

Axis at a glance



Axis in 2 minutes

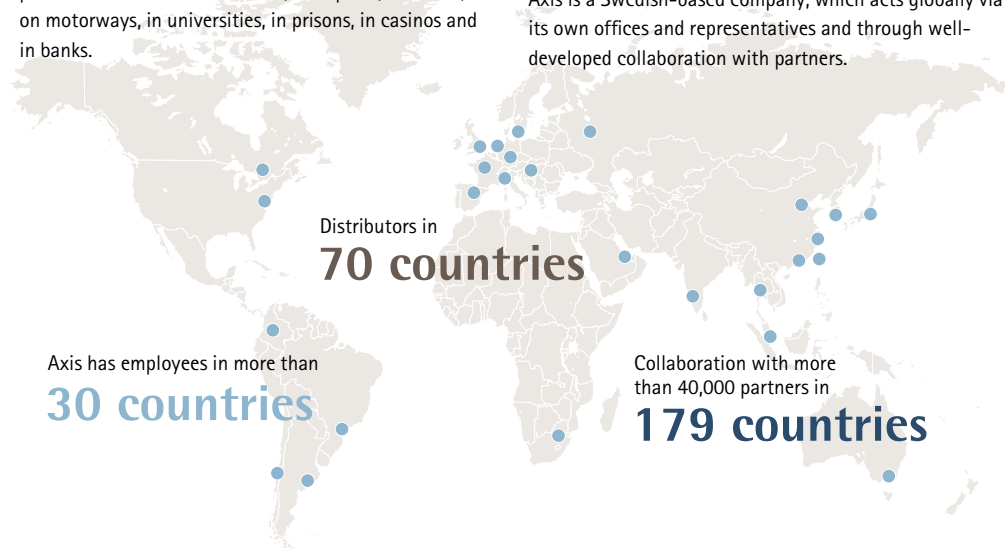
Axis is an IT company offering network video solutions for professional installations. Axis is the global market leader within network video and offers high quality and innovative products for security surveillance and remote monitoring which promote safety and security in society.

Axis products in the world

Axis' network video products are installed in public places as well as in retail chains, in airports, on trains, on motorways, in universities, in prisons, in casinos and in banks.

Axis – a global company with a local presence

Axis is a Swedish-based company, which acts globally via its own offices and representatives and through well-developed collaboration with partners.



Axis has employees in more than **30 countries**

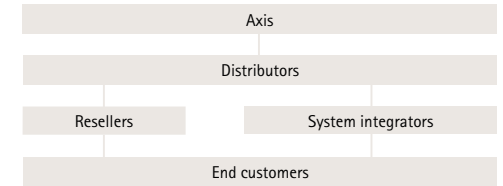
Focus on network video

Video 98 %



Axis' business model offers a local presence

Axis' products reach the market through a two-stage model via distributors and in most cases, system integrators who work with the end customers.



Sales 2010

SEK **2,933** M

Axis' product portfolio

Axis was the first company in the world to launch a network camera in 1996, initiating the shift from analog to digital technology. The majority of Axis' sales are generated by the Video product area; network cameras, video encoders, accessories and application software.

Invoicing per region, 2010



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Market

Network video represents the future

Why are we so confident about the future? Customers around the world are migrating steadily from traditional analog to modern digital solutions and Axis is one of the main beneficiaries – as well as being a driver – of this trend. At the same time, new applications for network video are continually being discovered.

The customers are mainly within the security sector, but are also found in other sectors where a need exists for remote monitoring and optimization of business processes. The market is considered to have major growth potential. Apart from security installations, growth is anticipated within new fields of application and new customer segments for network video. These include inventory management, measurement of customer behavior in the retail sector and remote monitoring within healthcare.

In its report, IMS Research* ranks Axis as the market leader within network cameras. Axis has reached this position through solid know-how about products and solutions, well-established sales channels, good relationships with partners and a portfolio featuring innovative products. Axis was ranked second among the world's suppliers of security cameras, including analog and digital cameras.

