

Year- end report

January – December 2011

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, 1 127 employees*
- > Listed on NASDAQ OMX, Nordic under the ticker AXIS

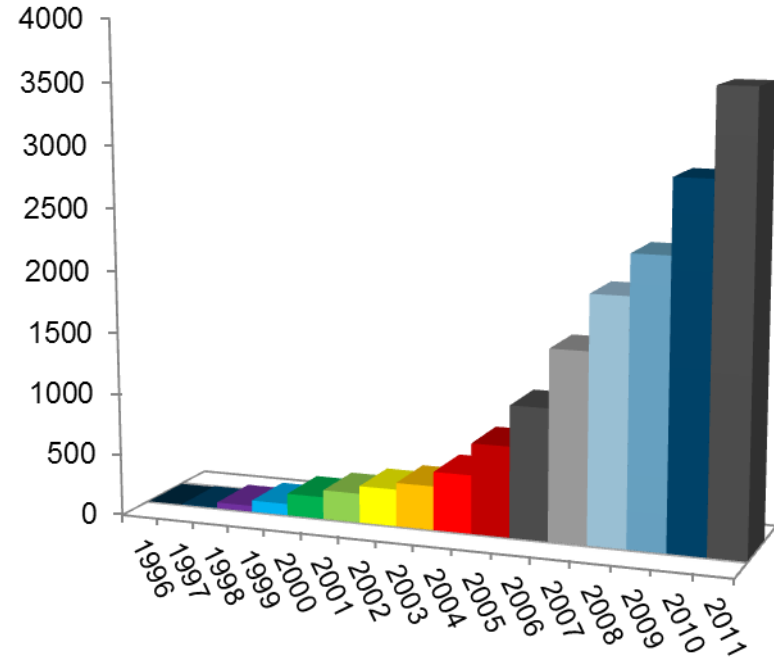
*December 30, 2011

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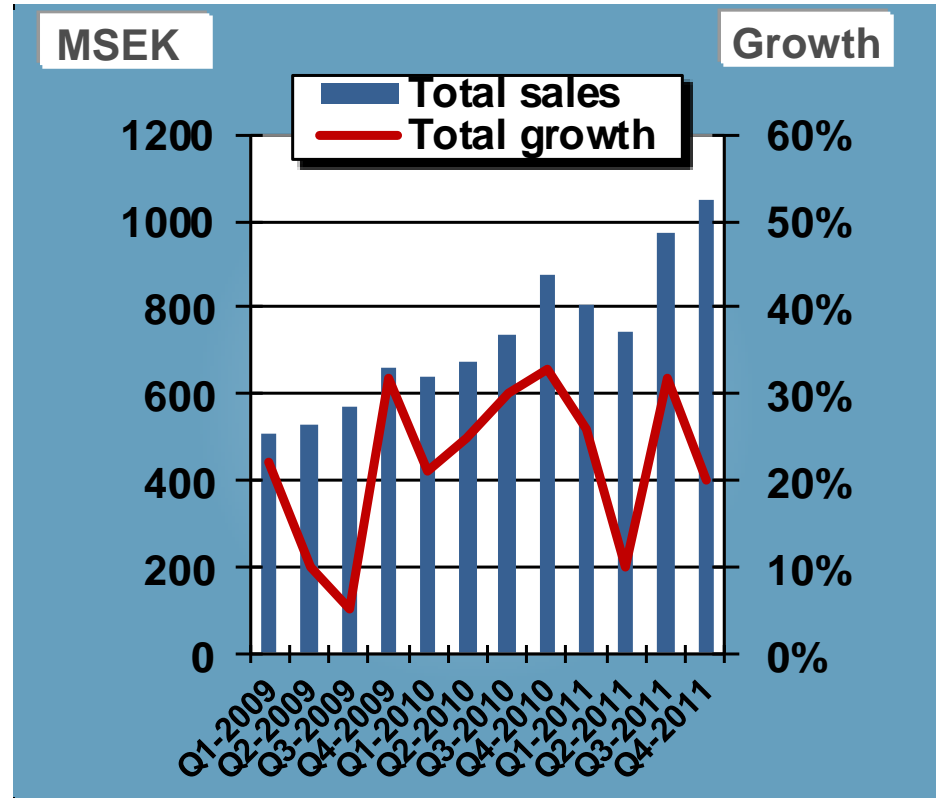
Highlights – January - December 2011

- > The strong closing of the year
 - Innovative product releases
 - Global expansion
 - Very well managed supply challenges
- > Axis grew faster than the market
 - Growth 33 %
 - Gained market shares
- > High recruitment pace

