

Interim report

January – September 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 37 countries, 1 088 employees*
- > Listed on NASDAQ OMX, Nordic under the ticker AXIS

*Sept 30, 2011

www.axis.com



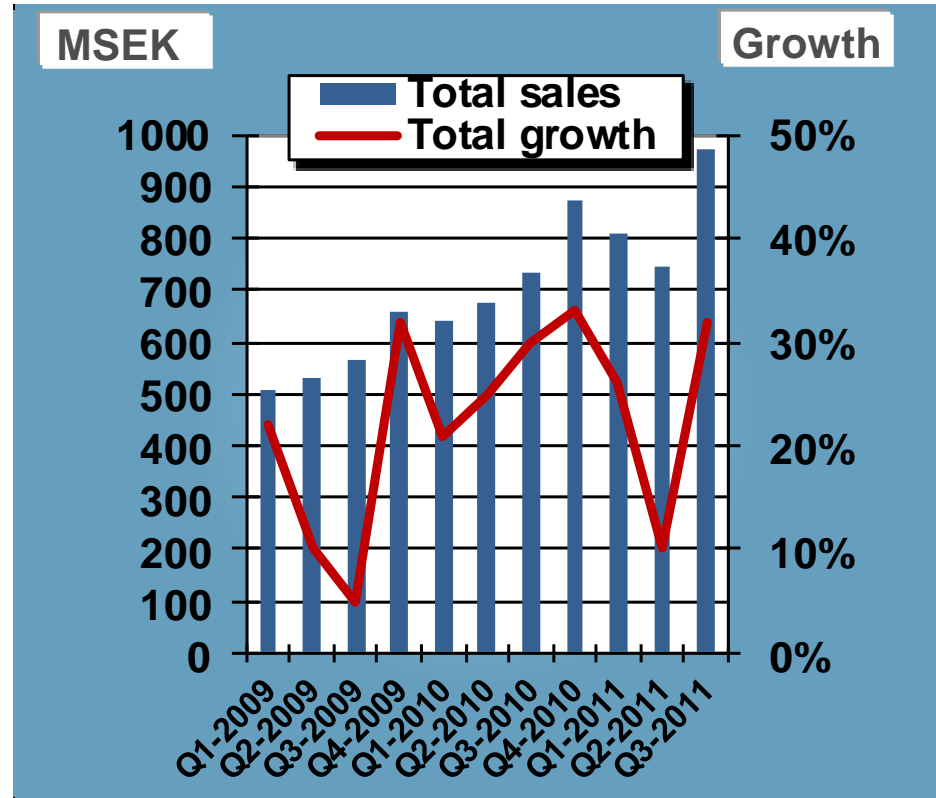
Highlights January – September 2011

- > Continued high global expansion pace
- > Stable growth trend, fluctuations remain between quarters
- > Increased stock levels in distribution
- > Very strong operating margin due to normal seasonal Q3 effects