* The 2010 edition of IMS Research's report "The World Market for CCTV & Video Surveillance Equipment".





Pretoria, South Africa

Surveillance makes cities safer

Axis network cameras are used to protect people and property in cities all over the world. This is demonstrated by cities like Pretoria, South Africa, and Buffalo, United States, where video surveillance systems contribute to a safer environment for people and businesses.

Local businessmen in Silverton, an area of Pretoria, were troubled by the high crime rate in their central business district. A non-profit community initiative called Silverton Business Watch decided to implement a high-tech surveillance solution to fight the scourge threatening its local industry.

A local system integrator proposed the installation of an IP monitoring system based on Axis network cameras which were selected due to their superior image quality and broad product range. The solution has proved to be very effective and as a result the crime rate was reduced by a staggering 30 % in just three months after the installation. The success of the project has led to the expansion of the system into the nearby Silverton residential area.

Public safety was also the reason why the City of Buffalo in the State of New York decided to deploy a city-wide video surveillance system. The solution sought by the city

required high resolution cameras that among other things could read license plates from a distance of 200 meters and which could provide police officers with evidence-grade videos. Since the cameras would be mounted outdoors, they also needed to be wind- and weatherproof and perform well even in low lighting situations.

The chosen system integrator initially set up a wireless network throughout the city of more than 50 Rapid Deployment Surveillance Solution PoleCams* housing AXIS 233D network cameras. As the project progressed, the City of Buffalo chose to install additional cameras at numerous locations, bringing the total camera count to well above 100.

The installation has been very successful, helping police to make their first five arrests while installation of the video network was still in progress. As a result Buffalo citizens have been requesting cameras in more places in the city.

Network video products for professional installations

Axis' customers are always one step ahead, thanks to our innovative product portfolio of network cameras and video encoders. Our use of open platforms also facilitates a high rate of innovation and allows our products to be used in an increasingly broad range of applications.

The products are primarily included in security installations, ranging from solutions for individual stores to comprehensive systems on trains, on motorways, at universities, in banks and in retail chains. Streamlining and optimization of the customers' transaction flows in warehouses and within the retail trade are examples of applications where network video products directly contribute to commercial benefit for the customers.

Easy to install

The network video products are easy to install and move, deliver material of superior image quality,

are cost efficient and make it easy to study recorded material from any computer in the world. They also provide advanced video analytics features, such as motion detection, audio detection and tampering alarm.

High image quality

A competitive advantage of network cameras compared with analog cameras is that they deliver video of high image quality. Network video products which can deliver HDTV quality images represent another very important driver of the shift from analog to digital technology.



In recent years, Axis has therefore focused on developing products with HDTV resolution and the majority of Axis' product portfolio was equipped with HDTV during the year. HDTV delivers superior image quality and the resolution is at least five times higher than with an analog camera.

Remote monitoring

Network video offers users the possibility of remote monitoring, which means that they can gain access to video from a computer anywhere. The users are able to monitor business operations regardless of the location.

This functionality is also beneficial from an environmental standpoint.

Easy to integrate

The cameras are easy to integrate with different security solutions, delivering an optimal result adapted to each unique situation. Network systems also offer flexibility which facilitates rebuilding and expansion of the system. Axis' network video products are built on the ONVIF standard, VAPIX®, and Axis' open application programming interface, ensuring that our solutions offer easy integration and scalability.

Partners

Global company, operating locally

Under our indirect business model, distributors sell Axis' products to system integrators and resellers, who in turn sell them to the end customer. We gain more partners every year and continually develop new programs to engage and train them. Exactly how does this work?

Axis Channel Partner Program covers system integrators and resellers. The program is designed so that partners can generate business opportunities from Axis' market-leading position within the rapidly growing network video market. The program is open to all and creates loyalty, resulting in a cost effective and scalable sales model for Axis.

Axis' partners serve as an extension of the company and play a key role in reaching the market. Loyalty, scalability and proximity to the customers are established through a

two-stage model, while at the same time, organizational efficiency is maintained.