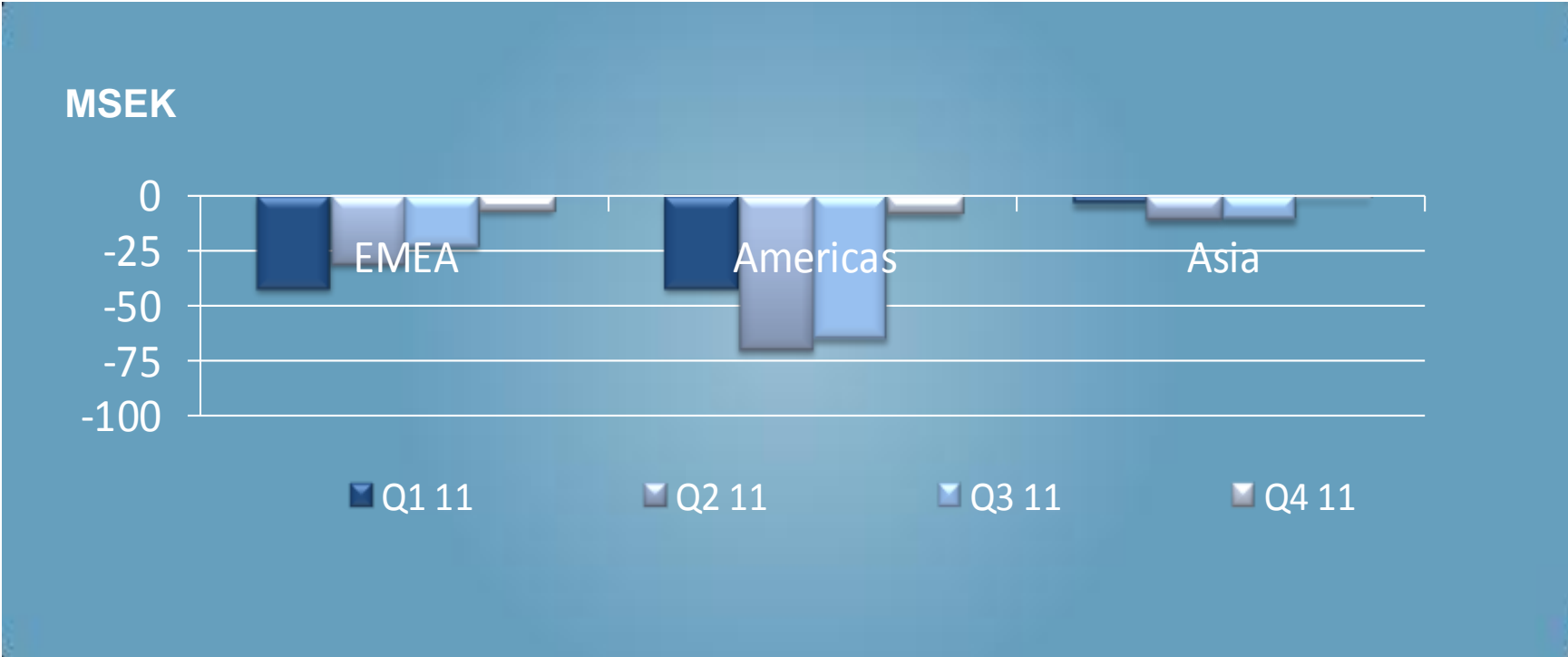


Sales

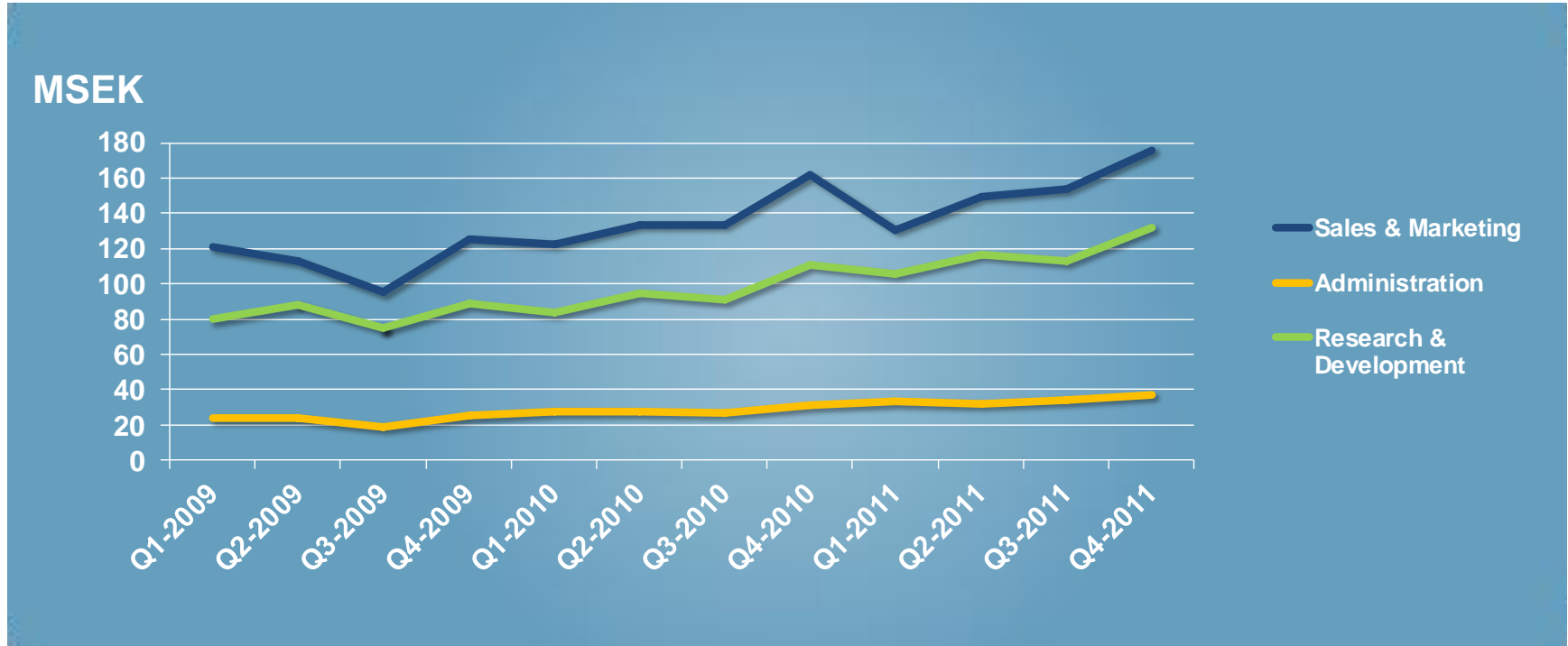
- > January – December
 - 3 578 MSEK (2 933)
 - Growth 22%
 - Currency effects, -313 MSEK
- > October – December
 - 1 051 MSEK (875)
 - Growth 20%
 - Currency effects, -16 MSEK