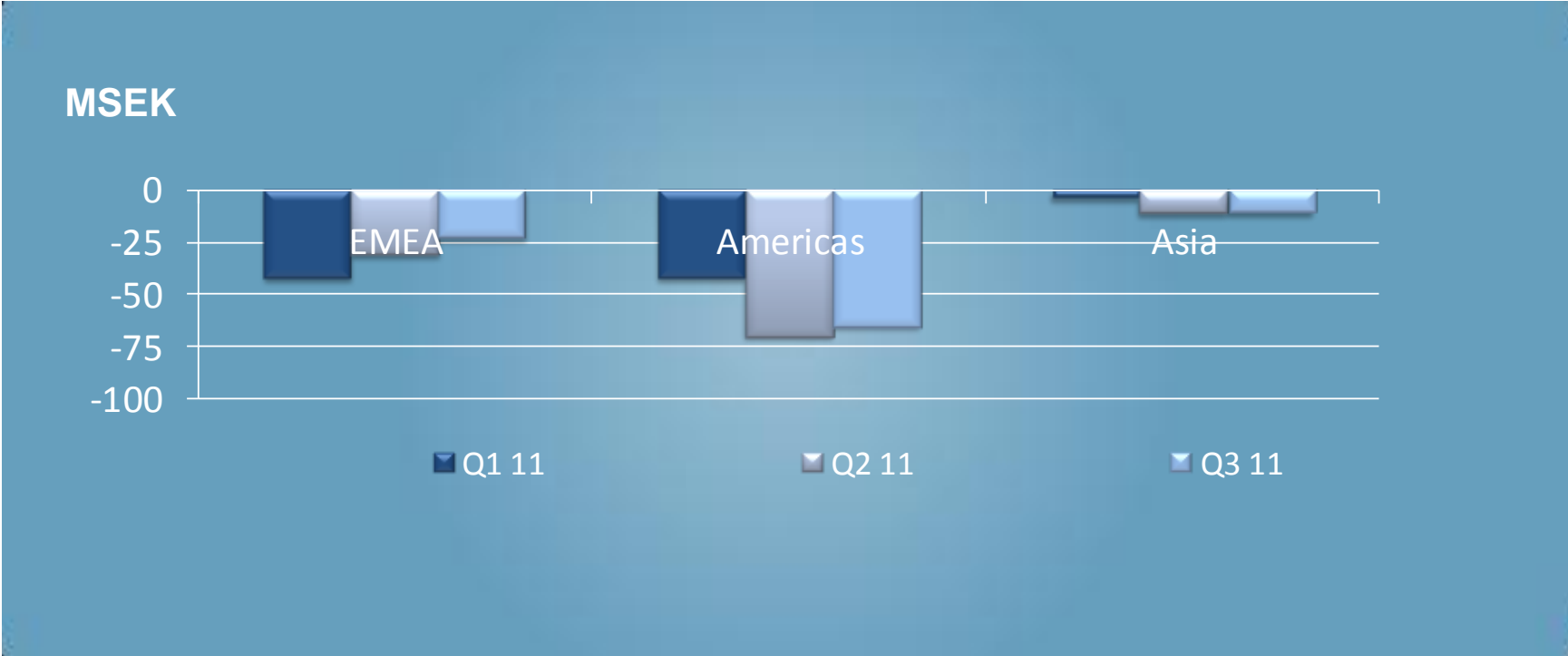


Sales

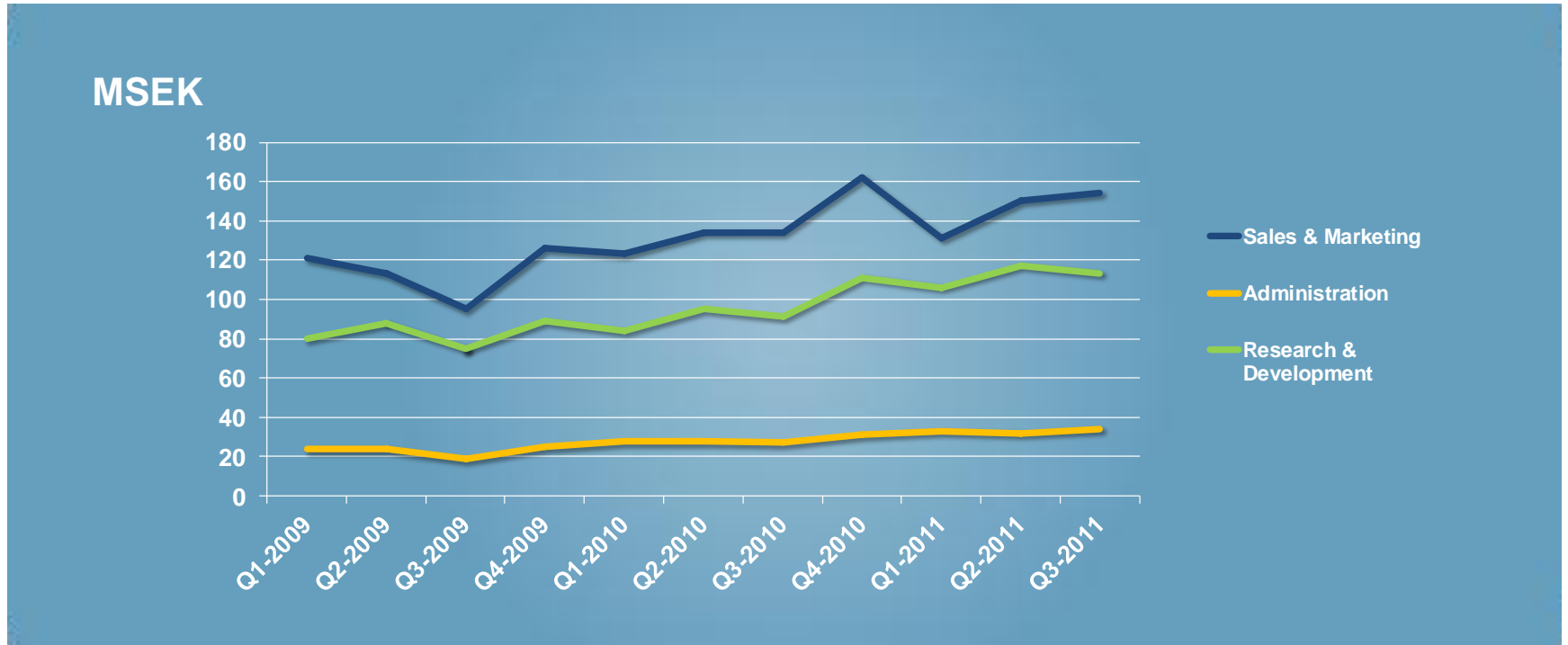
- > January – September
 - 2 527 MSEK (2 058)
 - Growth 23%
 - Currency effects, -297 MSEK
- > July – September
 - 971 MSEK (737)
 - Growth 32%
 - Currency effects, -99 MSEK



