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Axis confirms strong sales growth in EMEA

Axis Communications, the global leader in network video¹, has published financial results for the first six months of 2008, which confirm the company's leadership position globally, with strong sales growth of 37 per cent in local currency up to SEK 882 M in its core network video market and in the EMEA region, where net sales amounted to SEK 469.5 M.

Highlights for the period include Axis' announcement of its expansion into Russia with the opening of a new sales office in Moscow, to strengthen its presence in this high potential market. The Moscow Metro, Axis' largest Russian customer, recently extended its installation, including adding network video products. More than 3,000 Axis products are now installed on Moscow Metro trains, and the project has further growth potential.

Axis continues to grow and strengthen its leadership position not only in sales but also in terms of employees. 80 people joined Axis from across the globe during the first half-year, with the total number of employees reaching 644 at the end of the period.

Building on its heritage of innovation, having introduced the world's first network camera in 1996, Axis now has the broadest network video portfolio on the market. In April 2008 Axis announced a new generation of network video products built upon the in-house developed ARTPEC-3 chip. ARTPEC-3 incorporates the H.264 compression standard that reduces the storage and bandwidth needs of network video surveillance dramatically and unburdens the increasing network overload.

In mid-May, Axis, Bosch Security Systems and Sony Corporation announced their cooperation in launching an open forum for developing a standard interface for network video products. The new standard will increase the compatibility across different manufacturers' products, which will increase freedom and flexibility for end-users and system integrators when choosing equipment.

Ray Mauritsson, president, Axis Communications, commented:

"During the first half year we continued our successful expansion by introducing a new product platform and opening of new sales offices in Moscow, San Paolo and Beijing. Despite the global financial downturn, which has affected Axis' customers' new investments and expansion plans, the global network video market remains on a high growth trajectory. Axis' goals and expansion plans have not changed."

Phil Doyle, managing director, Axis Communications (UK) Limited, commented:

"This set of financial results for the first half of this year underlines the continued strong growth enjoyed by Axis. Axis continues to invest in its products, operations and its people to capitalise on the huge opportunities presented by network video."

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Notes to editors

¹ Axis Communications is the global market leader in the network video market with a market share of network cameras of 32%. The world market for network cameras alone will be worth more than \$1 Billion by 2009. The network camera market is set to have a CAGR of more than 40 per cent per year over the next three years to reach a value of \$1.5 billion by 2010, according to industry analyst house IMS Research



(www.imsresearch.com) in its latest market report entitled '*The World Market for CCTV and Video Surveillance Equipment 2007 Edition*' published in December 2007.

About Axis

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 analogue 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 OMX Nordic Exchange under the ticker AXIS. For more information about Axis, please visit our website at www.axis.com.

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