Currency effects on total sales by region

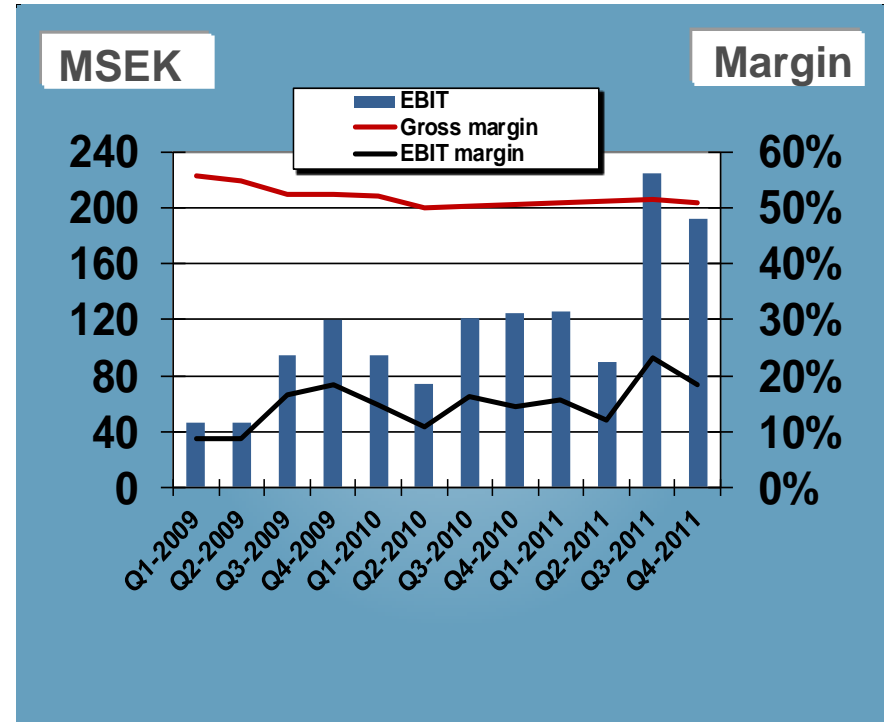


Operating expenses Q1 2009 – Q4 2011



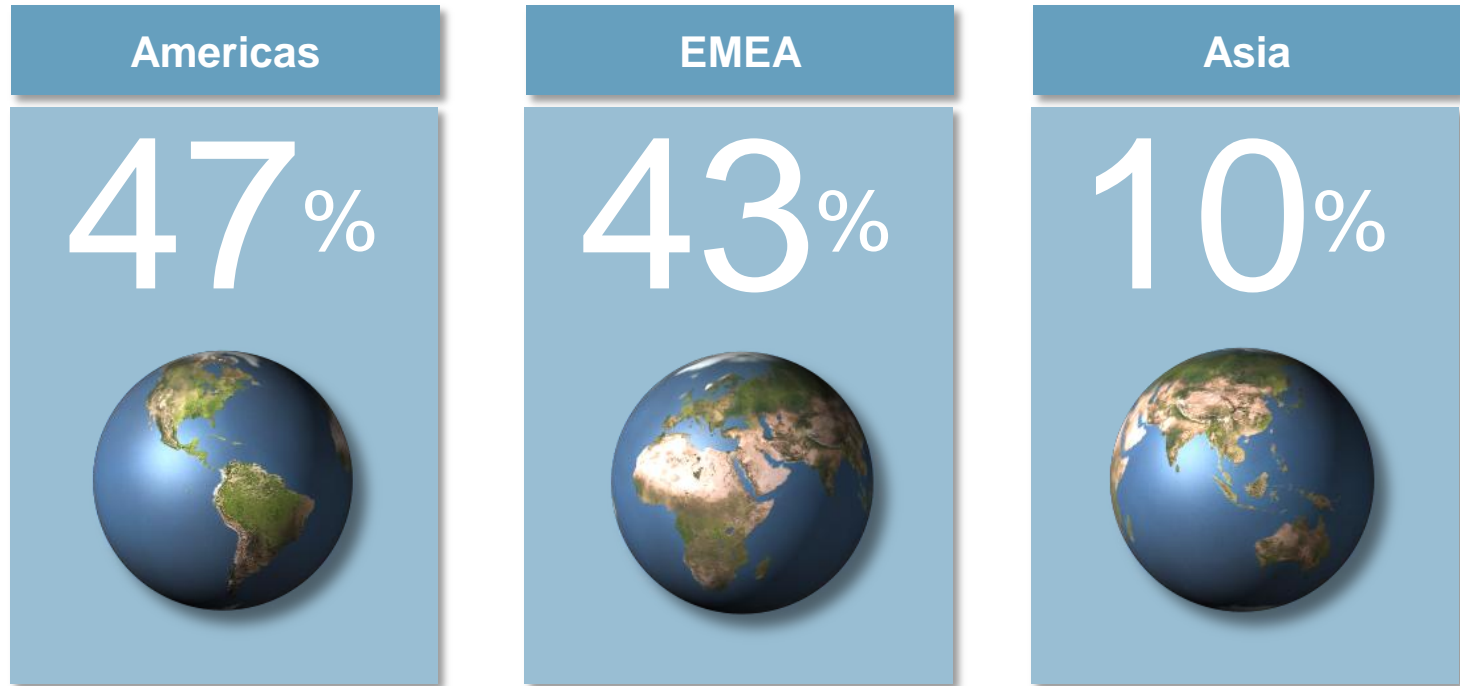
Margins*

- > Gross margin*
 - 50,8% (50,5%)
- > Operating margin
 - 18,3% (14,3%)
- > Profit margin
 - 18,2% (14,2%)



*Q4 2011

Sales in the regions*



*Q4 2011

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Financial goals and achievements 2011

Long term goal	Achievements 2011
Total average growth of at least 20 percent	Growth of 22 percent 2011 The average growth 2006-2011 was 26 percent.
Profit margin of at least 10 percent	Profit margin of 17,6 percent
Equity/assets ratio in excess of 50 percent	The equity/assets ratio amounted to 47,5 percent

Axis strategy

Partner network



Broad and innovative product portfolio



Global expansion



2011 – Outlook & Outcome

Outlook	Outcome
A market hard to predict	Annual growth 33%, Axis gained market shares
Fluctuations between quarters	Q1 39%, Q2 27%, Q3 45 %, Q4 22% *
Continued strong partnerships	35.000 → 45.000 partners
High product launch pace	+30 new network video products (Light finder, WDR, AVHS)
Global expansion	213 new employees (+23%), local presence in 37 countries