Currency effects on total sales by region

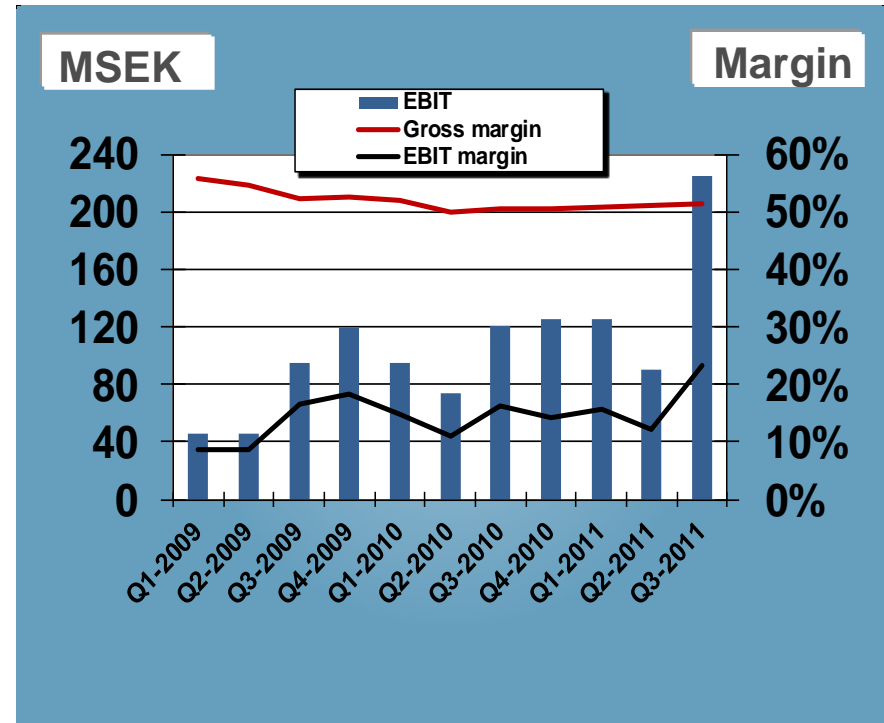


Operating expenses Q1 2009 – Q3 2011



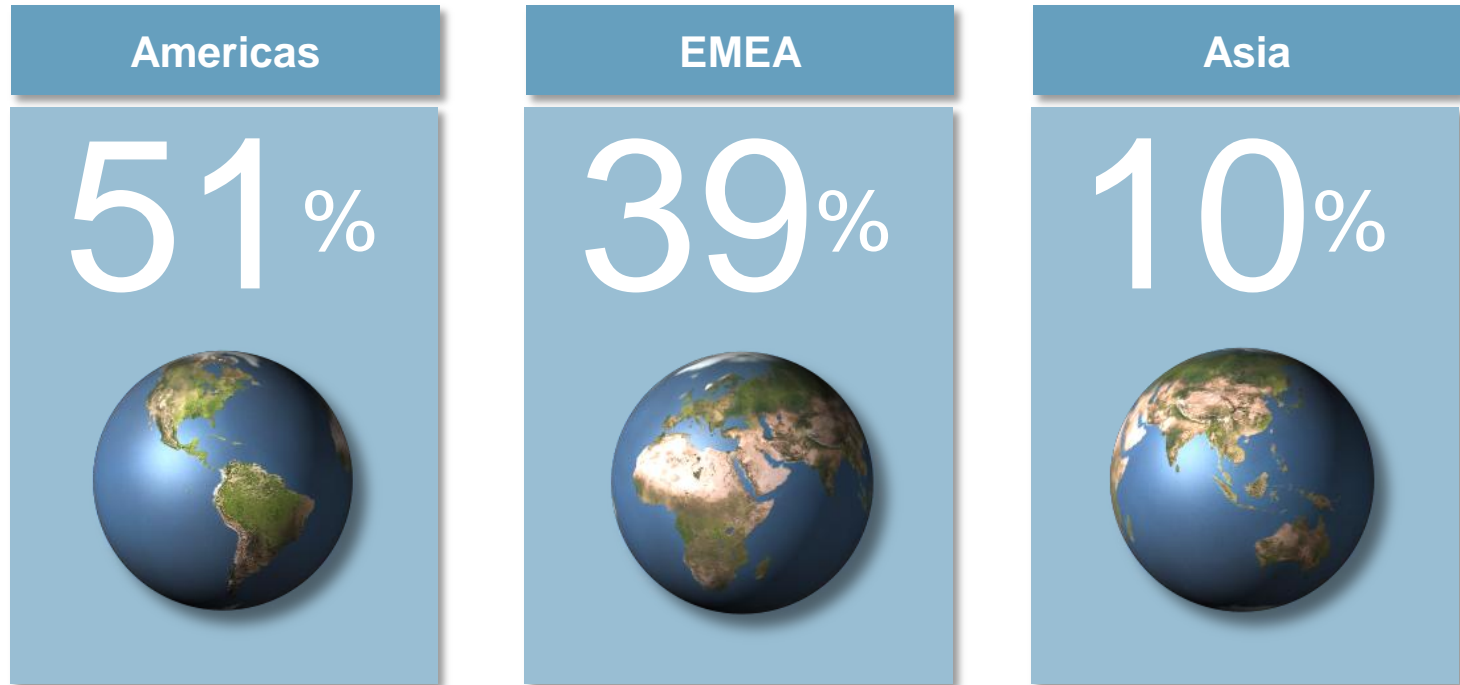
Margins*

- > Gross margin*
 - 51,5% (50,4%)
- > Operating margin
 - 23,2% (16,4%)
- > Profit margin
 - 23,1% (16,3%)