Axis is often highly involved in the process offering expertise about network video. Axis currently has more than 40,000 partners and reaches about 179 markets. This indirect business model creates a broad geographical reach and local presence.

Apart from partners in the sales channels, Axis collaborates with over 850 software developers, i.e. Application Development Partners (ADPs), which is an important part of the continued investment in the professional network video market. The ADPs develop application software

which functions as a complement to Axis' proprietary software offering and which gives the end customer access to a large number of applications in order to meet different needs within the customer segments.

Partners are continuously trained through participation in the ambitious training program, Axis Communications Academy. The training is designed to educate system integrators and resellers in the benefits of network video generally and Axis' products in particular. Knowledge that is useful in the sales process.



Port of Shanghai

Increased use of network cameras in ports and airports

Axis' network cameras are increasingly being used within the transportation sector where they contribute to the safety of travelers and prevent damage to property. The cameras are also used to monitor traffic and cargo handling in ports and airports.

In 2010, the Port of Shanghai overtook the Port of Singapore to become the world's busiest container port. This meant that Shanghai's port handled the equivalent of 29 million twenty-foot containers (TEUs). The port company turned to two local partners of Axis for assistance in utilizing IP video technology to strengthen its efficiency and productivity.

The port company selected an Axis solution to smoothly integrate the existing analog system into a network video system. The implementation of the Axis system took full consideration of the demand for interconnected surveillance among the various ports managed by the company. The system can be connected to the network directly in a plug-and-play manner, eliminating complex cabling and enabling easy installation.

"As the business systems of the port were increasingly digitalized, and the web-based IP intelligent video technologies were developed, Axis was able to help us utilize new IP video technology to provide intelligent services for

the business operation of the port. This has enhanced business efficiency and productivity", says Zhou Yaoping, Deputy Director, Shanghai Port Public Security Bureau.

Another example from the transportation sector is Gimpo International Airport, the first airport in the Republic of Korea to be equipped with HDTV quality network cameras.

The Korea Airports Corporation wanted to build a surveillance system at the airport capable of preventing crime and monitoring any incident involving visitors. Furthermore, the corporation needed a system that would enable passengers waiting at bus terminals to know when their bus will arrive.

After testing and reviewing various network solutions, the team deployed 22 Axis products, including AXIS P5534 and AXIS Q1755, in a centrally controlled system. By reinforcing surveillance and monitoring, Gimpo International Airport has changed into a place where visitors can enjoy improved safety and convenience wherever they are.

Sustainability – a natural part of Axis' business

Sustainability is and has always been a long-term strategy for Axis' business operations and our commitment to continuous improvement is a never-ending story. Axis has a strong and coherent corporate culture, which emphasizes employee satisfaction as well as responsibility towards our stakeholders and to the environment. What does this mean in practice?

Axis attaches great importance to ensuring that the employees behave correctly in all business related situations. The company's Code of Conduct is therefore



explicit. It emphasizes the basic principles according to which Axis conducts its operations and handles relationships with its employees, business partners and other stakeholders. Axis has signed (2007) the UN's Global Compact initiative and the ILO Declaration on Fundamental Principles and Rights at Work.

Axis requires mutual responsibility

Axis develops and supplies network video products which are primarily used in security installations. The right to feel safe and secure is one of the most important basic principles in society, and this is where surveillance systems perform an important function, as long as they are used in accordance with prevailing legislation. Privacy discussions have sometimes focused on the products



that are deployed in surveillance or guarding. Axis' viewpoint is that a surveillance system in itself cannot constitute a violation of privacy. Nevertheless, as with all other equipment, it can be misused. To avoid misuse of

Axis continually evaluates the operations and products in order to increase its knowledge of the environmental impact caused. A clear result of the environmental work is that the products' energy consumption has been reduced sharply over time. The cameras have also been designed in a more compact way, which reduces material usage and transportation volumes.

www.axis.com

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 and 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 NASDAQ OMX Stockholm, under the ticker AXIS. For more information about Axis, please visit our website at www.axis.com.

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