* Local currencies

Highlights from the regions

Americas



High growth rate, high penetration of network video
Ranked No 1 in surveillance cameras
Introduction of AVHS offering
Strong verticals: Government, Retail, Education

EMEA



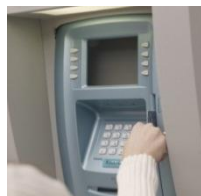
Growth in line with the market
Growth rate varies between countries
Ranked No 1 in surveillance cameras
Strong verticals: Retail, Critical infrastructure, Bank

Asia



Long term growth potential
Investments for high growth
Strong verticals: Retail, Government, Industrial, Transport

Successful installations in focused customer segment



Banking and finance

People's Bank of China (CN)

Caisse d'Epargne Bank (FR)

Liberty Life (ZA)



City surveillance

City of Savannah (US)

City of Geel (BE)

Cuneo Municipality (IT)



Education

Yabné School (FR)

University of Aberdeen (GB)

King Fahd Security College (SA)



Government

Amazonas State Government (BR)

Dallas Police Department (US)

Paris National Opera (FR)



Healthcare

Moscow Hospital (RU)

Taiyounosato Social Welfare Service Corporation (JP)

CoxHealth (US)



Industrial

Volkswagen (CN)

Téfal (FR)

Hyundai Steel (KR)



Retail

Hugo Boss (FR)

Benetton (AT)

Carrefour (FR)



Transport

Stockholm Lokaltrafik (SE)

Madrid Buses (ES)

Swiss Railways (CH)



Reference customers with successful Axis installations – from all over the world

30 new innovative products launched during the year

- > Superior image quality
 - Lightfinder
 - Wide Dynamic Range
- > Efficient video encoders
 - AXIS M70 series, AXIS P72 series
- > Easy installation/operation
 - Out-of-the-box outdoor-ready
 - Pan, tilt & zoom
- > Networking
 - Edge storage



Very well managed supply challenges

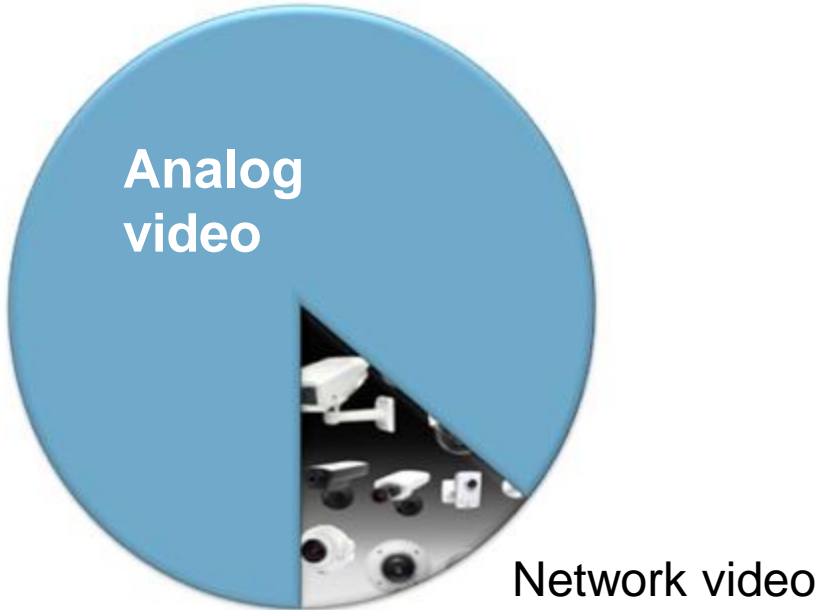
- > Affected by the flooding in Thailand
 - Suppliers
 - Contract manufactures
 - Axis Configurations & Logistic Centre

- > Actions taken
 - Relocation to other facilities
 - Redesign of network video products



State of convergence

Systems with < 16 cameras



Systems with > 16 cameras



Industry Future

Image usability

Onboard storage

Cloud computing
(VSaaS)



Outlook

> Short term perspective

- Stable development
- Seasonal slowdown in project flow
- Continued expansion
 - High recruitment pace
 - Launch of innovative network video products

> Long term perspective

- Good market conditions for a continued positive development within network video, 25-30 percent growth

Project flow



50% of projects are visible

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