*Q3 2011

Sales in the regions*



*Q3 2011

www.axis.com

Axis strategy

Partner network



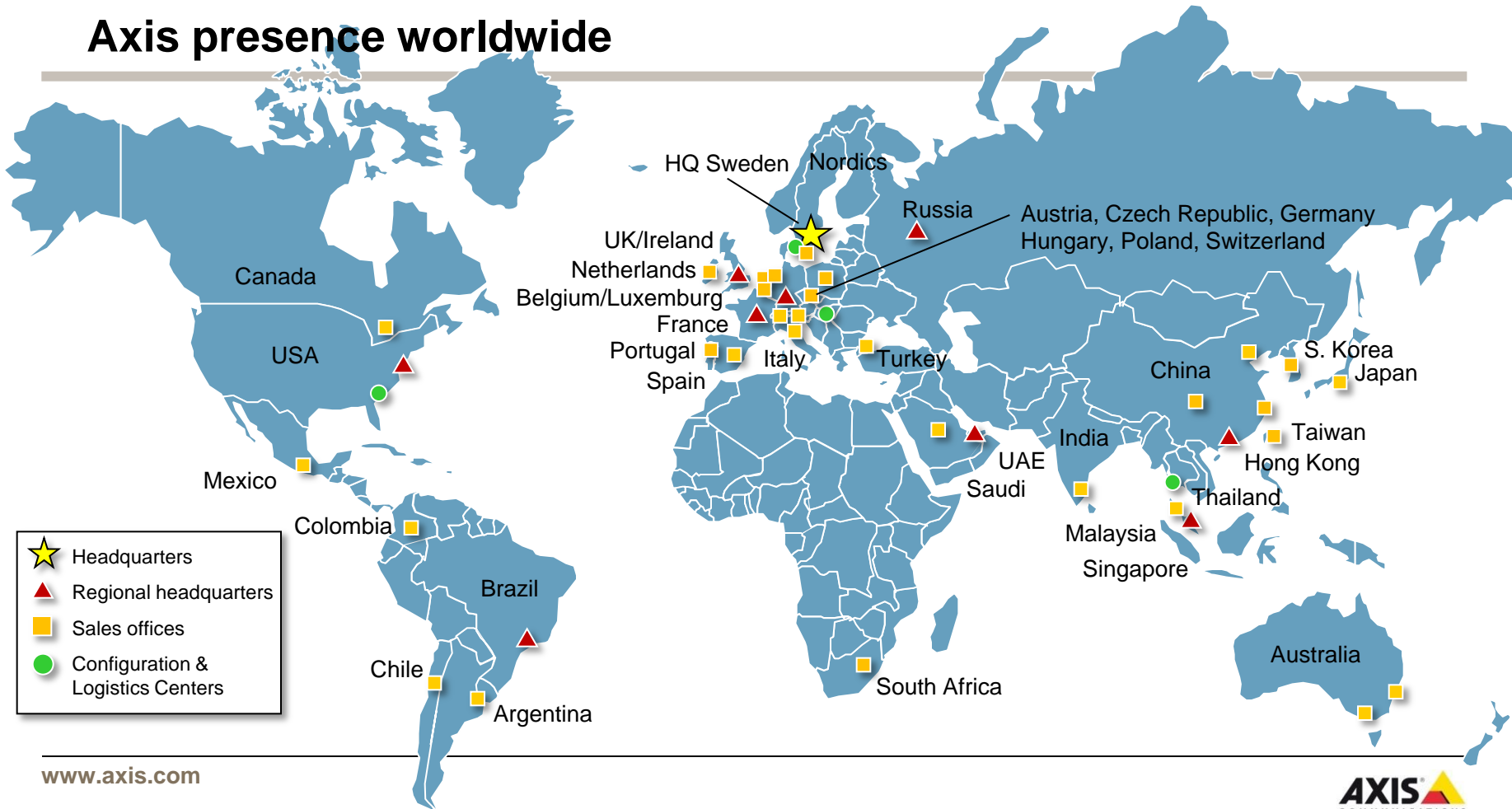
Broad and innovative product portfolio



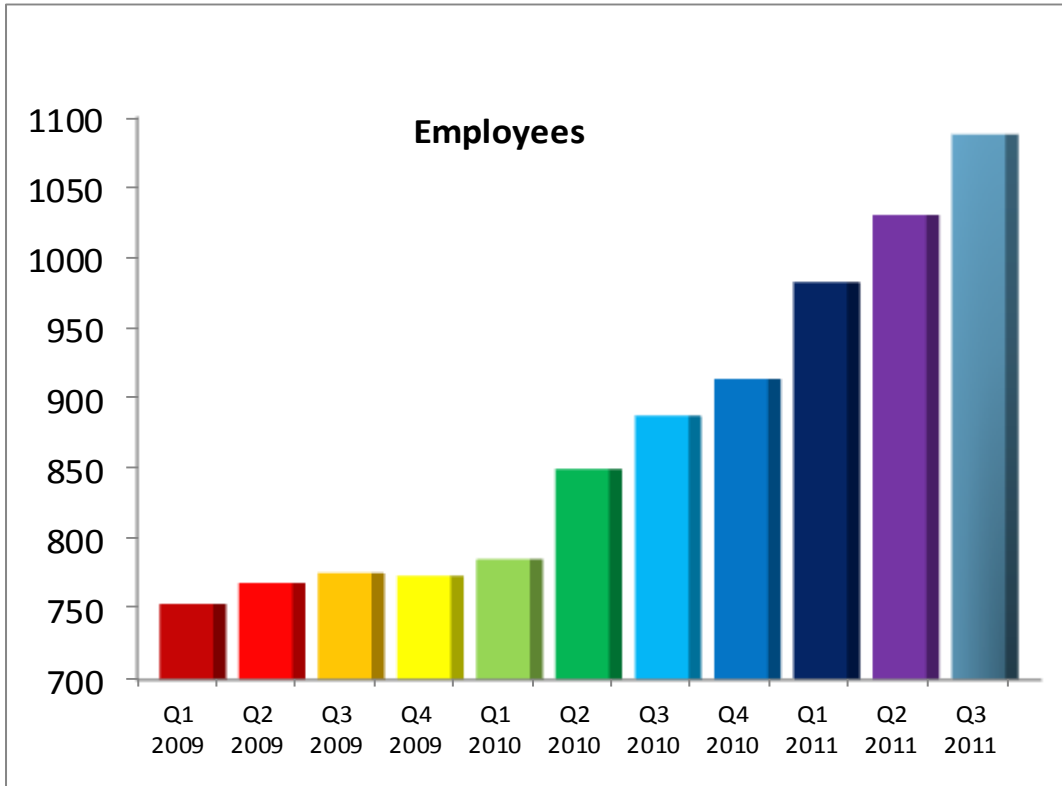
Global expansion



Axis presence worldwide

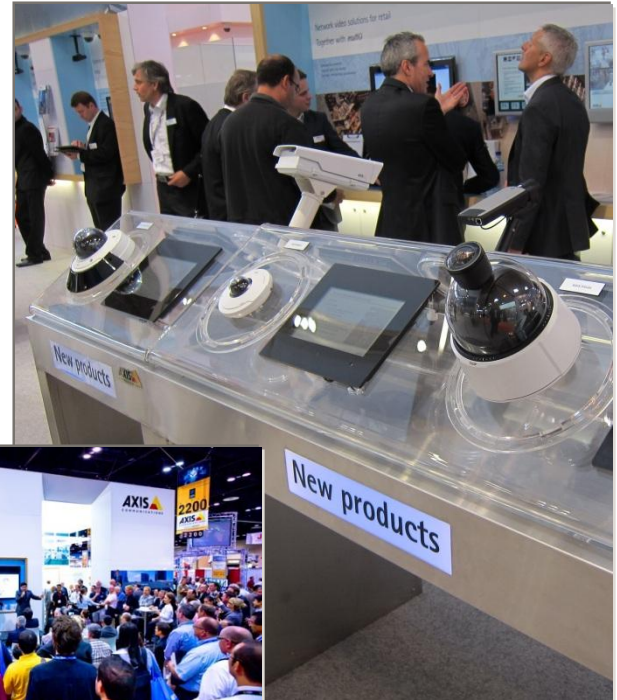


Axis hiring 2009 – 2011 (Q3)



High activity late in the quarter

- > Many important global exhibitions
 - ASIS, security exhibition in the US
 - IFSEC, security exhibition in South Africa
 - APS, security exhibition in France
- > Many partner events in all regions
- > 100 training sessions were conducted as part of Axis Academy



AXIS Q1604/-E – wide dynamic range



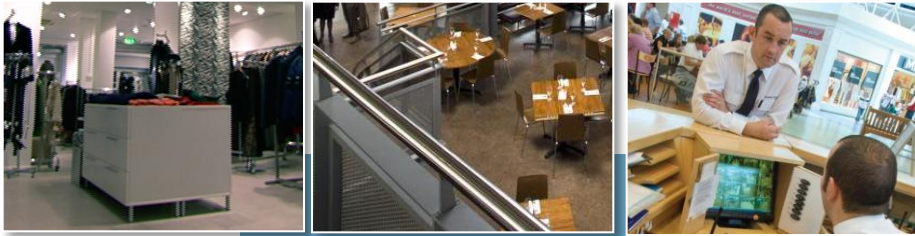
AXIS Q1604



AXIS Q1604/-E

Sharp images even with moving object and direct and intense sunlight with AXIS Q1604

AXIS M10 Network Camera Series



Smallest and smartest network cameras in six models

- > Cameras for indoor surveillance designed for easy installation
- > Applications such as boutiques, small businesses, restaurants, hotels & residences

