core components within the network-management and communications and image-compression areas. The technology enables easy installation and provides compact and powerful solutions so that equipment can be rapidly and securely connected to virtually any wired or wireless network.

### **Market leadership**

Axis' market leadership is founded on more than two decades of success in developing core technologies and products for network connectivity, building strong sales channels, and forming key partnerships. With more than 1,000,000 professional network cameras and more than 3 million networking products installed, Axis has the experience to meet the customer's needs. Axis is recognized as one of the most trust worthy brands within the new IP-based surveillance industry. Research firms such as Frost & Sullivan and J.P. Freeman have recognized Axis as the leader in the global network video market, which according to the market research institute IMS Research is expected to reach a value of \$8.1 billion by 2010.

### **For further information, please contact:**

**Margareta Lantz**, Investor Relations and Corporate Communications Manager, Axis Communications Phone: + 46 46 272 18 92, e-mail: [margareta.lantz@axis.com](mailto:margareta.lantz@axis.com)

More information about Axis can be found at [www.axis.com](http://www.axis.com)