AXIS M10 Series – Indoor fixed cameras

AXIS M1011 AXIS M1011-W AXIS M1031-W AXIS M1043-W AXIS M1044-W AXIS M1054

VGA



VGA
Wireless



VGA
Wireless



SVGA
Wireless



1 MP
HDTV 720p
Wireless



HDTV
NETWORK VIDEO

1 MP
HDTV 720p
PoE

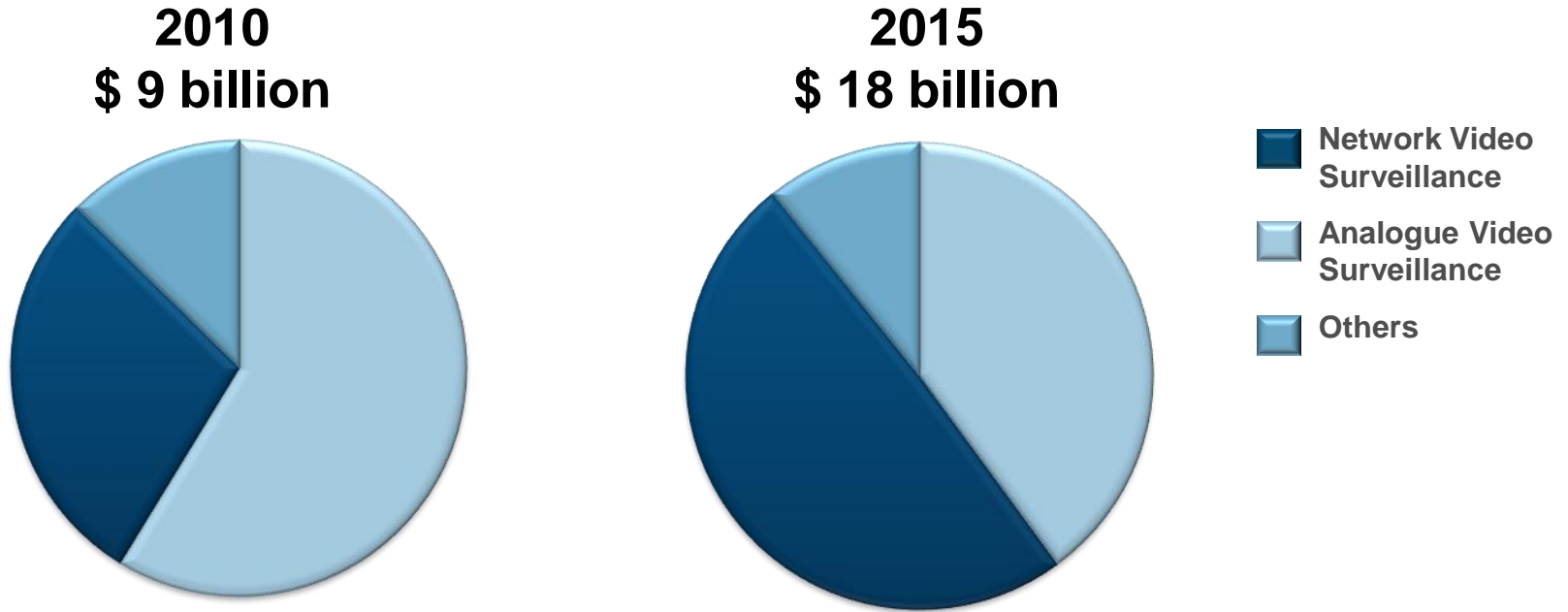


HDTV
NETWORK VIDEO

New
2011

New
2011

Video surveillance market 2010 - 2015



Total CAGR approx 14 % (Network Video CAGR 25%)

Source: IMS Research 2011

Market shares for surveillance cameras & network cameras

Rank	Supplier surveillance cameras 2010	Rank	Supplier network cameras 2010
1	Panasonic System Networks (PSN)	1	Axis Communications
2	Samsung Techwin	2	Panasonic System Networks (PSN)
3	Axis Communications	3	Sony
4	Bosch Security Systems	4	Mobotix
5	Pelco	5	Bosch Security Systems

Source: IMS Research 2011

Market shares for video encoders

Rank	Supplier Video encoders 2010
1	Bosch Security Systems
2	Axis Communications
3	Verint Systems
4	H3C
5	NICE Systems

Source: IMS Research 2011

Outlook

- > Good market conditions for a continued positive development within network video, 25-30 percent growth
 - Variations in sales between quarters are expected to continue
- > Uncertain impact from macroeconomic development
- > Continued expansion
 - High recruitment pace
 - Launch of innovative network video products



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